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PAGE 01 JAKARTA 14946 01 OF 03 061141Z

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~~SECRET~~ SECTION 1 OF 3 JAKARTA 14946

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DEPARTMENT PASS NSC FOR SCOWCROFT

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E.O. 12958 Sec. 3.6

EO 11652: GDS
TAGS: OYIF(FORD GERALD R PRESIDENT)
SUBJ: FORD-SUHARTO MEETING

mc 01-32 #2; 02. ltr 6/21/01
By dlc NARA, Date 6/26/01

1. FOLLOWING IS MEMCON OF MEETING BETWEEN PRESIDENT FORD AND PRESIDENT SUHARTO IN JAKARTA DECEMBER 6. ALSO PRESENT WERE SECRETARY OF STATE KISSINGER, FOREIGN MINISTER MALIK, MINISTER OF STATE SUDHARMO, AMEMBASSADOR NEWSOM, AND AN INTERPRETER.

2. SUHARTO-I WISH TO EXPRESS MY THANKS AND VERY GREAT APPRECIATION FOR YOUR WILLINGNESS, MR PRESIDENT, TO ACCEPT MY INVITATION TO VISIT INDONESIA. ALTHOUGH THE VISIT IS VERY SHORT, I BELIEVE IT WILL BE MOST USEFUL. THE PROMOTION OF PERSONAL CONTACTS BETWEEN US IS IMPORTANT AND SIGNIFICANT FOR BOTH OF OUR COUNTRIES.

3. FORD-MY DELEGATION IS EXTREMELY GRATEFUL, MR PRESIDENT, FOR THE SPLENDID ARRANGEMENTS FOR THE VISIT. I REGRET THAT THE TIME IS SHORT BUT AFTER ELECTIONS, I HOPE TO COME BACK AGAIN FOR A LONGER PERIOD. THE OPPORTUNITY FOR SUCH FACE TO FACE MEETINGS IS ALSO HIGHLY IMPORTANT FOR ME. THE CONFIDENCE ESTABLISHED THROUGH SUCH MEETINGS IS IMPORTANT TO THE DEVELOPMENT OF OUR POLICIES. I CONSIDERED THE MEETING AT CAMP DAVID TO BE MOST FRUITFUL AND I AM CERTAIN THAT THIS CURRENT VISIT

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PAGE 02 JAKART 14946 01 OF 03 061141Z

WILL EVEN FURTHER ENHANCE OUR RELATIONSHIP. THE UNITED STATES INTENDS TO CONTINUE A STRONG INTEREST IN AND INFLUENCE IN THE PACIFIC, SOUTHEAST ASIA AND ASIA. AS A WHOLE, WE HOPE TO EXPAND THIS INFLUENCE DESPITE THE SEVERE SETBACK OF VIETNAM. OUR COUNTRY-TO-COUNTRY RELATIONSHIPS ARE VERY IMPORTANT TO THE DEVELOPMENT OF THESE POLICIES.

4. AS YOU KNOW, I HAVE JUST RETURNED FROM CHINA WHERE WE HAD DISCUSSIONS OF THE INTERNATIONAL SCENE AND AN IN-DEPTH REVIEW OF OUR BILATERAL RELATIONS. WE MADE IT CLEAR THAT WE ARE OPPOSED TO THE EXPANSION OF ANY NATION OR COMBINATION OF COUNTRIES. WE HAVE NO TERRITORIAL AMBITIONS. WE VALUE OUR RELATIONSHIP WITH INDONESIA AND RESPECT YOUR REGIONAL AND NON-ALIGNED RELATIONSHIPS.

5. SUHARTO-WHAT ARE YOUR IMPRESSIONS OF CHINA'S ATTITUDE TOWARD SOUTHEAST ASIA AFTER VIETNAM?

6. FORD-THEY WILL VIGOROUSLY EXPANSIONISM BY OTHERS INTO ASIA. IN THIS THEY THINK PARTICULARLY OF THE USSR. THEY DON'T APPEAR TO HAVE AMBITIONS OF THEIR OWN.

7. KISSINGER-WE BELIEVE THAT CHINA DOES NOT HAVE EXPANSIONIST AIMS NOW. WE CANNOT PREDICT WHAT THE SITUATION WILL BE IN FIVE YEARS. RIGHT NOW THEIR FIRST CONCERN IS THE SOVIET UNION AND THEIR SECOND VIETNAM.

8. FORD-I HAD THE IMPRESSION OF A RESTRAINED CHINESE FOREIGN POLICY LARGELY DIRECTED AT MEETING THE CHALLENGE OF RUSSIA AND VIETNAM.

9. SUHARTO-AT CAMP DAVID WE DISCUSSED THE QUESTION OF UNIFICATION OF VIETNAM. THAT SEEMS NOW TO BE MOVING AHEAD. LAOS AND CAMBODIA SEEM ALREADY UNDER VIETNAMESE INFLUENCE. DOES THE UNITED STATES BELIEVE THE THREE WILL BE INCORPORATED INTO ONE COUNTRY?

10. FORD-THE UNIFICATION OF VIETNAM HAS COME MORE QUICKLY THAN WE ANTICIPATED. THERE IS, HOWEVER, RESISTANCE IN CAMBODIA TO THE INFLUENCE OF HANOI. WE ARE WILLING

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Department of State

TELEGRAM

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PAGE 03 JAKARTA 14946 01 OF 03 061141Z

TO MOVE SLOWLY IN OUR RELATIONS WITH CAMBODIA, HOPING PERHAPS TO SLOW DOWN THE NORTH VIETNAMESE INFLUENCE ALTHOUGH WE FIND THE CAMBODIAN GOVERNMENT VERY DIFFICULT. THE SITUATION IN LAOS IS DISTURBING AND APPEARS TO DEMONSTRATE AN ACCELERATED INTEREST ON THE PART OF NORTH VIETNAM.

11. KISSINGER-IT IS INTERESTING THAT IN LAOS SOUVANNAYONG IS NOW IN A SUBORDINATE POSITION. THE CHINESE WANT TO USE CAMBODIA TO BALANCE OFF VIETNAM AND ARE KEEPING TROOPS IN CONNECTION WITH ROAD BUILDING IN THE NORTH. WE DON'T LIKE CAMBODIA, FOR THE GOVERNMENT IN MANY WAYS IS WORSE THAN VIETNAM, BUT WE WOULD LIKE IT TO BE INDEPENDENT. WE DON'T DISCOURAGE THAILAND OR CHINA FROM DRAWING CLOSER TO CAMBODIA.

12. SUHARTO-THE FACT REMAINS THAT SIHANOUK, DESPITE SUPPORT FROM CHINA, HAS NO AUTHORITY AND THE KHMER ROUGE LEADERSHIP IS CLOSER TO HANOI. THEY ARE GUIDED BY THE WILL OF HO CHI MINH.

13. KISSINGER-LE QUC THO USED TO TELL ME THAT THEIR AMBITION WAS ALL OF INDOCHINA AFTER WHICH THEY WOULD PROCEED TO TAKE OVER SOUTHEAST ASIA.

14. SUHARTO-IN RECENT POWER POLITICS THE THREE INDOCHINESE COUNTRIES ARE TRYING TO SEPARATE THEMSELVES FROM THE BIG POWERS AND BECOME MEMBERS OF THE NON-ALIGNED MOVEMENT. CAMBODIA AND LAOS ARE MEMBERS ALTHOUGH HANOI IS NOT YET A MEMBER. THIS CAN CAUSE NEW PROBLEMS FOR THE NON-ALIGNED MOVEMENT. SEVERAL COMMUNIST COUNTRIES NOW WANT TO BE NON-ALIGNED. YUGOSLAVIA, CUBA AND ROMANIA ARE EXAMPLES. NOW AMONG THE NON-ALIGNED COUNTRIES THERE ARE NO CONSISTENT POLICIES AND NO SOLID BLOC.

15. ONE OF INDONESIA'S MAIN CONCERNS IS THE DANGER FROM INDOCHINA WHETHER THERE IS ONE STATE OR THREE. THIS DANGER APPLIES TO ALL OF THE NON-COMMUNIST COUNTRIES IN THE AREA.

16. FORD-FROM PAST HISTORY IT IS CLEAR THAT INDOCHINA

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Department of State

TELEGRAM

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PAGE 04 JAKART 14946 01 OF 03 061141Z

WOULD BE A DISTURBING ELEMENT IN ANY GROUP. DO THE NON-COMMUNIST COUNTRIES HAVE A VETO OVER NEW MEMBERS OF THE NON-ALIGNED GROUP?

17. SUHARTO: NO. IT IS DIFFICULT TO EXCLUDE ANYONE BECAUSE OF THE LARGE NUMBER OF AFRICAN COUNTRIES WHO ARE SO EASILY INFLUENCED. THIS IS WHAT BROUGHT ABOUT THE ADMISSION OF NORTH KOREA. PARTLY BECAUSE OF THIS SITUATION WE ARE NOW CONCENTRATING ON CONSOLIDATING OURSELVES IN SOUTH-EAST ASIA. WE ARE TRYING TO FIND IDENTICAL VIEWS ON FACING THE COUNTRIES IN INDOCHINA AND ON WAYS AND MEANS TO IMPROVE SECURITY. AT THE BEGINNING WE HAD DIFFERENCES

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Department of State

TELEGRAM

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PAGE 01 JAKARTA 14946 02 OF 03 061011Z

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~~SECRET~~ SECTION 2 OF 3 JAKARTA 14946

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OF OPINION, THAILAND AND MALAYSIA, WITH A COMMON BORDER WITH INDOCHINA, SAW NO IMMEDIATE THREAT AND WANTED TO ESTABLISH RELATIONS WITH HANOI. INDONESIA ADVISED THEM THAT EVEN THOUGH THERE WAS NO PHYSICAL THREAT THIS DID NOT MEAN THERE WAS AN ABSENCE OF DANGER. THE LOCAL INSURGENCIES REPRESENT A GREATER DANGER THAN WOULD AN OVERT PHYSICAL THREAT. THE ASEAN LEADERS HAVE NOW CONCLUDED THAT THE INSURGENT ELEMENTS HAVE STEPPED UP THEIR ACTIVITIES. THE ASEAN LEADERS WILL SEEK TO CONSOLIDATE THEIR ACTION IN THE FORTHCOMING ASEAN SUMMIT. THE AGENDA WILL INCLUDE ECONOMICS AND POLITICS AS WELL AS SECURITY.

18. ON THE ECONOMIC SIDE THE OBJECTIVE WILL BE TO STRENGTHEN NATIONAL RESILIENCE. IT IS IMPORTANT TO COOPERATE CLOSELY TOGETHER SO THAT NO COUNTRY IS A WEAK LINK. IN THIS CONNECTION THE ASEAN COUNTRIES WISHED TO TAKE A COMMON STAND ON TRADE RELATIONS AND AVOID COMPETITION AMONG THEMSELVES. A RELATIONSHIP NOW EXISTS WITH THE EEC AND CONSULTATIONS ARE CONDUCTED THROUGH A SPECIAL COMMITTEE CALLED SCAN. INDONESIA WOULD LIKE TO SEE THE ESTABLISHMENT OF CONSULTATIONS ON ECONOMIC MATTERS BY ASEAN WITH OTHER COUNTRIES AND PARTICULARLY THE UNITED STATES. HOW THIS WOULD BE DONE IS NOW BEING DISCUSSED. INDONESIA IS THE LEADER OF THE GROUP TALKING WITH THE EEC AND THE PHILIPPINES WILL BE THE LEADER OF THE GROUP IN DISCUSSIONS WITH THE UNITED STATES. (THIS POINT WAS SUBSEQUENTLY CLARIFIED WITH GENERAL SUDHARMO.)

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Department of State TELEGRAM

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PAGE 02 JAKARTA 14946 02 OF 03 061211Z

00M FORD-WE WOULD WELCOME SUCH DISCUSSIONS AND WILL WAIT UNTIL THE INITIATIVE IS TAKEN BY THE PHILIPPINES FOR THE GROUP.

20. SUHARTO-THE ASEAN COUNTRIES DO NOT WISH TO EMBARK ON OVERLY AMBITIOUS PROGRAMS BUT WISH TO FIND PROJECTS BENEFICIAL TO ALL. PART OF THE EFFORT WILL BE IN INDUSTRIES IN WHICH PRODUCTS ARE CLEARLY IN DEMAND SUCH AS IN FERTILIZER. INDONESIA IS NOW PRODUCING UREA FERTILIZER AND THE PHILIPPINES HAS THE PROSPECT OF PRODUCING PHOSPHATES.

21. FORD-WHERE WOULD THE CAPITAL COME FROM FOR SUCH PROJECTS?

22. SUHARTO-WE ENVISAGE JOINT VENTURES WITH ALL FIVE COUNTRIES INVOLVED.

23. KISSINGER-WE WOULD WELCOME SUCH PROJECTS AND HAVE LONG SUPPORTED THE IDEA OF REGIONAL ARRANGEMENTS. WE BELIEVE THAT THESE WOULD HAVE AN IMPORTANT EFFECT.

24. SUHARTO-WE UNDOUBTEDLY WOULD BE LOOKING FOR CAPITAL FROM THE US ALSO FOR SUCH PROJECTS.

25. IN DISCUSSIONS OF SECURITY AMONG THE ASEAN COUNTRIES, WE ARE SEEKING TO AVOID ANY OUTWARD INDICATION OF A PACT. WE INTEND TO BEGIN BY AN EXCHANGE OF INTELLIGENCE ANALYSES AND ESTIMATES. WE WILL THEN DECIDE WHAT METHODS WE SHOULD USE TO REINFORCE OUR SECURITY.

26. FORD-DO YOU CONSIDER THE INSURGENCY IN THAILAND AND MALAYSIA YOUR MOST IMMEDIATE THREAT?

27. SUHARTO-EXACTLY. IT IS THERE THAT WE ARE NOW TRYING TO ANALYSE WHAT WE SHOULD DO. WHAT WE DO MUST BE CLOSELY RELATED TO OUR CAPABILITIES, TO A DETERMINATION OF HOW STRONG WE ARE. THESE CAPABILITIES ARE CURRENTLY LIMITED. IT IS IMPORTANT, THEREFORE, THAT WE CONSOLIDATE THE STRENGTH OF THE PEOPLES IDEOLOGY, POLITICALLY, ECONOMICALLY AND MILITARILY. ALL VILLAGES SHOULD BECOME

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Department of State

TELEGRAM

~~SECRET~~

PAGE 03 JAKART 14946 02 OF 03 061211Z

FORTRESSES. THIS REQUIRES SUBSTANTIAL SMALL ARMS. THAILAND AND INDONESIA ARE STUDYING THE MEANS OF PROVIDING SUCH ARMS. BOTH MALAYSIA AND THAILAND ARE INTERESTED IN SMALL ARMS PRODUCTION BUT FOR SECURITY REASONS WOULD BE PREPARED TO SEE THIS PRODUCTION IN INDONESIA. WE WOULD LIKE TO BUILD A PLANT TO PRODUCE M-16 RIFLES. WOULD THE UNITED STATES CONSIDER ASSISTING IN THE CONSTRUCTION OF SUCH A PLANT?

28. KISSINGER-WE WOULD FAVOR THIS AS A GOVERNMENT BECAUSE OF ITS INDICATION OF WIDER COOPERATION.

29. FORD-WE WOULD BE MORE THAN SYMPATHETIC, WE WOULD BE ENTHUSIASTIC ABOUT SUCH A CONCEPT.

30. SUHARTO-WE ARE NOW TAKING FORMAL STEPS. HE LEADERSHIP ON THE PROJECT IS LEFT TO INDONESIA.

31. FORD-WE WERE NOT ANXIOUS TO WITHDRAW FROM THAILAND AS RAPIDLY AS THE THAIS WANTED.

32. KISSINGER-WE WILL KEEP UTAPAO AIR BASE.

33. FORD-WE ARE STILL IN THAILAND. WE ALSO HAVE HAD SOME CONTACTS WITH MALAYSIA AND SINGAPOR ABOUT INCREASED MILITARY AID.

34. SUHARTO-INSURGENCY HAS NOW REACHED THE CAPITALS IN BOTH THAILAND AND MALAYSIA. IT IS BECOMING INCREASINGLY DIFFICULT TO FACE THIS INSURGENCY. FOR ONE THING, THERE ARE CONFLICTS OF INTEREST IN BOTH THAILAND AND MALAYSIA. THE RACIAL PROBELMS IN MALAYSIA ARE AN EXAMPLE. THE COMMUNISTS ARE TRYING TO SUBVERT BY CUTTING LINKS BETWEEN THE ASEAN COUNTRIES. THEY WANT TO CUT MALAYSIA FIRST.

35. FORD-WHERE ARE THE INSURGENTS COMING FROM?

36. SUHARTO-MAINLY FROM CHINA. 40 PCT OF THE POPULATION IN MALAYSIA ARE CHINESE. VIETNAM AND THE SOVIET UNION WILL NOT STAND STILL IF THEY FEEL THERE ARE OPPORTUNITIES IN MALAYSIA. WE NEED TO FORTIFY MALAYSIA BUT THIS IS NOT EASY TO DO BECAUSE OF THE CHINESE INFLUENCE IN MALAYSIA.

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Department of State

TELEGRAM

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PAGE 04 JAKART 14946 02 OF 03 061211Z

THIS CAUSES GREAT CONCERN TO SINGAPORE WHICH WOULD BE IN DANGER IF MALAYSIA FELL. WE ARE CONCERNED BECAUSE IT WOULD BRING THE COMMUNISTS RIGHT TO OUR THRESHHOLE.

37. FORD-IS THAILAND THREATENED BY VEITNAM?

38. SUHARTO-YES. THERE IS A LONG HATRED BETWEEN THAILAND AND VIETNAM.

39. I WOULD LIKE TO SPEAK TO YOU, MR PRESIDENT, ABOUT ANOTHER PRBELN, TIMOR. WHEN IT LOOKED AS IF THE PORTUGUESE RULE WOULD END IN TIMOR WE SOUGHT TO ENCOURAGE THE PORTUGUESE TO AN ORDERLY DECOLONIZATION PROCESS. WE HAD AGREEMENT WITH THEM ON SUCH A PROCESS AND WE RECOGNIZED THE AUTHORITY OF PORTUGAL IN THE CARRYING OUT OF DECOLONIZATION AND IN GIVING PEOPLE THE RIGHT TO EXPRESS THEIR WISHES. INDONESIA HAS NO TERRITORIAL AMBITIONS. WE ARE CONCERNED ONLY ABOUT THE SECURITY, TRANQUILITY AND PEACE OF ASIA AND THE SOUTHERN HEMISPHERE. IN THE LATEST ROME AGREEMENT THE PORTUGUESE GOVERNMENT WANTED TO INVITE ALL PARTIES TO NEGOTIATE. SIMILAR EFFORTS WERE MADE BEFORE BUT FRETILIN DID NOT ATTEND. AFTER THE

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Department of State

TELEGRAM

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PAGE 01 JAKART 14946 03 OF 03 061237Z

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S E C R E T SECTION 3 OF 3 JAKARTA 14946

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FRETELIN FORCES OCCUPIED CERTAIN POINTS AND OTHER FORCES WERE UNABLE TO CONSOLIDATE, FRETELIN HAS DECLARED ITS INDEPENDENCE UNILATERALLY. IN CONSEQUENCE OTHER PARTIES DECLARED THEIR INTENTION OF INTEGRATING WITH INDONESIA, PORTUGAL REPORTED THE SITUATION TO THE UNITED NATIONS BUT DID NOT EXTEND RECOGNITION TO FRETELIN, PORTUGAL, HOWEVER, IS UNABLE TO CONTROL THE SITUATION. IF THIS CONTINUES IT WILL PROLONG THE SUFFERING OF THE REFUGEES AND INCREASE THE INSTABILITY IN THE AREA.

40. FORD-THE FOUR OTHER PARTIES HAVE ASKED FOR INTEGRATION?

41. SUHARTO-YES, AFTER THE UDT, INDONESIA FOUND ITSELF FACING A FATE ACCOMPLI. IT IS NOW IMPORTANT TO DETERMINE WHAT WE CAN DO TO ESTABLISH PEACE AND ORDER FOR THE PRESENT AND THE FUTURE IN THE INTEREST OF THE SECURITY OF THE AREA AND INDONESIA. THESE ARE SOME OF THE CONSIDERATIONS WE ARE NOW CONTEMPLATING. WE WANT YOUR UNDERSTANDING IF WE DEEM IT NECESSARY TO TAKE RAPID OR DRASTIC ACTION.

42. FORD-WE WILL UNDERSTAND AND WILL NOT PRESS YOU ON THE ISSUE. WE UNDERSTAND THE PROBLEM YOU HAVE AND THE INTENTIONS YOU HAVE.

43. KISSINGER-YOU APPRECIATE THAT THE USE OF US-MADE ARMS COULD CREATE PROBLEMS.

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Department of State

TELEGRAM

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PAGE 02 JAKART 14946 03 OF 03 061237Z

RRM FORD-WE COULD HAVE TECHNICAL AND LEGAL PROBLEMS, YOU ARE FAMILIAR, MR PRESIDENT, WITH THE PROBLEMS WE HAD ON CYPRUS ALTHOUGH THIS SITUATION IS DIFFERENT.

45. KISSINGER-IT DEPENDS ON HOW WE CONSTRUE IT; WHETHER IT IS IN SELF DEFENSE DR IS A FOREIGN OPERATION. IT IS IMPORTANT THAT WHATEVER YOU DO SUCCEEDS QUICKLY, WE WOULD BE ABLE TO INFLUENCE THE REACTION IN AMERICA IF WHATEVER HAPPENS HAPPENS AFTER WE RETURN. THIS WAY THERE WOULD BE LESS CHANCE OF PEOPLE TALKING IN AN UN-AUTHORIZED WAY. THE PRESIDENT WILL BE BACK ON MONDAY AT 2:00 PM JAKARTA TIME. WE UNDERSTAND YOUR PROBLEM AND THE NEED TO MOVE QUICKLY BUT I AM ONLY SAYING THAT IT WOULD BE BETTER IF IT WERE DONE AFTER WE RETURNED.

46. FORD-IT WOULD BE MORE AUTHORITATIVE IF WE CAN DO IT IN PERSON.

47. KISSINGER-WHATEVER YOU DO, HOWEVER, WE WIL TRY TO HANDLE IN THE BEST WAY POSSIBLE.

48. FORD-WE RECOGNIZE THAT YOU HAVE A TIME FACTOR, WE HAVE MERELY EXPRESED OUR VIEW FROM OUR PARTICULAR POINT OF VIEW.

49 KISSINGER-IF YOU HAVE MADE PLANS, WE WILL DO OUR BEST TO KEEP EVERYONE QUIET UNTIL THE PRESIDENT RETURNS HOME.

50. DO YOU ANTICIPATE A LONG GUERILLA WAR THERE?

51. SUHARTO-THERE WILLPROBABLY BE A SMALL GUERILLA WAR. THE LOCAL KINGS ARE IMPORTANT, HOWEVER, ADN THEY ARE ON OUR SIDE. THE UOT REPRESENTS FORMER GOVERNMENT OFFICIALS AND FRET LIN REPRESENTS FORMER SOLDIERS. THEY ARE INFECTED THE SAME AS IS THE PORTUGUESE ARMY WITH COMMUNISM.

52. I WOULD LIKE TO SAY A WORD ABOUT TRADE RELATIONS. THERE ARE SEVERE ECONOMIC PRESSURES ON OUR COUNTRIES.

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Department of State

TELEGRAM

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PAGE 03 JAKART 14046 03 OF 03 061237Z

WE MUST DO ALL WE CAN TO MAXIMIZE OUR INCOME. IN THIS CONNECTION THERE IS AN IMBALANCE OF PROFITS BETWEEN THE OIL COMPANIES OPERATING IN INDONESIA AND THOSE OPERATING IN THE MIDDLE EAST. INDONESIAN COMPANIES MAKE AS MUCH AS \$2.50 A BARREL WHEREAS THE PROFITS IN THE MIDDLE EAST ARE UNDER \$1.00 A BARREL.

53. FORD-ARE THEY REINVESTING AND EXPANDING OPERATIONS?

54. SUHARTO-YES, WE DON'T WANT TO INTERFERE WITH THAT BUT WE BELIEVE THEY CAN STRETCH OUT THEIR PROFITS. WHAT WE DO SHOULD NOT BE INTERPRETED AS NATIONALIZATION. WE ARE SEEKING AN UNDERSTANDING AND NEGOTIATIONS ARE UNDERWAY. PROSPECTS ARE ENCOURAGING. WE ALSO WANT THE UNDERSTANDING OF THE USG HOWEVER.

55. FORD-THEY SHOULD BE GRATEFUL THAT THEY ARE TREATED WELL HERE IN INDONESIA, MUCH BETTER THAN IN SOME OTHER COUNTRIES. I HOPE THAT YOUR NEGOTIATIONS WITH THEM WILL BE BENEFICIAL AND THAT THEY WILL SUPPORT YOUR EFFORT.

56. KISSINGER-OUR MAIN CONCERN IS THAT WHATEVER YOU DO DOES NOT CREATE A CLIMATE THAT DISCOURAGES INVESTMENT. BASICALLY THE MATTER IS BETWEEN YOU AND THE COMPANIES. WE ARE NOT INVOLVED IN SUCH PROBLEMS.

57. SUHARTO-WE HAVE TAKEN THESE VIEWS INTO ACCOUNT AND EVERYTHING THAT WE DO WILL BE BASED ON EXISTING LAWS. WE WANT TO FIND WAY OF OBTAINING REVENUE WHICH WILL NOT JEOPARDIZE FAIR PROFITS FOR THE COMPANIES.

58. KISSINGER- WE APPRECIATE YOUR CLARIFICATION OF THIS MATTER.

59. FORD-LET ME ASSURE YOU THAT WE UNDERSTAND YOUR SITUATION. WE HAVE NO PARTICULAR RECOMMENDATIONS.

60. SUHARTO-ONCE MORE, I THANK YOU FOR THIS VISIT. WE ARE A COUNTRY THAT HAS MANY NEEDS AND WE CONTINUE TO LOOK TO THE UNITED STATES TO HELP US.

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Department of State

TELEGRAM

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PAGE 04 JAKARTA 14946 03 OF 03 001237Z

YQM FORD-WE WILL DO WHAT WE CAN. OUR PROBLEM IS TO CON-
VINCE CONGRESS WHERE WE HAVE GREAT DIFFICULTIES. ALTHOUGH
PROSPECTS MAY BE A LITTLE BETTER THAN WE HAD THOUGHT EARLIER.
ON THE ECONOMIC SIDE, WE ARE SEEKING TO OBTAIN THE MAXIMUM
AMOUNT WHICH IS IN THE VICINITY OF \$80 MILLION THIS YEAR.
WE WILL ALSO TRY TO GET CONGRESS TO MODIFY THE TRADE ACT
WHICH EXCLUDES OPEC COUNTRIES FROM GENERALIZED PREFERENCES.
WE REALIZE THAT INDONESIA DID NOT PARTICIPATE IN THE OIL
EMBARGO. CONGRESS HAS, UNFORTUNATELY TREATED ALL OPEC
COUNTRIES IN THE SAME FASHION.

62. I WOULD LIKE TO MENTION ALSO, MR PRESIDENT, THAT I
WANT TO MAINTAIN A DIRECT RELATIONSHIP. IF YOU HAVE ANY
THING SPECIAL, I HOPE YOU WILL COMMUNICATE WITH ME
DIRECTLY BY WHATEVER MEANS SEEMS APPROPRIATE. NEWSOM

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