

Indonesia

266. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, March 26, 1969.

[Omitted here is discussion unrelated to Indonesia.]

—*Tour d'Horizon with President Soeharto*: During Ambassador Green's farewell call, President Soeharto made a number of remarks indicative of his present thinking:²

a. He thought that the USSR provided the principal pressure point on Hanoi for a settlement of the war, but Indonesia has no present leverage with the USSR.

b. A resumption of bombing of North Vietnam might increase Hanoi's interest in a negotiated settlement. (Ambassador Green commented that he has never heard him come out so openly for bombing.)³

c. He was very much aware of the relationship of Vietnam to Indonesia's own security.

d. He is concerned at a resurgence of Communist activity in Indonesia, and blames the Chinese Communists.

e. He underlined the importance of Indonesian cooperation with its neighbors and stated flatly that Indonesian forces would if necessary take a forward defense posture. If there were aggression against Malaysia, and Malaysia requested help, Indonesia would send forces. (Ambassador Green observes that Soeharto and the military take a more relaxed view as to the requirements of "non-alignment" than do Malik and the Foreign Office.)

f. President Soeharto reiterated his interest in visiting the US, and Ambassador Green said that he was confident that a visit would be welcome, and that the Indonesian Ambassador was in touch with our Government on the question.⁴

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 4, President's Daily Briefs. Top Secret; Sensitive; Codeword.

² Green's farewell call on President Suharto was reported in telegram 1724 from Jakarta, March 23. (Ibid., RG 59, Central Files 1967-69, POL INDON-US)

³ Nixon wrote the following comment next to this paragraph: "K. Note! He may be right (on psychology)."

⁴ A marginal note in Nixon's handwriting next to this sentence reads, "K as soon as possible. Summer or Fall."

Despite the shibboleths of non-alignment, President Soeharto's views seem to be running very close to ours on most of the key questions of Southeast Asia security. (Tab B)⁵

[Omitted here is discussion unrelated to Indonesia.]

⁵ Attached at Tab B but not printed is telegram 1724 from Djakarta, March 23.

267. Memorandum From Secretary of State Rogers to President Nixon¹

Washington, April 1, 1969.

SUBJECT

U.S. Position at April 14 Inter-Governmental Group (IGGI) Meeting on Indonesia

Last year, the Government of Indonesia, with the support of the World Bank and International Monetary Fund, requested \$500 million of aid for calendar 1969. This request was addressed to the Inter-Governmental Group on Indonesia (IGGI), composed of the Bank, the Fund, the United States, Japan, Netherlands, France, Australia, Belgium, Germany, Italy, and the United Kingdom.

At the October 21, 1968 meeting of the IGGI, the United States pledged to meet one-third of the non-food aid portion (\$365 million) of this request, plus an undefined "fair share" of the food aid needs then estimated at \$135 million.

This memorandum requests your authority to reaffirm that pledge at the April 14 IGGI meeting and approval of the program to carry it out.

Progress of the Soeharto Government

President Soeharto gained effective control of the Government of Indonesia almost two years ago, following the bloody aftermath of the Communist coup attempt of October, 1965. His performance during this period has exceeded what most observers thought possible.

¹ Source: National Archives, RG 59, Central Files 1967-69, FN 1-1 INDON. Confidential. A typed notation at the top of the memorandum reads: "Approved. Mr. Sneider to D Gleysteen 4/11/69." A handwritten notation underneath the date reads: "Called AID (Menlinberg) 4/14. M. says he saw a 4/13 State cable notifying our delegation of Pres. decision."

In the economic field, Soeharto and his American-trained advisers have, with the help of foreign aid and the advice of the Bank and Fund, sharply reduced the inflation rate from 635% in 1966 to about 26% for the twelve months ending March 1, 1969. Budgetary stringency and expanded tax collection have led to a balanced 1968 budget. Foreign private investment has been welcomed, although bureaucratic barriers continue to hinder the flow. Free market forces are now the prime determinants of import priorities; government corporations are no longer heavily subsidized; the private trade sector has been revitalized by ending a corrupt system of licenses and controls, and by enabling private enterprise to obtain needed spare parts, new equipment, and raw materials. Exports for 1968 reached the highest level for seven years; they were about 10% above 1967. But stabilization austerity has understandably restricted growth and Indonesia is only beginning the long climb back to pre-1941 levels of productivity.

In the political field, the Soeharto Government ended Sukarno's career and confrontation with Malaysia, re-instituted freedom of the press, brought the legislature into the political process for the first time in many years, and suppressed a communist attempt in mid-1968 to establish a guerrilla base in eastern Java. Very serious problems, going to the heart of Indonesia's future, remain: the vitality of political parties is limited and Soeharto has not yet attempted to mobilize effectively the goodwill toward him that exists throughout the country, thus leaving him excessively dependent on the armed forces for political support and administrative action; corruption and smuggling are still widespread and may become a serious political issue; and the nation's archaic administrative apparatus is burdened by an inflated civil service.

Despite these and other problems, Soeharto has succeeded in taking many of the politically tough decisions needed to stop economic decline and to move towards stability. The Government is now preparing to give highest priority to economic reconstruction and development. The aid extended by the IGGI has been critical to economic progress thus far, and Soeharto's ability to persist in sensible economic and political reforms depends heavily on continued international support.

The Multilateral Approach

In 1966 the United States decided that our interests called for a wholly new approach to our aid strategy in Indonesia which would maximize aid from other nations, deeply involve international agencies, and minimize direct U.S. Government involvement in Indonesian initiative and decision-making.

The United States took the lead in calling together in 1966 a group of Indonesia's western creditors (the communist states, though invited, refused to participate), to consider Indonesia's unmanageable debt

problem, a \$2.2 billion burden inherited from the Sukarno era. The main western creditors reached agreement in 1966, and again in 1967 and 1968, to reschedule current or overdue principal and interest payments on this debt. Communist countries have separately made comparable debt rescheduling arrangements with Indonesia. But, as Indonesia's servicing of "Sukarno" and new aid indebtedness for the next decade far exceeds its capacity to repay without great harm to its development, western creditors are now sponsoring a study to find a long-term solution to this problem.

The IGGI, formed subsequent to the first creditors' meeting, has met about every six months since early 1967 to consider Indonesia's economic performance and its need for foreign assistance.

The International Monetary Fund has taken the lead in advising the Indonesians on their stabilization program and in evaluating their economic performance for the benefit of aid donors. The Fund has taken the unusual step of establishing a resident mission in Djakarta, including a group providing much needed technical assistance in fiscal affairs. In addition, the Fund entered into a \$51 million standby arrangement with Indonesia in 1968 and the Fund staff has just demonstrated further support for the Soeharto Government's economic program by recommending a \$70 million standby for 1969.

The World Bank has also assumed a major and unprecedented role in Indonesia's development. In October, 1968 the Bank opened an office in Djakarta with a ten-man professional staff to assist Indonesia in planning development programs, preparing capital projects, and coordinating foreign assistance. Thus far, the International Development Association has authorized \$7 million in credits to Indonesia, with \$20-\$40 million more expected in 1969.

The Asian Development Bank, United Nations Development Program, Harvard Development Advisory Service, and other agencies are also providing skilled personnel and financial resources.

United States Aid

In 1967, the IGGI countries provided \$210 million in general stabilization support to Indonesia. Of this, the United States provided about a third, or \$65.2 million (\$37.5 million in A.I.D. commodity loans and \$27.7 million in P.L. 480 rice and cotton). Japan also contributed about a third, with other donors providing the remainder.

For 1968, the United States again provided about one-third (\$110 million) of a \$325 million Indonesian requirement (\$25 million of this was an A.I.D. commodity loan and the remainder P.L. 480 rice and cotton). We responded to an unexpected emergency by offering an additional \$50 million in P.L. 480 wheat products to help prevent a recurrence of the serious food shortages which had caused a quadrupling of

the basic rice price at the end of 1967. About \$30 million of this has been shipped. Japan agreed to commit \$110 million, and about \$85 million came from others.

In October, 1968, the Fund and Bank endorsed Indonesia's \$500 million foreign aid request for calendar 1969 (\$365 million for projects and basic imports, including cotton, and \$135 million for food). The increase over 1968 is largely accounted for by including total costs of multi-year projects, instead of only actual disbursements as was done in 1968; 1969 disbursements are estimated to be only slightly higher than in 1968.

The U.S. had pledged to meet one third (about \$123 million) of this non-food aid requirement plus a "fair share" of the food aid requirement. Separating food aid from non-food aid took account of the facts that food aid requirements are highly uncertain from year to year, and that the U.S. is in a special position to respond quickly and flexibly to such needs. While we do not want to define "fair share" precisely, in order to keep some pressure on Indonesia to obtain food from other donors, we must realistically expect to provide the great bulk of wheat and rice needed. This formula also left an amount for non-food aid that represented a practical target for burden sharing.

The U.S. pledge was subject to several conditions:

1. *That other donors make commitments satisfactory both as to amounts and terms.*

The budgetary cycle of most donor nations usually does not permit pledges to be made before the mid-April IGGI meeting and often not before mid-year. The Dutch and several small donors have made known their pledges but a decision from the Japanese is not expected for several months.

We propose to offer Indonesia about two-thirds (\$81 million) of our non-food aid and \$50 million of food aid prior to the April IGGI meeting, leaving a decision as to the balance for later in the year when we know other countries' plans.

2. *Continued satisfactory reports from the Fund and Bank on Indonesian performance in its stabilization program and in using aid effectively.*

Due to slack demand for more expensive American goods and high freight costs from the U.S., use of A.I.D. loans has been slow in the past. However, with Fund approval, the Indonesian Government recently made special arrangements for A.I.D. loans which have speeded use.

3. *The availability of sufficient quantities of rice after the priority needs of Viet-Nam are considered.*

This is no longer a problem; Viet-Nam's rice requirements are far lower than projected last October.

4. *Availability of Congressional appropriations.*

A.I.D. is giving Indonesia very high priority on limited funds, at the expense of development programs in other important countries of Asia and Africa.

We are presently planning to meet our calendar 1969 non-food aid pledge as follows:

	(\$ million)		
	Total <u>CY 1969</u>	Source of Financing <u>FY 1969</u>	<u>FY 1970</u>
A.I.D. Development Loans	\$70	\$50	\$20
P.L. 480			
a) Cotton (raw and yarn)	50	30	20
b) Tobacco	<u>3</u>	<u>1</u>	<u>2</u>
	\$123	\$81	\$42

The \$50 million for FY 1969 A.I.D. loans is already available from current appropriations, as is the P.L. 480. The A.I.D. loans would finance a Stabilization and Food Production Loan of \$44 million and a \$6 million expansion of Indonesia's major cement plant. The remaining \$20 million of A.I.D. loans in this calendar year's pledge would come from FY '70 loan funds still to be appropriated. The funds provided will finance U.S. exports only and commodities will be selected to minimize impact on our balance of payments.

It is now uncertain whether Indonesia will require delivery during 1969 of the full \$135 million in food aid (principally rice and wheat) requested in October 1968. Extraordinary rice harvests due to favorable weather, combined with our rice and wheat commitments (including 100,000 metric tons (MT) of rice already shipped and charged to our 1969 pledge) of last year, produced for the first time in memory a stable rice price during the normal December-March scarcity season. In addition, approximately \$20 million of wheat is still available from our \$50 million commitment of last year. However, in order to assure price stability during the 1969-1970 scarcity season, the Indonesians will have to line up sufficient rice and wheat imports within the next few months. With this in mind, they have recently requested under P.L. 480, for delivery by early 1970, 350,000 MT of rice (about \$70 million), and 300,000 MT of wheat flour (about \$30 million).

We would instead propose to offer now only 250,000 MT of rice (\$50 million) in addition to the wheat still available under last year's commitment. The balance of the rice and wheat request could be provided in a subsequent PL 480 agreement later in the year when food needs are better known and the contributions of other countries announced. The rice agreement would be a convertible local currency

credit; the wheat may be on the same terms, or be a grant under the Kennedy Round Food Aid Convention, depending on the outcome of negotiations with the Indonesian Government now underway.

Recommendation: That you authorize us to reaffirm our October 1968 pledge to Indonesia and approve the CY 1969 A.I.D./P.L. 480 program as set forth above.²

The Secretaries of Treasury and Agriculture concur.³

WPR

² A copy of Rogers' memorandum was attached to an April 10 memorandum from Kissinger to Nixon in which the President approved the Indonesian aid program. (Ibid., Nixon Presidential Materials, NSC Files, Box 531, Country Files, Far East, Indonesia, Vol. I)

³ Memoranda from the Secretaries of Agriculture and Treasury are also attached to the Kissinger memorandum of April 10 but not printed.

268. National Security Study Memorandum 61¹

Washington, June 23, 1969.

TO

The Secretary of State
The Secretary of Defense
The Director of Central Intelligence

SUBJECT

Review of U.S. Policy Toward Indonesia

The President has directed a review of our policy toward Indonesia.

This study should assess U.S. interests, objectives and policy alternatives, and should include a discussion of the following issues:

- our general political approach toward Indonesia and her unaligned status
- possible internal political conflicts or insurgencies
- our economic and military assistance programs
- economic problems, including foreign investment
- Indonesia's relations with Malaysia and Singapore and the interaction of our policies toward all three countries

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, NSC Institutional Files (H-Files), Box H-154, NSSMs, NSSM 61. Confidential. A copy was sent to the Chairman of the Joint Chiefs of Staff.

- Indonesia's relations with major countries such as Japan, Australia, the USSR and China
- the West Irian situation
- Indonesia's role in Asian regional organizations.

The President has directed that the NSC Interdepartmental Group for East Asia undertake this study. The Chairman of the group may invite other agency representatives to participate as appropriate. The study should be submitted to the NSC Review Group by September 12, 1969.

Henry A. Kissinger

269. Editorial Note

In late July 1969 President Nixon made a globe-circling diplomatic trip visiting Guam, the Philippines, Indonesia, Thailand, Vietnam, South Asia, and Romania. The President was accompanied by Secretary of State Rogers, his Assistant for National Security Affairs Henry Kissinger, and a number of other foreign affairs specialists. Guam was the site of Nixon's press backgrounder on July 25 in which he stated that the United States would encourage Asian countries to solve their own internal problems, and at the same time the United States would keep its treaty commitments to them. This policy became known as the Nixon Doctrine. After meeting with President Marcos in the Philippines on July 26, Nixon had private talks with Indonesian President Suharto at Merdeka Palace on July 27 and 28. No record of these meetings has been found, but a few briefing documents hint at some of the points Nixon and Suharto discussed. For Suharto's account, see Document 273.

Talking points prepared for the meetings indicate the policy highlights that Nixon was to stress to Suharto. Nixon underlined what he felt were the key points in the talking points for July 27; the talking points for July 28 indicate the President saw them. On the former, Nixon underlined "regional cooperative" efforts as being important to political and economic stability in Southeast Asia. He also underscored the idea that, while the United States would provide its share, economic assistance to Indonesia was best "handled on a multi-lateral basis." Nixon also underlined the fact that "Indonesia's special circumstance" deserved sympathetic consideration, but that military "requirements should be weighed carefully with economic ones." (Both in the National Archives, Nixon Presidential Materials, NSC Files, Box 452, President's Trip Files, President's July 69 Trip to Far East)

270. Memorandum for the Record¹

Jakarta, July 27, 1969.

SUBJECT

Meeting with Indonesian Generals

Mr. Kissinger met on July 27 with General Sumitro, the Defense Chief of Staff, General Tjakradipura, the Minister for Interior, and General Sutopo Juwono, the Army Staff Intelligence Chief. The generals had asked for the meeting at President Suharto's request. Mr. Kissinger was accompanied by Messrs. Holdridge and Lake of his staff.

The generals made the following points:

1. The U.S. should stay in Vietnam long enough to provide Indonesia—and other Southeast Asian nations—with time to strengthen themselves against Communism. The generals were concerned by press reports that the U.S. intends to withdraw by the end of 1970, and showed great relief when Mr. Kissinger said that the U.S. has no intention of withdrawing without regard for the circumstances. The key is a reasonable, tolerable outcome.² The generals stated that the U.S. should concentrate on strengthening the GVN; in five years, but no less,³ a South Vietnam capable of defending itself could emerge.

2. The Indonesian military are developing plans for one half a Corps of troops which could be contributed to an international peace-keeping force.

3. Although the primary Indonesian emphasis is on economic development, the Indonesian Armed Forces need assistance to build for the future.⁴ The only specific request the generals mentioned was for more training. General Sumitro will give Mr. Kissinger this request in writing on July 28. Mr. Kissinger said that we would consider this request very sympathetically.⁵

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 1048, Staff Files, Lake Chronological File. Secret; Sensitive; Eyes Only. Presumably drafted by Tony Lake. A notation on the memorandum indicates the President saw it.

² The President underlined this sentence.

³ The President underlined the words "in five years, but no less."

⁴ The President underlined from the word "Indonesian" to the end of the sentence.

⁵ In a backchannel message to Jakarta, August 11, Kissinger, who had accompanied Nixon on this Southeast Asia trip, informed General Sumitro that he had discussed their conversation with President Nixon and that the latter had "indicated that he would look

4. The generals said that they had intelligence reports that Hanoi is interested in a temporary ceasefire to gain a breathing spell.⁶ The North Vietnamese economy was devastated by U.S. bombing, and Hanoi's manpower pool is depleted. The VC are harder and more pro-Peking than Hanoi.

5. The generals clearly disagreed with Foreign Minister Malik's statement about the desirability of taking VC into the GVN. This, they said, was "political."

6. The generals expressed concern that a secret Soviet deal existed.⁷ Mr. Kissinger assured them that the U.S. has no secret agreements with Russia.

7. The generals suggested that Russian proposals for Asian Collective Security arrangements are designed to stimulate Chinese attacks on Southeast Asia before a pact could be arranged; these attacks would relieve pressures on Siberia and involve the Chinese in confrontation with the U.S.

—Mr. Kissinger noted our desire to work with the Indonesians on a basis of equality. We can work with all nations when our interests coincide. We do not seek client states; we prefer healthy independence.

—Mr. Kissinger also stressed the point that we do not intend to "withdraw from Asia" or fail to live up to our commitments. With regard to Indonesia, an attack on so important a nation would clearly threaten the peace of Asia, and we would take it very seriously.

The generals asked that the meeting be closely held to the White House, and specifically indicated a desire that the State Department not be informed. They said that if they had further information or views which they wished to convey to Mr. Kissinger, they would do so through a military attaché (an intelligence man) at the Embassy in Washington.

with favor on your proposal for initiating expanding military training. Along these lines, would you please provide me through this channel with the specific proposals that you would like the U.S. Government to entertain. The President would be grateful for early advance notice on this project." (National Archives, Nixon Presidential Materials, NSC Files, Box 531, Country Files, Far East, Indonesia, Vol. I)

⁶ The President underlined the words "Hanoi is interested in a temporary".

⁷ The President underlined from the word "secret" to the end of the sentence.

271. Telegram From the Embassy in Indonesia to the Department of State¹

Jakarta, July 29, 1969, 1045Z.

5129. Dept Pass Action AmEmbassy Tokyo for Secretary's Party. SecState for S/S. Subj: Secretary's Meeting with Adam Malik and Counterparts July 27.

1. Present on Indonesian side in addition to Malik, Brig Gen Sudharmono (Secretary to Cabinet), Prof Widjojo (Chairman National Planning Bureau), MajGen Alamsjah (State Secretary), LtGen Sumitro (Chairman Ministry of Defense and Security), Anwar Sani (DirGen PolAff FonDept), Amb Sudjatmoko, Madame Artati Marzuki (SecGen FonDept), BriGen Her Tasning (FonDept), J. Ronodipuro (SecGen InfoDept), BriGen Supardjo (Head Asian Pacific Bureau FonDept), Ismael Thajeb (Dir EconAff FonDept).

2. In addition to Secretary on US side were Ambassador [sic, Counselor] Pedersen, AsstSec Green, Dr. Kissinger, DepAsstSec Barnett, Mr. Holdridge, and Mr. Lydman.

3. Following is uncleared running summary of meeting:

4. After usual amenities, Secretary noted he was pleased there were no bilateral problems between US and Indonesia. At present time, he said, there was a very favorable attitude towards Indonesia in the administration and in Congress and there was less opposition to extending aid to Indonesia than to some other countries. He was particularly grateful therefore for opportunity to learn more about Indonesia and its problems and, if possible, to be better able to understand Indonesia's needs.

5. Mr. Malik said it was indeed gratifying there were no problems between two countries; he hoped the US would, however, not be too surprised in years to come if there might have to be some increases in external aid to meet Indonesia's requirements; such aid, of course, would be in accordance with IGGI estimates of Indonesia's real needs.

6. Malik said he would like to address problems outside of bilateral area and among these were Vietnam; the general effects of British withdrawal east of Suez; China and the Soviet Union; and Japan.

7. Vietnam: If asked if GOI were happy with prospect of US withdrawal from Vietnam, Malik said this would be an extremely difficult question to answer. In principle Indonesia believes Vietnam problem ultimately must be settled by Vietnamese themselves and thus GOI

¹ Source: National Archives, RG 59, Central Files 1967–69, ORG 7 S. Secret; Priority; Exdis. Rogers visited a number of East Asian countries, including Indonesia and Japan, for conferrals following President Nixon's July 25th Guam statement; see Document 269.

would be pleased if US were to withdraw its presence. There are practical difficulties, however, with this course of action. If a US withdrawal were precipitate there would be great danger of an equally precipitate Communist takeover not only in Vietnam but also in neighboring countries and this would have a direct impact on Indonesia's security interests. Malik therefore hoped that US in considering staging of withdrawal of forces from Vietnam would bear in mind need to maintain general security of Southeast Asia and would see that Saigon Govt, in first instance, as well as other vulnerable govts on periphery of Vietnam, would be effectively strengthened in order to protect themselves from the expected Communist infiltration and subversion.

8. Malik said he would like to see a democratic govt established in South Vietnam. In view of realities of the situation, he assumed that such a GOG would have to include Viet Cong elements.

9. British withdrawal: Malik said that Indonesia has no objection to continuing presence of Australian and New Zealand forces in Malaysia and Singapore. This does not mean, however, that GOI would welcome any other foreign forces there to substitute for the British.

10. Communist China: Malik said Indonesia's view towards China is that despite the low state of relations between GOI and Peking (relations are suspended) Communist China as representing the Chinese people should be allowed to enter the community of nations. In this way, said Malik, one could at least hope that over time Communist China might become a responsible member of world community.

11. Soviet Union: Malik said it was obvious that the Soviet Union was increasing its interest in Southeast Asia. The GOI was intrigued by Brezhnev's statement about collective security in South and Southeast Asia but has been unable to gain any clarification of what Brezhnev has in mind. Mrs. Gandhi, who was a recent visitor in Djakarta, also has no idea what Brezhnev means.

12. Japan and regional cooperation: The GOI is a sincere supporter of regional cooperation, active in ADB, ECAFE, SEAMEC and ASEAN. The GOI is proud that it has been able to achieve some progress in this area. It is hoped that Japan will play a more prominent role in regional affairs as time goes on. Southeast Asian countries, however, fear Japanese economic strength and Indonesia particularly would like a clearer idea of Japan's motives in regional cooperation.

13. In addition to these main points Malik said that he would also want to comment on:

14. Middle East: The GOI believes that the UN resolutions on the Middle East problem are not effective and there appears to be a dangerous confrontation of military forces in that region. Malik expressed the hope that the big powers will be able to contain conflict in the Middle East.

15. Five-year Plan: Malik said that Indonesia's five-year plan is a modest one in the sense that it is based on a realistic appreciation of prospects for development in Indonesia. The country will require about \$600 million a year in external aid for this program. The principal objective is to achieve agricultural development and thus lay a solid base for a second five-year plan in which hopefully Indonesia may approach a takeoff stage. In the three years of the new govt, the GOI has broken the hold of the PKI on the country and the five-year plan is successfully achieved, this will lessen substantially the capability of the PKI to return to power. The aim in this five year period is to demonstrate to the people that the govt is able to supply their basic needs of food, clothing and other essentials. In the second five-year plan the govt must demonstrate that there will be opportunity for gainful employment for all the people and also govt must launch industrial development. Major objective of second plan will be to develop national capacity to resist subversion and aggression.

16. Malik said he was happy that there was a sympathetic response to Indonesia's debt problem on part of Western creditors. He wondered what US thinks of Dr. Abs' recommendations. Malik said he recognized that Dr. Abs' recommendation for waiving interest payments would probably raise a problem for US Congress. He hoped that this procedural problem would be overcome, however, since a favorable US attitude toward this issue would certainly influence other countries in favor of Abs' recommendations.

17. To revert to economic plan, Malik said that Indonesia hopes for considerable help from private sector. Indonesia will need steel production, it will need to develop the Asahan power complex in Sumatra and additional cement and petrochemical facilities in Java. Roughly \$200 million will be required for these projects and it is hoped that they can be financed by private investment.

18. Secretary Rogers responded as follows:

19. On debts, the Secretary said we are sympathetic to Indonesia's debt problem, and we have had discussions with Dr. Abs concerning his recommendations. There are two helpful factors in regard to this issue, (1) Indonesia is generally held in high regard for the caliber of its govt and its policies and (2) the important fact that Indonesia has checked a virtually runaway inflation.

20. On private investment the Secretary noted that we are doing all we can to encourage American investors and will continue in this direction.

21. On British withdrawal, the Secretary said the US has no intention of supplanting the UK although we would be concerned if any other super power has such an intention.

22. Commenting on the Brezhnev statement on collective security, the Secretary noted that we had been unable to clarify Brezhnev proposal. The Soviet Ambassador in Washington had been unable to enlighten US and the Indian Foreign Minister was similarly unclear as to Brezhnev's intention. It would be interesting, said the Secretary, if the Soviets were thinking of some kind of security arrangement of non-Communist countries which would be directed against Communist China. He thought this had a ring of unreality.

23. Reverting to British withdrawal, President Nixon, said the Secretary, thinks it important that we make clear that we are a Pacific power and we will continue to honor our treaty obligations and to do our part in helping in the economic, educational and cultural development of other countries. We have no intention of withdrawing from Asia. However, we will not get involved with our troops except in connection with treaty obligations. We regard insurgency as a problem for the Asian countries themselves. We will, however, be prepared to help in other ways to strengthen the capabilities of Asian countries to manage their own insurgency problems. Basic to our position is that we will not interfere in the sovereignty of other nations.

24. Our interest in regional cooperation derives from the conviction that if the Asian countries themselves fail to appreciate the importance and necessity for such cooperation, they will surely be taken over. We therefore intend to encourage regional cooperation to the best of our ability and we wish to congratulate Indonesia on its successful efforts thus far in strengthening regional arrangements.

[Omitted here is discussion of Japan, Vietnam, the Soviet Union, and the People's Republic of China.]

272. Telegram From the Embassy in Indonesia to the Department of State¹

Djakarta, July 29, 1969, 1110Z.

5130. Department Pass Action Tokyo (priority). For Secretary's Party. SecState for S/S. Subj: Secretary's Meeting with Adam Malik and Counterparts July 28.

¹ Source: National Archives, RG 59, Central Files 1967-69, ORG 7 S. Secret; Priority; Exdis.

1. Present on Indonesian side: Malik, LtGen Sumitro, MajGen Alamsjah, Prof Widjojo, BrigGen Sudharmono, Mrs. Marzuki, Anwar Sani, Ismael Thajeb, Amb Sudjatmoko, BrigGen Her Tasning, BrigGen Supardjo, Suryo Di-Puro (Chief American Bureau FonDep).

2. Present on US side: Secretary, Dr. Kissinger, Mr. Green, Amb Galbraith, Mr. Ron Ziegler, Mr. Barnett, Amb Pedersen, Mr. Holdridge, and Mr. Lydman.

3. Following is uncleared running summary of meeting:

4. Mr. Malik began the session by requesting clarification of US views on Dr. Abs' recommendations on the debt question.

5. Mr. Barnett noted that as an agent chosen by the creditors, Dr. Abs had been given a mandate to report his views but not to negotiate a debt rescheduling. Abs has advanced the view that while the GOI needs relief from its debt problem the purpose of his exercise is to establish a permanent credit position for the GOI. He is recommending that interest on all categories of debt be cancelled; this would lower the Sukarno debt from \$2.2 billion to \$1.7 billion. The principal would be amortized over 30 years with payments to begin immediately. Dr. Abs believes there must be one formula for debt rescheduling for all creditors, East Bloc as well as Western. His problem now is how to make his recommendations acceptable. In this regard it is hoped there will be agreement among major creditors such as the Japanese and US with regard to procedures for settling the new debt in order that the GOI can establish a strong position for negotiations with the USSR. Abs will be submitting his recommendations the first week in August to the French chairman of the creditors group. Abs will not become a broker in negotiating with the creditors unless he is requested to do so. The US has not influenced Dr. Abs in any way but is giving him a free hand to develop his creative thoughts. Our hope is he may become the negotiator with the creditors. It is not certain that he will be able to sell his formula of a settlement with zero percent interest and he may have to modify his proposals in this regard. The US intends to talk to the Japanese, however, about the post-Sukarno debts in order to give the GOI leverage to influence the attitude of the USSR. Mr. Barnett said that we see some problem ahead in that US aid may be used indirectly to service the Communist debts. In facing up to this problem we would attempt to establish the creation of Indonesian creditworthiness as the major point of the whole debt resettlement exercise, recognizing that a fair settlement of the debt problem is vital for the GOI.

6. Mr. Malik turned to West Irian and reviewed the GOI's implementation of the act of free choice. He said that the last stage of this procedure would be initiated on August 2. There is no doubt about the result; the West Irian people will of course register their desire to remain in Indonesia. Malik, however, asked that the US recognize that

the people in West Irian feel somewhat of an historic relationship with the American people due to their experiences in World War II. After the act of free choice the GOI will be carrying a major responsibility in West Irian. Only a small part of external aid to Indonesia now goes to West Irian and Malik said the GOI wishes to establish a substantial development fund for West Irian after the act of choice is finished. The GOI has dismissed this matter with the Dutch who have been the principal contributors to the UN fund in West Irian and the Dutch have agreed that the GOI should seek additional funds from the ADB and also hopefully from the US. Malik said he would welcome special US assistance for West Irian.

7. Malik said that after the act some African countries will be heard from in the UN when the West Irian problem comes to their attention. He would appreciate US help in explaining the facts of the West Irian situation to these Africans, particularly to the Liberian lady² who is likely to be the next president of the GA.

8. Malik turned to the question of US–GOI military relationships, noting that General Sumitro and Dr. Kissinger had discussed this yesterday. The GOI does not need material assistance for its armed forces; most of all it requires understanding of the role the armed forces must play. In this connection Malik hoped that the US might lend assistance to the Indonesian armed forces in the training area, including training in the tactical use of modern weapons. So far as equipment was concerned, Malik said if any surpluses are available the GOI could certainly use them. He said he would not go into this matter in any greater detail.

9. Malik asked that the US seek to enlarge US quotas, or markets, for Indonesian primary products such as sugar, rubber, palm oil, etc.

10. The Secretary said he would give careful consideration to the matters raised by Mr. Malik.

11. Mr. Green, referring to the West Irian problem, inquired what actually is expected to happen after the act of choice takes place. Mr. Malik said that Ortiz Sanz and the GOI, separately, will report to the Secretary General. The Secretary General will then report to the General Assembly. His report does not require a GA vote but comment and debate on the subject cannot be excluded. Mr. Malik said that the GOI wants the least possible debate on this issue because it could become a football for certain Communist countries, such as Albania, to castigate Indonesia; also the problem has racist overtones in certain African countries, and the GOI fears that the methods used by the GOI

² Reference is to Angie E. Brooks, President of the UN General Assembly during the 24th session in 1969.

in implementing the act of free choice might be exploited by colonialist powers.

12. Responding to the Secretary's question on Vietnam, Malik said that while Indonesia would welcome a US withdrawal from Vietnam, leaving the Vietnamese free to decide their own destiny, at the same time GOI realizes that the US has commitments in the ARDL and indeed does not wish the US to pull out quickly. Malik said he cannot make this latter position a matter of public record but it nevertheless represents the view of the govt. If the US withdraws rapidly, North Vietnam will certainly take over and neighboring countries will be wide open for Communist subversion. The GOI would hope for a fair solution from the Paris discussions but also wishes a strengthening of South Vietnam. Realizing that this is not easy in a war-time situation, the GOI hopes that the South Vietnamese people will come to accept the regime as their own. The social-political base of govt must be strengthened in South Vietnam and it is necessary that every hamlet have the will to resist. An important element in this resistance, said Malik, is to give the people a sense of proprietorship by making it possible for them to own the land. Both the Northern and Southern regimes in Vietnam have slogans that they are giving land to the farmers. This must be credibly implemented in the South.

13. Mr. Malik thought that there were other political forces in South Vietnam that should be included in govt in order to broaden popular support. If South Vietnam can broaden its political base it must then find an ideological base like Pantja Sila. If this can be done then US forces could perhaps safely withdraw. Finally, said Malik, there is also the possibility that the Paris Talks will fail, that North Vietnam is not sincere. If so, as he had already told Ambassador Green, the US must be prepared to exert greater pressure on North Vietnam. Again, said Malik, this position could not be made public but he wished the Secretary to know his feelings.

14. The Secretary commented that in effect Malik's views represent both the policy of the United States and that of the Government of South Vietnam. The Secretary said that through the process of local elections and other base-broadening activities, such as President Thieu's land reform program, which is now before the Assembly for final approval, and through a broadening of cabinet participation—all the major actions that Malik had underlined are being pursued. The ideological objective is more difficult, said the Secretary, because there has been no base developed for nationalist leadership. The only rallying point at present is anti-Communism. However, if the army and civil defense and civil service could be unified in common purpose in support of the govt this would represent a very substantial base of support for the govt's actions.

15. Mr. Malik continued on Vietnam, said that he thought it was important that the behavior of US troops and South Vietnamese troops be carefully considered in order that they might acquire the image of protectors of the people and comrades-in-arms of Vietnamese forces. He thought it vital for the future of South Vietnam that as US troops pull out, the process should be managed in such a way as to support the image of the South Vietnamese troops that are taking their place and who must remain.

16. The Secretary agreed that this was a highly desirable and important objective and noted that we had withdrawn one of our best divisions which had been replaced by one of South Vietnam's best divisions specifically for the purpose of improving the image of the South Vietnamese troops in the eyes of their own people.

17. In response to the Secretary's question on China, Malik said Indonesian-Chinese relations are frozen. He said that obviously China cannot be ignored or isolated indefinitely. He feels China must be brought into the community of nations and that we must face up to this problem in the UN. On the other hand, said Malik, the GOI cannot sponsor China in the UN in view of the present state of relations between the two countries. There is hope, however, for change in China where Communism has developed in stages. In the first stage, the iron hand was needed to secure sufficient food and clothing for the population. Now China is in the second stage, industrial development is underway and the govt can now force people to work because they have secured sufficient food and clothing for them. This is the meaning of the cultural revolution. At some future time, the Chinese will proceed to the third stage of their development when they will expose their industrial production to the outside world. At that time they will require better relations with outside countries. If China decides to join the UN it will be a reflection of its development into its third stage as a Communist country. We may have to wait a long time for this, said Malik. Perhaps the Rumanians will have a better idea what stage the Chinese actually are in.

18. Also in judging the Soviet-Chinese conflict, said Malik, we must recognize their different stages of development. In their first stage of development, the Soviets tried to include China as well as Czechoslovakia, Poland, Rumania and others in their internal development plan. This created serious difficulties for the Soviets when each of these countries developed to the point where they could no longer be so dependent on the USSR. If the Chinese should achieve more economic development, said Malik, we can expect their aggressiveness to lessen in the same way that the USSR became less aggressive as it advanced economically.

19. In response to the Secretary's question on Taiwan, Malik said that in a sense the GOI's attitude toward Taiwan is a procedural

matter. If one asks who is the legitimate head of the Chinese Govt, the answer must be Peking, but the existence of the Taiwan Govt cannot be ignored. One might hope that there would be such changes in the Mainland that it would be possible for Taiwan to return to its control. If this is not possible, Taiwan should be reconciled to a status as an island country, not one representing 800,000,000 Chinese. Taiwan, representing Taiwan only, should certainly be a member of the UN.

20. In responding to the Secretary's question about Cambodia, Malik said that Sihanouk faced an urgent struggle for survival under extremely difficult conditions. Sihanouk wants to be a saviour and this is only possible in the framework of his Socialist program; this he pursues also to draw support and sympathy from the USSR, China and North Vietnam. A question here is what these countries think of Cambodia. North Vietnam has an historic position of desiring all of the former French Indo-China to be under one system. The efforts of the US and Indonesia should be directed towards trying to keep Cambodia and Laos neutral. This may be decided by the outcome of the Paris negotiations.

21. Turning to the Secretary's question on Malaysia, Malik said he did not think we need worry too much about the situation in Malaysia. The clashes now underway cannot be avoided. The British wished to establish a multiracial society and believed this had been achieved in the 12 years of independence. But when independent Malaysia was created the British left the leadership in the hands of feudal Malays and rich Chinese. Difficulties should really have broken out much earlier and might have been more easily contained but now after one whole generation substantial numbers of Malays and Chinese have been isolated from their leadership—this has created not only a racial problem but a social problem. It is now necessary for the govt to adapt to the real situation. The govt must conciliate the dissident Chinese (in Penang and other areas), and the Malays must face up to the fact that their survival depends on multiracial cooperation. For the Malays it is too easy to see their country as a Malay country and some of them are looking to Indonesia to help them in this regard. Maybe they hope that Sumatra will help them in their struggle against the Chinese, but this is not possible!

22. Responding to Mr. Green's question what could be done now for example, by the National Operations Council (NOC), Malik said that he had told his friends in KL that the NOC will be a danger if it is protracted because it excludes Chinese and the longer it continues the more disaffected the Chinese will become. It is logical for the Malays to unite and to seek to strengthen themselves as a community but they must open the dialog with the Chinese and with the poor Malays to bring them into a sense of participation in their country. And they

must deal with the Malay extremists, to convince them that their attitude is destructive to the whole Malay community. The govt in KL must seek rapidly to correct the past errors; there must be more and better jobs for the Malays, more and better schools for Malays, and the rural Malays must be given a sense of involvement in their government.

23. Malik said that the Tunku and Tun Razak are inhibited from dealing constructively with the Chinese because of the influence of extremists in the Malay community. But this is the problem they must solve and perhaps the national unity effort of Ghazali can serve some useful purpose in this regard.

24. In response to the Secretary's question on the PRG, Malik said the GOI had told the PRG representative the GOI was not in position to recognize them. A representative of the NLF is resident in Djakarta but has no diplomatic rank. Malik said there are indirect contacts with the South Vietnamese Govt.

25. Turning to the subject of ASPAC, the responding to Mr. Green's comment that the US is not pushing ASPAC as an organization that other countries should join, Malik said that the GOI considers ASPAC [garble—redundant?], an organization which duplicates efforts of ECAFE, SEAMEC, ADB and ASEAN. Malik said the GOI is getting confused about organizations like ASPAC and others. He asked what organization the USG prefers as a channel for US assistance in SEA.

26. Mr. Barnett commented that the US regards the GOI as kind of a model of a developing country for the reason that its economic prospects, requirements and indeed the supervision, of its economic program have been carefully developed on a multilateral basis including excellent assistance from the IMF, IBRD and ADB. (Discussion was halted at this point.)

27. President Nixon and President Suharto joined the meeting at 11 am. President Nixon noted that the Presidents had had an excellent discussion. President Suharto had accepted his invitation to visit the United States at a time to be worked out by their respective ambassadors. President Nixon thought early January might be a convenient time and he hoped that President Suharto would be able to spend long enough in the United States to travel not only to Washington and New York but also to Chicago, San Francisco, Los Angeles and possibly Houston, to view the Space Center. President Nixon said he was keenly aware of the immense importance of private investment in Indonesia and he was encouraged by the interest that had been shown by American businessmen. In this regard he hoped President Suharto might be able to arrange a meeting with some of our top business executives in New York. President Nixon said he thought the five-year plan needed maximum support from private investors.

28. Viewing Asia as a whole, President Nixon said it was quite obvious that the key to at least South and Southeast Asia was Indonesia and certainly if there was a serious reversal in Indonesia it would seriously affect other countries such as the Philippines, Malaysia and Singapore. It is thus necessary that Indonesia remain strong and it is the goal of its policy to support this strength.

29. It is important, said President Nixon, that our relationship must not give any appearance of neo-colonialism or exploitation. [garble—We?] must “go together, not one behind the other” whether in the context of multilateral or bilateral relationships, the US respects Indonesian independence and wants to be a part of its era of progress. [garble—Prospects?] for a “big leap” in Indonesia are as exciting as in any country in the world.

30. President Suharto expressed his gratitude for the very good exchange of views that he had had with President Nixon which he believed had established a solid foundation for future US-Indonesian relations. He expressed thanks for President Nixon’s invitation to visit the US which he would certainly do at a convenient time.

Galbraith

273. Telegram From Secretary of State Rogers to the Department of State¹

Bali, August 5, 1969, 1530Z.

10. From Ambassador Galbraith. Dept pass Djakarta. Subject: Indonesian Reaction to Presidential Visit.

1. I saw Suharto prior to leaving for Bali yesterday. I told him it would be some time before the content of his talks with the President on the second occasion would become known to me.² I did not wish him to disclose to me anything I should not know, but it would be a help if he told me anything he thought I should know. He looked

¹ Source: National Archives, RG 59, Central Files 1967–69, POL INDON–US. Secret; Nodis.

² President Nixon had private talks with President Suharto from 4 to 5:55 p.m. on July 27 and from 9 to 11:25 a.m. on July 28 at Merdeka Palace in Jakarta. (National Archives, Nixon Presidential Materials, White House Central Files, President’s Daily Diary) No memoranda of conversation of these private talks were found.

at me thoughtfully for a moment and then gave me the following, in summary:

2. Viet-Nam. Suharto had said that while Indonesia favored a Viet-Nam free of foreign troops it fully realized that the United States should not pull its troops out of Viet-Nam precipitately; also that the United States could not do this in a month or even within a year but over a period of some time, depending on South Viet-Nam's (SVN) ability to consolidate its strength. In Indonesia's view this meant finding and inculcating a common ideology and a broadened base for the government so as to increase and strengthen popular support and the national will and capability to resist.

Answering President Nixon's question about how Indonesia would be prepared to participate in a peacekeeping force in SVN, Suharto said that Indonesia was prepared to send its troops to SVN to monitor the implementation of a settlement on condition that (a) it would be part of a UN sponsored force, (b) its participation would receive the approval of both the U.S. and North Viet-Nam (NVN), and (c) Indonesia would not have to bear the cost. Although Indonesia would be present as a nonaligned power it would have an anti-Communist orientation and, on the basis of Indonesia's experience, would try to help SVN develop the ability to resist a Communist takeover.

3. Threat to Indonesia. The President asked Suharto what he saw as the greatest danger to Indonesia, whether it was Communist subversion in the area, a re-emergent Indonesian Communist Party (PKI) or the threat of Red China. Suharto said it was actually none of these things that he feared. The danger lay in possible failure of the five-year development plan. Such failure would provide fertile soil for the comeback of communism in Indonesia by weakening the national will and ability to resist.

4. Assistance for Indonesian Development. The President asked Suharto whether Indonesia preferred its economic assistance from the U.S. to be on a bilateral or a multilateral basis. Suharto replied that it didn't matter to Indonesia. But where projects could provide long-term monuments to U.S.-Indonesian friendship and cooperation, Suharto would prefer to see them provided on a bilateral basis. Suharto stressed the importance of continued foreign assistance for the five-year development plan at a level of \$600 million a year. Some relief for Indonesia's indebtedness was also required, possibly along the lines of the Abs Plan.

As a sound basis for the second five-year plan certain key projects should be accomplished as soon as possible. These included (a) the Asahan power complex, (b) the steel plant at Tjiligon, (c) the cement plant at Tjibinong, and (d) the fertilizer plant at Tjirebon. The cost of

these projects would be only about \$200 million. These are the kind of monumental projects that would enhance U.S.-Indonesian relations over the long haul. By implication, Suharto hopes the U.S. will find it possible to support these projects.

5. Military Assistance. President Nixon asked Suharto whether he felt assured that he had the loyalty and support of the Indonesian armed forces. Suharto said certain elements earlier had succeeded in infiltrating into and subverting some units of the armed forces, turning them against Suharto. But cleansing operations had been carried out. Most importantly, Suharto, as Minister of Defense and Security and Commander in Chief, maintains control over the military, including the police. He plans to keep this control to help ensure against disruption whether from the left or the right.

Suharto said training in modern weaponry and tactics is also needed. Suharto repeated the desire to obtain conventional aircraft for close support roles (B-25s, B-26s, A-1s, etc.) and for transport aircraft (C-130s). He said these planes are obsolete in the U.S. but still in supply and very useful to Indonesia.

6. West Irian. Suharto told President Nixon that the act of choice would be completed between August 2–4. The follow-up would be all important. It will be a burden for Indonesia to bring the 700,000 West Irianese, the most primitive of the Indonesian people, to an acceptable level of development. In humanistic terms this effort deserved the support of all, particularly the developed countries. President Nixon said he had not studied the background of the West Irian problem. He would do so when he returned to Washington. Suharto said he hoped President Nixon would publicly note that the act of choice had resulted in a decision to stay with Indonesia and pledge U.S. support for the development of these stone age people who had served the U.S. indirectly during World War II. Such public notice by the President would interest other countries in the task of developing West Irian. Suharto hoped the President's announcement could come as close as possible after August 4 and before the General Assembly meets.

7. East-West Relations. Suharto felt it would be unwise for the U.S. to strengthen either Red China or the USSR in relation to the other. He thought Red China should be brought out of its isolation, if possible, and into the UN. He implied that the continuation of the Soviet-Communist Chinese conflict might weaken both and that this would not be unwelcome to him.

8. Other Subjects. Suharto indicated briefly that they had discussed Japan, and the importance of stable prices and markets for Indonesia's agricultural and mining products. Indonesia is making strenuous efforts to increase its oil production and continued access to U.S. markets for Indonesia oil is crucial, Suharto said.

9. Suharto said he would charge his Ambassador in Washington to get in touch with the Department of State upon his return and work for implementation of the Presidential talks. Suharto hoped I too would be of assistance and that the talks beginning in Bali on August 5 would also contribute to the implementation of the general principles he and also President Nixon had agreed upon.

10. At the conclusion of the review of his talks with the President, I asked Suharto to clarify for me how he saw Indonesia interacting in the future with its neighbors, not only in the economic and cultural fields but in the field of security. Suharto said internal subversion could only be met by the consolidation of the national will and ability to resist, based on the individual nation's own national ideology and economic strength. Indonesia could serve as a model and source of inspiration and provide advice on how it had accomplished this. Indonesia would consult its own interests in the event of any aggression anywhere in the area and he would expect every country to do the same. Any country under a threat which [garble] not feel it could itself meet could ask Indonesia for help and Indonesia would be prepared to respond. Indonesia had already provided military advisors and training assistance to the Government of Malaysia.

11. *Comment:* Suharto carefully asserts Indonesia's independent policies, foreign and domestic, as well as its primary responsibility for its own development, but he clearly looks to the U.S. as the primary source of foreign assistance. His reference to "monuments" in the form of U.S. financed projects suggests his desire to gradually induce among the Indonesian people recognition of this primary reliance on the U.S. Clearly Suharto would raise the ante on economic aid to include support for \$100 million worth of what he regards as key projects, to be begun as soon as possible; also by unspecified amounts of MAP assistance in the form of line items for the military excess to U.S. requirements. This may run in the opposite direction from our own desire to avoid challenging public sensitivity here on any suggestion of a developing neo-colonial relationship and our attempts to continue a low posture.

12. Both Lydman and I have found Ambassador Sudjatmoko concerned about the inflation of Indonesian expectation, developed since President Nixon's departure, for additional U.S. Assistance.³ We will need careful guidance on the President's intentions with respect to

³ In telegram 5596 from Djakarta, August 16, the Embassy cited "heightened expectations and insistent Indonesian requests for increased military assistance" as well as the "excellent rapport established with President Suharto" as some of the results of the "highly successful presidential visit." (Ibid., RG 59, Central Files 1967-69, AID (US) 8 INDON)

fulfilling these inflated expectations and we will need to deal with them urgently, if they require deflating, before they set in concrete.⁴

Rogers

⁴ Rogers met with Foreign Minister Malik and other Indonesian officials in Bali August 5–7. Their discussions are reported in telegram 5427 from Jakarta, August 8. (Ibid., POL INDON–US)

274. Telegram From Secretary of State Rogers to the Department of State¹

New York, September 26, 1969, 2336Z.

Secto 62/3255. Subj: Secretary's Bilateral with Indonesian Foreign Minister Malik, September 26.

1. Malik began conversation by discussing West Irian. In UN context he said he hoped to have matter handled as expeditiously as possible, but it now appeared it would not come up until end October or early November. He would have to make another trip to New York at that time. He saw no problems in getting report through UN.² Amb. Abdulgani said they were discussing with the Netherlands a joint resolution to take note of report.

2. Malik then gave a long report on Indonesia's debt problems. He said he met Abs before going to Africa and discussed his proposal.

¹ Source: National Archives, RG 59, Central Files 1967–69, POL INDON–US. Secret; Exdis. Repeated to Djakarta. Rogers was in New York to attend the 24th Session of the UN General Assembly.

² On April 1, 1968, UN Secretary-General U Thant had appointed Fernando Ortiz Sanz as his Representative for the "act of free choice" under which the inhabitants of West Irian would decide whether they wished to remain with or sever their ties with Indonesia, under the terms of the agreement between Indonesia and the Netherlands of August 15, 1962. The representative made a number of reports on the progress Indonesia had made on this issue. On November 6, 1969, the Secretary-General reported to the General Assembly concerning the act of self-determination. In his report the Secretary-General annexed the final reports submitted to him by his Representative and by the Indonesian Government, which described in detail the arrangements, conduct, and results of the act of free choice. Malik is evidently referring to one of these reports. (United Nations *Yearbook*, 1969, pp. 175–177). The act of free choice, the Secretary-General said, had been held between July 14 and August 2, when the enlarged West Irian councils, which had included a total of 1,026 members, pronounced themselves, without dissent and on behalf of the people of West Irian, in favor of remaining with Indonesia.

He understands there will be a meeting in Paris in Oct. He knew there were problems with the proposal on the American side and there are also problems for the Japanese. Aichi told him problems in three areas (a) the long repayment period, (b) interest, and (c) debts on which agreed term of repayment exists. Malik suggested to Aichi that perhaps they could arrange exchange of views at World Bank meeting.

3. Before leaving Djakarta he met USSR mission which had come at Indonesian invitation to discuss debts. Soviets wanted hold discussion on basis 1966 Protocol which called for \$7–8 million short term payment 1967–68–69 and \$22 million long term repayment beginning 1970. Under present circumstances Indonesia could not meet payments. Negotiations almost ended at this point. Malik suggested negotiation turn to discussion new Indonesian proposal. This was close to the Abs' terms except had asked Soviets for 35 years repayment and had avoided linking proposal to Abs plan. Soviets said workers country could not be philanthropic and reduce interest to zero. However, it might put off interest payments and accumulate same until Indonesia in position to pay. Malik felt door still open for future negotiations.

4. His impression was that there is change in Soviet tactics regarding Indonesia and, if debt problem worked out, Soviets will finish aid projects Indonesians wish completed. Soviets might even increase amounts available. The Soviet del also offered possibility assist Indonesian government projects with experts and material. On navy and air force spares, Soviet said they would supply on cash and carry basis.

5. Malik turned to special development fund for West Irian. Dutch and Australians have already agreed to supply some funds and he hoped US would come in. Amb. Sujatmoko said this already discussed with Green. He noted President Nixon's indication personal interest this matter and his request he be reminded. He said Dutch were pressing for establishment of fund for "internal political purposes." Dutch have agreed to 5 million dollar contribution but Australia not yet committed on amount. Dutch hope for fund establishment in November, but need not have prior US agreement. Secretary suggested further talks with Green and pointed out time problems facing US in obtaining Congressional approval. Sujatmoko said he was in touch with Green and Barnett. Secretary recommended he also talk to Samuels.

6. Secretary raised possibility Malik undertake activities here stimulate private investment. Sujatmoko said 20 man group now in New York on this project. Perhaps October/November Malik trip might provide better time. Secretary suggested talks with James Lennon and Sujatmoko said they were in touch.

7. Secretary suggested Malik also undertake improve relations with key Congressional leaders. Malik agreed this useful and suggested

October/November time frame. Secretary asked to be reminded and suggested either lunch at Dept or visit to Hill. Sujatmoko requested Mansfield be included in order refute concern expressed his report that US exceeding self-imposed 1/3 formula in Indonesia. Secretary emphasized benefits close personal contact 3 or 4 Congressional leaders citing South Korean success this field. He urged this be undertaken at present time when Indonesian image with US public very good. Sujatmoko said he would discuss this with Green.

8. Malik asked for Secretary's views on Vietnam and the Middle East. Secretary indicated no great change in situation since their last conversation. He said he saw no willingness yet on the part of the North Vietnamese to enter useful talks. However, he noted change in tactics, quoting President's press conference statement that infiltration rate down by 2/3 and also noting decrease enemy activity. He viewed this as good sign and said if other side wished reinstitute offensive operations it would require build up time. He also noted casualty ratio remains unfavorable North Vietnam. He expressed pleasure over smooth progress redeployment program. He hoped opposition would conclude negotiations would offer best result. He indicated US willingness discuss difficult problem setting up mutually agreeable system supervise free elections, regardless what required. Other side had not indicated willingness discuss. If they continue obdurate we will continue Vietnamization.

9. On ME Secretary said we have hopes of movement but have word problems. Malik asked if these on both sides. Secretary suggested possible success Rhodes Formula, but noted difficulties Riad experienced with press when he raised this. He noted Israeli difficulties due October election and said hoped resume four power talks about Oct 20. Malik asked if the USSR was willing and the Secretary said yes but they held different views. Malik said in his discussion Soviets, Malik (USSR) had said four powers willing but contestants not agreeable. Secretary agreed contestants must be party to any solution. Malik said he would have opportunity further soundings at non-aligned meeting scheduled tomorrow in New York.

Rogers

275. Memorandum From John H. Holdridge of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, October 30, 1969.

SUBJECT

Indonesian Request for Arms Aid

I attach (Tab A) Djakarta's 7460,² which describes an approach made by General Sumitro to the Ambassador's Special Assistant for arms aid. Sumitro said that President Suharto had authorized him to approach the Embassy, to explain the situation as they see it, and to request that we study the possibility of equipping the Indonesian armed forces over the next 5-7 years.

Sumitro said he recognized that Congressional approval of new major MAP programs is probably two or three years away. He hopes, however, that a program can be sketched out and that personnel can be trained to use the equipment which they might plan on receiving some years hence. Consequently, he hoped for "some modest increase" in professional training in the current MAP budget, plus transport aircraft and naval spares to meet specific requirements.

Sumitro said that the Indonesians have completed their list of requirements. The list does not constitute an immediate request, but they are looking for an indication that the US will in the future assist them in replacing Soviet equipment. Sumitro said that this will be a major topic when Suharto meets the President next spring.

Sumitro said that he planned to raise the same points with Admiral McCain during his forthcoming visit.

You will recall that General Sumitro some weeks ago passed you a similar request for arms aid through the Indonesian Military Attaché, General Suhud. It would appear that President Suharto has now decided that he had better begin to hit the US Government at different levels with his request.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 531, Country Files, Far East, Indonesia, Vol. I. Secret; Exdis. Sent for information. A notation on the memorandum in Kissinger's handwriting reads: "John, See me HK."

² Dated October 28, attached but not printed.

276. Memorandum of Conversation¹

Washington, November 17, 1969.

PARTICIPANTS

The President

Foreign Minister Adam Malik of Indonesia

Ambassador Mosbacher, Chief of Protocol

Indonesian Ambassador Soedjatmoko

Assistant Secretary of State Marshall Green

John H. Holdridge, NSC Senior Staff Member

Following a very brief discussion of the purpose of Mr. Malik's visit to the UN in connection with the West Irian debate,² the President remarked that he had good memories of his visit to Djakarta last summer, and certainly hoped that our relations were going well. He jokingly said that he hoped, too, the Indonesians were receiving good cooperation from Ambassador Green. As he had said when in Indonesia, if one looks at this area of the world Indonesia's 120 million people and great geographic area give it a key relationship in the future of the region. Without Indonesia, there would be no real possibility for regional solutions. Knowing that the Indonesians wish to retain their independence, we in this Administration were looking forward to maintaining a close relationship with them. Mr. Malik stated that he indeed hoped that our relationships could be strengthened.

Changing the subject, Mr. Malik declared that the Indonesians had read the President's recent speech³ with great interest and sympathy, and looked on it as a very objective statement of the US situation in

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 531, Country Files, Far East, Indonesia, Vol. I. Secret; Nodis. Drafted by Holdridge and forwarded to Kissinger under cover of a separate attached memorandum, November 25. Kissinger initialed his approval on the covering memorandum on November 28 and wrote: "Send to State. Incidentally this goes to S/S only as *all* other Presidential memcons. Don't let into the working level." The meeting was held in the President's office. Another copy of the memorandum of conversation is *ibid.*, RG 59, Central Files 1967–69, POL 7 INDON.

² Foreign Minister Malik visited Washington November 15–18 in between visits to the United Nations in New York. In addition to his meeting with the President, Malik also met with Rogers and key members of Congress. Details of these discussions are reported in telegram 195740 to Jakarta, November 21. (*Ibid.*)

³ President Nixon, in his address to the nation on the war in Vietnam on November 3, made the point that the United States would not engage in "an immediate, precipitate withdrawal" from Vietnam, but would, instead, "persist in our search for a just peace through a negotiated settlement, if possible," or would "withdraw all of our forces from Vietnam on a schedule in accordance with our program, as the South Vietnamese become strong enough to defend their own freedom." (*Public Papers: Nixon, 1969*, pp. 901–909)

Vietnam. Mr. Malik added that he thought the speech also indicated the time now was right for political movement in South Vietnam so that the thrust of US policy would not only be of a military character. As he looked at US domestic developments, he had the impression that many people thought the US was pressing solely for a military solution. Political development in South Vietnam might therefore deflect domestic opinion away from controversy in the US to events in Vietnam. Although the position of Thieu and Ky was not so good, their situation might be strengthened if they were to rely more on the leadership in the countryside. If the relationship between the national leaders and the natural leaders in the countryside could be developed, to the point where the latter were willing to participate in the physical development of the country, the influence of the Viet Cong would be neutralized.

The President declared that one of the most encouraging developments in his ten months in office was the strengthening of the Vietnamese territorial forces, as distinct from the regular armed forces. General Abrams had said that this was the most significant development which had occurred. The territorial forces had always existed, but before had not possessed much of a will to fight; now they were better equipped, increasingly active, and could provide security to outlying areas which the regular forces could not reach.

Referring to Mr. Malik's comments on political development in South Vietnam, the President said that this in fact was our objective, but that the process took time—years and even generations. What we were trying to do was to compress political evolution in the country into a time span of five minutes. Nevertheless, it was important to make the effort, for if there were no local elements assuming responsibility, once the regular military went away, the old problems would appear again. The President likened this type of war to playing a violin—there had to be at least four strings: economic, military, political and social progress.

Mr. Malik noted that one of the side effects of the President's speech could be found in his area, namely, the speech would definitely increase the desire of the nations of the area to increase their cooperation regionally. In this respect, the ASEAN Foreign Ministers were to meet in Kuala Lumpur in December. The President's speech had had a reassuring effect on the ASEAN countries and would encourage them to work out a greater degree of regional cooperation.

The President said that in this country we had to rule out the easy way of ending our involvement in Vietnam. We could of course get out easily, but this would in turn get us out of Southeast Asia, and therefore we had to find a way to bring the war to an end and yet achieve our limited objective of preventing a government from being imposed

on the Vietnamese people from the outside. Noting that this objective had been accomplished in Indonesia, the President hoped that the same outcome would be reached in Vietnam. He thought that he could keep US opinion in support of this goal, and certainly would resist efforts to wash out the war as a bad deal, which would bring very bad consequences.

Mr. Malik indicated that, on the other hand, there was a danger that the ending of the US involvement in Vietnam would lead to isolationism. The President agreed, saying that Vietnam must not be interpreted domestically as a failure, especially after the loss of 40,000 lives. If we were to leave under humiliating circumstances or with the war a failure, the American people would say in the event that a threat were directed against Indonesia, Thailand or India, "Why do anything?"

Continuing, the President mentioned that one point had been very encouraging to him: Mr. Malik and his colleagues had been able to avoid a Communist takeover in Indonesia. They had displayed courage and leadership and by resisting had showed that the people and leaders of their country possessed the will to retain their independence. Indonesia was the brightest spot: having had the greatest problems, it had now turned completely around.

The President touched on the problems in other areas, referring to Thailand and Malaysia, and noting Malaysia's interracial conflict. He commended Singapore under the leadership of Lee Kuan Yew, observing that Lee understood the problems of Vietnam. The difficulties of all these countries, including Laos and Cambodia, were related and were but a part of the total picture.

In response to a statement by the President that Ambassador Green had been in Indonesia when the change had happened, Mr. Green recalled the President's visit to Indonesia as a private citizen, recalling that the President had been the best visitor the Embassy had ever known. Mr. Green then spoke of the long-standing friendship which Mr. Malik had displayed toward the US, which had existed even during the bad days under Sukarno.

The President remarked that Mr. Malik understood the real nature of the problems facing his country, and recognized that there were civilian as well as military components. Moreover, Mr. Malik had a view which was not limited to Indonesia, but saw things in terms of the whole area. Too many people, the President said, thought only of their own country. On his trip to Europe, European friends had said to get out of Vietnam in any way. Their reasoning was that because the US was in Vietnam it was not doing enough to support Europe. The same situation was true in the Middle East. The Israelis, for example, assumed that if we were not in Vietnam we would do more for Israel.

He had told them that if Vietnam ended as a failure, "forget it". Americans would simply withdraw from Vietnam, Asia and the Middle East and stay home. He stressed that we were not going to fail; however, we needed to appreciate the fact that there was a domino effect—indeed, just to talk in these terms was to touch on too small a part of the picture. In terms of the effect on the US and its world relations, if we were unable to succeed in supporting one small country for limited goals, great internal frustrations would result. The US had to play a world role, but a proper, not a dominating one. The key was to find a way to end the Vietnam war so that this world role could be played successfully. Most of our friends in Asia understood this. Our efforts were directed not so much at changing North Vietnam, but rather towards trying to find solutions which would enable South Vietnam to stand on its own feet.

Turning again to the subject of regional cooperation, the President stated that this was very important and he was encouraged to hear about the meeting in Kuala Lumpur. Regional cooperation was the responsibility of the countries concerned but was also very helpful to our policy here. Too many people here had never visited the region and did not know the great national pride and desire on the part of the peoples of the region to stand on their own feet. Assistance was not wanted if it meant control, and this was a very healthy attitude. However, the US could play a good partnership role.

Mr. Malik mentioned on the score of foreign assistance that early after the 1965 coup he had told Ambassador Green not to offer aid before Indonesia had settled its own house. Ambassador Green added he had been told by the Foreign Minister at that time that when the time had come for US aid he would let us know.

The President asked about Indonesia's present situation—were we doing about what we should be doing? Mr. Malik replied that he hoped the US would continue and possibly increase its present level of aid, which was crucial in maintaining Indonesia's stability and accomplishing its five-year plan. The President referred to the difficult situation in the US, with the Congress having cut the aid appropriation below what we had asked for. The Foreign Minister should understand that what we were doing now was not a reflection of what we would like to do. However, over a period of five years he anticipated that the situation would be different and Congress would provide more support.

Mr. Malik said that he was fully aware of these difficulties, but that the Indonesians were still not giving up hope. The President observed in response that we would do as well as we could.

Mr. Malik again brought up the possibility of new isolationism in the US, particularly among the youth. The President said in reply that

the isolationists were not a majority. Some elements in the population said we should not do anything abroad, but most would support a responsible foreign policy. Over 300 members of the House and 59 Senators had joined in resolutions supporting his policy on Vietnam. This was the kind of support which counted. Policy was made in this way, not otherwise.

Mr. Malik referred to the Asian Development Bank Special Fund, and wondered about the US contribution. Ambassador Green noted we had pointed out that we could not yet go forward with our contributions since we had no special legislation. The President said that he had a long talk with World Bank President McNamara prior to the Sato visit and had talked in general on this subject. Mr. McNamara felt that we need to give more emphasis to the whole Asian problem. He himself could only say that as a result of his own personal intervention we would give this matter more attention. Frankly, we had a problem with Congress, but over a period of five years there would be a change.

Mr. Malik mentioned the question of the Indonesian oil quota in the US, to which the President remarked that he was very familiar with this whole issue, and knew that the Indonesian quota was quite modest. Mr. Malik expressed the hope that the Indonesian quota would be kept open and that Indonesia would have increasing access to the US market. The President assured him that Indonesia would have a percentage of any increase and would keep this in mind.

In conclusion, the President urged Ambassador Green to encourage members of the Cabinet and Congressional leaders to visit Indonesia in order to see the country and to get a feel for Indonesia's problems. He told the Foreign Minister that the Indonesians were fortunate to have as Assistant Secretary of State a man such as Ambassador Green who was so thoroughly familiar with Indonesia and its conditions. He asked Mr. Malik to transmit his best wishes to President Suharto.

277. Paper Prepared in the Department of State¹

Washington, undated.

SUMMARY OF NSSM-61 ON INDONESIA*I. Indonesia's Importance to the U.S.*

The Indonesian leadership during the first half of this decade combined hyper-nationalism and Marxist-Leninist revolutionary doctrine in a formula for "nation-building" which in fact sought to destroy Western influence and deny the concept of peaceful change in Southeast Asia. In contrast, the current Indonesian government seeks to obtain economic and social development through the pursuit of pragmatic, non-doctrinaire policies in close cooperation with its neighbors and with multilateral assistance from international agencies and Free World governments.

Success for the new Indonesian approach would dramatically improve the economic and security environment in Southeast Asia, of which roughly half the population and area is Indonesian. It could also set a constructive example for other less developed nations. Conversely, an unhealthy Indonesia would pose serious problems for Asia and Australia and endanger U.S. policy objectives in the Pacific.

II. The Indonesian Setting for U.S. Policy

Indonesia has many of the key ingredients for successful development. Separation from mainland conflicts and an ability to handle all foreseeable internal threats permit concentration on economic stabilization and development. Only partially explored but apparently extensive mineral wealth promises future increase in income, and new rice technology may bring self-sufficiency in the nation's basic food crop. Moreover, the performance of the Indonesian government to date has earned the increasing support from international agencies and Free

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, NSC Institutional Files (H-Files), Box H-041, SRG Meeting, Indonesia, Malaysia, Singapore, 12/22/69. Secret. Attached to a December 16 memorandum from Holdridge and Lord to Kissinger that explained that the summary was prepared for the Senior Review Group. A copy of the 29-page response to NSSM-61 is also attached but not printed. Holdridge and Lord stated in their memorandum that, "the President need only address the issues of *military assistance* and the *U.S. role in maintenance of a Singapore base.*" They added, "We don't think that our policy towards these countries [the memorandum concerned Malaysia and Singapore, as well as Indonesia] requires an NSC meeting. However, a package should be forwarded to the President because of his personal interest in Indonesia." The Department of State paper was included in that package.

World governments which is essential for the success of that nation's development program.

Indonesia's weaknesses, however, match its assets. Two decades of neglect have left Indonesia's basic economic infrastructure in disrepair. Roads, railroads, ports, communications and power will require substantial investments to provide an adequate base for economic development.

Problems concerned with human resources loom even larger. A severe shortage of technical skills and managerial expertise limits absorption of economic assistance, and the educational system must be completely reoriented to meet this need. Even more basic impediments to progress are the traditional attitudes and values of Indonesian society, which can deflect foreign efforts to help. These include an emphasis on adaptation to rather than manipulation of the environment, a tendency to avoid rather than solve conflicts and problems, and a paternalistic social organization which places personal relationships above impersonal codes of conduct.

Indonesia aspires to a role in Southeast Asia commensurate with its size and population. With this goal in mind, it hopes to see a gradual lessening of the area's dependence on major powers. It has fostered good relations with its immediate neighbors and has attempted to build up the Association of Southeast Asian Nations (ASEAN) into the primary vehicle for subregional cooperation. It has scrupulously followed a policy of non-alignment on international issues while pursuing rigidly anti-communist policies at home.

III. Current U.S. Policy Objectives

The absence of immediate security threats or of pressing bilateral issues has permitted United States policy to focus on the long-range goal of assisting in Indonesia's modernization.

The United States has sought to strengthen Indonesia's commitment to a pragmatic approach to development. Economic progress attained by such policies will in turn help prevent successful challenges to the regime from internal forces hostile to U.S. interests, promote Indonesian cooperation with the U.S. and other Free World powers, and contribute to the stability and prosperity of the region as a whole. U.S. policy objectives have respected Indonesia's desire to maintain a balance in bilateral relationships which will preserve its non-aligned status.

IV. Current U.S. Posture

Past experience cautions against certain dangers attending American participation in Indonesian development: (1) too prominent a role can stimulate a fear common to Indonesia's traditionalist masses that modernization is in fact "Americanization" which threatens Indonesia's cultural identity and political independence; (2) assistance in cer-

tain sectors can associate the U.S. too closely with painful economic and social changes which must accompany development; (3) American initiative can preempt tasks which other governments or international agencies are willing to assume; and (4) providing American solutions to Indonesian problems can inhibit the growth of indigenous problem solvers.

To avert these dangers the United States has: (1) adopted a multilateral approach in which the IMF, the IBRD and the Inter-Governmental Group on Indonesia assist in determining and meeting Indonesian aid requirements; (2) emphasized economic assistance, limiting military aid to non-combat materials tied to the development program and avoiding direct efforts to promote social or political changes; (3) encouraged private foreign investment; (4) maintained a "low profile", restricting the number of American personnel in Indonesia to a bare minimum; and (5) quietly encouraged a regional approach to development through ASEAN, ECAFE and similar organizations.

V. Alternatives in Overall U.S. Approach

The options open to the United States in defining its overall approach to Indonesia tend towards two poles:

1. Maintaining (or accentuating) the multilateral, "low profile" approach with the short-term goal of keeping Indonesia on a friendly but non-aligned course and with a possible long-term goal of promoting Indonesia as the nucleus for a healthy, independent Southeast Asia.

2. Leading Indonesia into a close bilateral relationship in which the United States would take a much more direct and immediate role in helping meet economic and social problems endangering present Indonesian stability and in helping prepare Indonesia for a greater security role in the region; this relationship would, of course, involve greater obligations on our part.

The United States approach can be established at many points between these two poles. Movement towards a close bilateral relationship, however, cannot be easily reversed and can build up a momentum of its own.

VI. Policy Alternatives

There is no single issue of such importance that it alone will set the tone for U.S.-Indonesian relations. The United States is instead faced with alternative approaches in several broad sectors which will in combination define our overall posture.

The multilateral, "low profile" approach, for example, would be reinforced by decisions to: (1) restrict our Military Assistance Program to civic action, related transportation needs and professional training; (2) adhere strictly to a multilateral formula in which the level of our

economic assistance is not allowed to exceed roughly one-third of that contributed by other nations; and (3) restrict technical assistance to current low levels.

Some of the advantages accruing from such decisions are: (1) Indonesia would be encouraged to focus its efforts on economic development; (2) pressure would be kept on other foreign donors to contribute; and (3) the United States would not incur the many risks arising from a conspicuous role and a large American in-country presence.

Among the disadvantages of this approach are: (1) failure to meet certain military requests could harm our relations with the Armed Forces, which provide the leadership and the political base of the current regime; (2) the multilateral framework gives less leverage for exacting *quid pro quos*, including self-help measures, and creates delays and uncertainties in meeting Indonesian needs; and (3) a low ceiling on technical assistance would tend to limit efforts to improve Indonesia's absorptive capacity for foreign assistance.

At the other extreme, a close bilateral association would be promoted by decisions to: (1) assist in the modernization of Indonesia's Armed Forces; (2) disregard the multilateral approach and match available American resources to Indonesian needs; and (3) provide technical skills wherever needed.

Typical advantages deriving from these decisions are: (1) Indonesia might be willing to share the current defense burden on the Southeast Asian mainland; (2) a greater assurance that its foreign assistance needs would be met would strengthen Indonesian confidence in the economic course we advocate; and (3) Indonesia would be directed more towards American markets for eventual military and civil purchases.

Disadvantages associated with such decisions include: (1) a significant increase in U.S. expenditures; (2) apprehension on the part of Indonesia's neighbors over its increased military capabilities; (3) the danger that we might replace contributions from other countries or inhibit the growth of Indonesian initiative; and (4) a hostile reaction from Indonesia's powerful traditionalist forces who could accuse the regime of abandoning Indonesia's independent course in foreign affairs and permitting "Americanization" of the Indonesian society.

There are, of course, intermediary positions on most of these issues which would provide generally less negative and less positive results than the courses outlined above. Among these are: (1) increasing military assistance in non-combat equipment and training; (2) adjusting U.S. aid levels to meet the gap in Indonesian requirements while adhering to a multilateral framework; and (3) modestly increasing technical assistance.

(In the text of this study policy alternatives are discussed by individual problem areas, which have been grouped together in the dis-

cussion above for the purpose of brevity. There are other issues which cannot be grouped with those directly affecting our overall posture towards Indonesia but which will nevertheless require important policy decisions. Among these are: (1) whether to attempt directly to foster political and social progress or to avoid such sensitive and difficult activities; (2) the problem of finding a suitable mix between "program" aid and "project" aid; and (3) finding a means of settling the huge foreign debt inherited from the Sukarno regime which will ensure a continued flow of resources into Indonesian development and protect the interests of donor nations.)

278. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, December 22, 1969.

SUBJECT

U.S. Aid to Indonesia in 1970

The Inter-Governmental Group of donors to Indonesia (IGGI) last week accepted Indonesia's request for \$600 million of aid in 1970. At Tab A are recommendations from Secretaries Richardson, Kennedy and Hardin, concurred in by Director Mayo (Tab B),² on the U.S. share in that total.

The Indonesian economy has achieved stabilization and must now move on to development. The Suharto Government has held inflation to 7 percent in 1969 compared with 85 percent in 1968 through a policy of strict budget balancing and liberal foreign assistance in financing food and commodity imports. Both foreign and domestic investment are increasing, with emphasis on the manufacturing sector. Free market forces have been given the major role in economic decisions.

Indonesia's greatest problems are its slowness in developing capital projects and in making credits available for needed local investment,

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 531, Country Files, Far East, Indonesia, Vol. I. Confidential. Sent for action. A notation on the memorandum indicates that the President saw it.

² Tab A, a December 5 memorandum from Richardson to Nixon, and Tab B, a December 6 memorandum from Budget Director Robert Mayo to Nixon, are attached but not printed.

inadequate price incentives for farmers to grow more rice, an inefficient administrative apparatus, and a shortage of private sector entrepreneurs and managers. U.S. assistance has focused on these points. The World Bank is expanding its advisory and project coordinating efforts to help as well.

Donors in the IGGI currently supply all of Indonesia's foreign assistance. Indonesia's present request of \$600 million includes \$140 million for food aid and \$460 million for non-food aid. The request would actually cover a 15-month period from January 1970 to March 1971. AID, the IBRD, and the IMF agree that this is an appropriate aid level. In addition, Indonesia is benefiting from a major rescheduling of debts by most of the IGGI countries.

In the IGGI, the U.S. has adhered to a "one-third" formula. We have agreed to pledge one-third of total non-food aid with the hope of pressuring Japan to do the same and the other donors—the Europeans and Australians—to supply the remaining third.

This year, the agencies propose that the U.S. pledge one-third (\$125 million) of *bilateral* non-food aid (\$375 million) and a "fair share" (approximately \$105 million) of non-[sic] food aid (\$140 million). Including our share of the money which will be provided to Indonesia by the Asian Development Bank and the World Bank, this would be slightly more than we contributed last year.

We would pressure Japan to match our \$125 million and the Europeans and Australians together to provide the same. This proposal ensures proper burden-sharing and represents a level which is consistent with our budgetary constraints. It risks a small shortfall in meeting Indonesia's request if Japan and other donors prove niggardly, although we could probably make it up late in the year if necessary.

Recommendations

1. That you authorize the U.S. to provide \$105 million of Indonesia's food aid requirements which total \$140 million.³
2. That you authorize the U.S. to provide one-third (\$125 million) of Indonesia's bilateral non-food aid requirements.⁴

Additional Point

Program loans are extended to Indonesia to finance general commodity imports important to her development effort. The U.S. is not competitive in most of these, however. Indonesia therefore must subsidize imports from the U.S. to use our money. The loans thus cause an inefficient allocation of aid money and a waste of Indonesia's local

³ Nixon initialed his approval.

⁴ Nixon initialed his approval.

currency. Budget recommends that we carefully study the possibility of liberalizing the procurement restrictions attached to our program loans to Indonesia.⁵

Recommendation

That you authorize me to direct AID to study methods of liberalizing the procurement restrictions attached to our program loans to Indonesia.⁶

⁵ A memorandum from Kissinger to the Secretaries of State and Treasury, and to the Administrator of the Agency for International Development, January 16, is attached but not printed. Kissinger stated in the memorandum that the President had directed that they "undertake a study of the difficulties involved in the use of U.S. program loans to Indonesia, particularly as these difficulties relate to our present tying practices." They were asked for recommendations "on any measures needed to deal with the problem, such as the possibility of partially untying such loans to permit Indonesian procurement from other less developed countries in the region."

⁶ Nixon initialed his approval.

279. Telegram From the Embassy in Australia to the Department of State¹

Canberra, January 14, 1970, 1610Z.

Vipto 020/285. Subj: Vice President's Meeting with Indonesian Foreign Minister Malik. Dept Pass AmEmbassy Djakarta.

1. The Vice President met with Foreign Minister Malik for one hour and twenty minutes on January 11 in Bali.² Malik was accompanied by Anwar Sani and Abu Bakar Lubis. Ambassador Galbraith, Mr. Crane and Mrs. Duemling were also present.

2. After an exchange of pleasantries, the Vice President expressed interest in Indonesia's economic development plans. He indicated awareness of Indonesia's great resources, its geographic expanse, and asked how long the Foreign Minister thought it would take to achieve their objectives.

¹ Source: National Archives, RG 59, Central Files 1970-73, POL 7 US/AGNEW. Secret; Immediate.

² Kissinger prepared talking points for Agnew's meeting with Malik in a December 17 memorandum. (Ibid., Nixon Presidential Materials, NSC Files, Kissinger Office Files, Box 82, V.P., Agnew Trip Dec. 1969-Jan. 1970)

3. Malik responded that at least five years would be required just to re-establish the economy which had been ravaged during the Sukarno years. In this time he hoped Indonesia could become self-sufficient in food production. The distribution infrastructure was key because some areas produce a surplus while others are in deficit. Indonesia's problem was to increase its productivity for current consumption at the same time it is investing in infrastructure. Foreign investment is most welcome but it takes time for results since at least two years are required for research and preparation. However, Malik hoped that Indonesia would reach the "take-off point" by the end of the first five-year plan.

4. Demographic Problems

Java presents the greatest problem because of population density and high annual population increase. Malik reviewed Indonesia's experience with transmigration. During the colonial period, entire families with all their goods were evacuated, but this technique simply transplanted the same static condition to the new location.

5. During the occupation, the Japanese engaged in forced migration. Both techniques yielded poor results. After independence, several schemes were tried leading to general confusion. Attempts to clear virgin jungle suffered from inadequate preparation, with the result that the people's spirits were broken before they became established. Now the government is considering using the armed forces in jungle clearance as part of their civic action program.

6. Current thinking on transmigration includes provision of jobs and housing as well as a subsidy until migrants can earn their own livings, though this will be costly. Also, younger people will be encouraged to migrate (rather than entire families) since they are more energetic and carry a new spirit. In addition to jungle clearing, new industries will be created and new foreign enterprises encouraged. The government hopes for a chain reaction relationship between foreign investment and migration.

7. The Vice President complimented Malik on the sagacity of Indonesia's planning for migration and its intention to balance agriculture and industry. He hoped foreign investment would ameliorate the Indonesian plans. He thought another stimulating factor could be economic cooperation within the region. Population control remains a problem because most people are happiest in large groups. However, congested areas are time bombs whose potential for disruption and civil disorder offer an easy mark to extremists. Therefore, the problem is political as well as economic. The Vice President concluded by pressing his admiration for Indonesian realism on this matter and his hope that the IGGI nations could be helpful.

8. Outcome of ASEAN Meeting

In response to a question from the Vice President about current regional cooperation on security matters, Malik reviewed in some detail the results of the ASEAN meeting held in Malaysia in December 1969. Malik suggested that progress so far had only resulted in agreement on the need for cooperation. Prior to the ASEAN meeting there had been some apprehension among the membership about one disruptive influence of the Sabah issue, but President Marcos had the courage to relax tensions by recognizing that a political approach as well as a juridical one was possible. Therefore, the Philippines had been willing to put its claim aside for the time being without actually renouncing it. Marcos told Malik that he hopes to visit the Tunku in March or April 1970.

9. At the ASEAN meeting the five member nations recognized the limitations of their own funds and therefore agreed on a token \$1 million contribution from each. Since they have also approved 98 projects, it is clear that the available funds are woefully inadequate. However, this symbolic beginning was a good one.

10. Malik expects short-term results in tourism and communications and perhaps long-term cooperation in such projects as steel production. On the latter point he said the participants hoped to agree on a site close to the source of raw materials.

11. Malik also mentioned several possibilities for bilateral operation (in addition to multi-lateral): between Indonesia and the Philippines on copra production, Indonesia and Malaysia on rubber and tin, etc.

12. Progress had also been made in reducing tensions. For example, Malaysia in recent years had been fearful that Indonesia might be dominated by communism, religious extremists or a military regime; Malik thought Indonesia had helped alleviate these fears by bringing Malaysian students over to study in the Indonesian Armed Services Staff College. In the same spirit, Indonesia has not objected to Australia becoming a substitute for the United Kingdom in Malaysian defense matters. Indonesia has also attempted to calm Singapore's apprehensions about the fate of Chinese in Indonesia by easing the citizenship requirements.

13. A common fear expressed at the ASEAN meeting, Malik said, related to the post-Vietnam period. Since the ASEAN charter has no military aspects, the question of defense was discussed informally, outside the regular meetings. In the case of major war or invasion, the countries are planning to send troops to one another; in this respect the others look primarily to Indonesia. This is compatible with Indonesia's forward defense doctrine which favors fighting outside Indonesian territory in the event of a clear threat. Malik said Indonesia is not planning on this at the present time but it wishes to consider the means of avoiding open attack. Malik said he had stressed the necessity of these

nations demonstrating their unity and strength to help avoid attack. They had achieved understanding on the exchange of information among their top military intelligence officers, though this will take place outside the ASEAN framework.

14. In considering the post-Vietnam situation, the ministers had asked the Vietnamese and Lao observers at the meeting to explain the situation in their countries. The Ministers then held bi-lateral talks with the Vietnamese Foreign Minister since each country has slightly different relations with and policies toward Vietnam. Indonesia, for example, agreed with the Vietnamese Foreign Minister to exchange information on subversion. Vietnam wanted to insist on the establishment of diplomatic relations with Indonesia. But, Malik said, Indonesia is "in different position from Thailand and the Philippines." So for the time being, this will not be possible. However, they have agreed to operate a chamber of commerce in each others' capitals. In response to questions from Ambassador Galbraith, Malik and Sani said that the chamber of commerce mechanism was chosen (rather than a trade office) to provide a private facade so as to avoid undue reaction from Communist countries. Malik pointed out, however, that each government would be free to appoint anyone to this position and it could be an official, even a high-ranking diplomat.

15. Additions to ASEAN

On the subject of other nations joining ASEAN, Malik provided the following summary. Thailand thought Burma would not join because of the possible reaction from Communist China. Similarly, Ceylon's trade with China is too important to jeopardize. Australia and New Zealand are already associated with two ASEAN countries through the Commonwealth. Malik mentioned that Australia had asked Indonesia for its thoughts about Australian relationship to ASEAN, as well as about the Indonesian role in Southeast Asian security. Malik said that Indonesian cooperation with Australia and New Zealand is improving and expanding especially through the navy and air force. He said border problems between Australia and Indonesia in New Guinea (Irian) had all been settled.

16. The Vice President expressed complete agreement with the ASEAN emphasis on economic cooperation and the organizations' tentative interest in regional security. He suggested that the current danger is not so much all-out invasion as it is insurrection and infiltration. If people have confidence in their government they will willingly combat insurrection and countries which have a stake in foreign trade will be interested in assisting their neighbors.

17. Communist China

The Vice President also mentioned steps which the US is taking to reduce tensions with Communist China. These are small steps and we

do not plan to relax our vigilance, but Communist China already appears to have responded with a desire to resume the Warsaw talks.

18. The Vice President then commented about US policy in Vietnam which was in accordance with the feelings of the American people, though not necessarily with the views of the press. We hope to conclude the Vietnam War as quickly as possible. However, the war is not over and we will face a difficult problem with American public opinion unless the nations of Southeast Asia indicate their concern and support for our position. The Vice President pointed out that immediate disengagement, as some people urge, is not compatible with the security of Vietnam. The American public is somewhat bewildered because, although our government receives private assurances from Southeast Asian nations, some Asian leaders often leave the impression in public that the US is not welcome.

19. As for what might be done in these circumstances, the Vice President suggested that small nations could help if they would frankly tell us when we are doing something wrong or abrasive. Similarly, they should be equally frank with the Soviet Union. They could also shore up American public opinion and counter isolationist sentiment by being equally frank when they agree with US policy. These approaches might also help diminish tensions with the USSR and Communist China.

20. The Vice President said that the Thieu Government is enjoying continued success. Enemy activities have decreased but major attack is still possible, and its effect would not be military so much as psychological because it would once again arouse anti-war activities in the US. Whether or not our withdrawal is precipitate depends in part on whether Asian nations are able to impress their concern on American public opinion. The American people will believe one side or the other. At the moment, President Nixon's head-on approach has turned public opinion in his favor but this situation would be seriously impaired by a preemptive Communist attack. The Vice President expressed complete agreement with a toast made in Singapore by Prime Minister Lee in which he cited the folly of notifying the Communists about the time and level of our withdrawals. The Vice President understood the delicacy of Indonesia's domestic politics but he hoped Indonesia would find an opportunity to indicate that the Americans are wanted in Asia.

21. Foreign Minister Malik replied that the subject of the American presence now and in the future had often been discussed among the Southeast Asian nations. They do not favor a precipitate withdrawal because they are not yet prepared to assume the defense burden, although they cannot admit this publicly. (Malik said that even after the Vietnam War is over America should not become isolationist because

its assistance will be needed. When he last saw President Nixon in Washington he had expressed this need and also mentioned the need to determine how Southeast Asian nations can help Vietnam.) The Vice President mentioned how impressed he had been while visiting Vietnam with the cooperation between US and Vietnamese troops. If the US adheres to reasonable levels of withdrawal, we can successfully transfer responsibility to the Vietnamese. He also drew an analogy with our experience in Korea where, today, very few US troops are involved. Korea is also an example of how a country's ability to defend itself depends on economic stability.

22. Bilateral Relations

Malik said he would not wish to conclude the meeting without mentioning US-Indonesian relations, which he thought were going well. He particularly commended our understanding of Indonesia's needs, as demonstrated at the recent IGGI meeting, and hoped Indonesia would also have our support in convincing other nations that they should help. The Vice President said that our ability to respond depends on our own budgetary situation. We look upon assistance as an investment in world society. However, many Americans think our efforts are not appreciated. The Vice President recognized the problem of incurring reactions from Communist states, but he thought countries like Indonesia should take a calculated risk in this matter. The Vice President thought it was important for nations to make clear which economic system they favored and which promised them the greatest gains.

23. Malik said that the Indonesian people recognize what the US has done and this recognition will be made clearer in the future.

24. The Vice President asked Malik to convey his best wishes to President Suharto, expressed his regrets at not being able to visit Djakarta but stated that he looks forward to seeing President Suharto when he visits Washington. Malik indicated he would transmit this message.

Rice

280. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to Secretary of State Rogers and Secretary of Defense Laird¹

Washington, January 21, 1970.

SUBJECT

MAP Alternatives for Indonesia

At the Review Group Meeting on December 22, 1969,² it was agreed that the Departments of State and Defense would prepare a memorandum for the President spelling out in broad terms the equipment which would be supplied under the military aid program for Indonesia, under Options 3 and 4 of Section VI B of NSSM 61.³

The consensus in the Review Group was that the program should be somewhat larger than at present and that there should be a judicious addition of combat equipment to the present program, which is limited to civil action equipment.

The President believes that his conversations with President Suharto oblige him to proceed with a combat/civil action mix, between Options 3 and 4. For planning purposes a program level of about \$15 million should be assumed. (If supplies are available from surplus stocks, they could of course be utilized, reducing somewhat the need for additional MAP appropriations.)

The report to the President should be submitted by February 2.⁴

Henry A. Kissinger

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 531, Country Files, Far East, Indonesia. Vol. I. Secret.

² Minutes of the meeting were not found.

³ See Document 277 and footnote 1 thereto.

⁴ See Document 283 and footnote 2 thereto.

281. Memorandum for the Record¹

Washington, January 22, 1970.

SUBJECT

U.S. Provision of 10 C-47 Aircraft to Indonesian Armed Forces

On January 21 I asked Brig. General Suhud, Indonesian Military Attaché, to stop by my office. Upon his arrival, I informed him that the U.S. had decided to provide the Indonesian Armed Forces with 10 C-47 aircraft, and that these aircraft would be arriving in Djakarta shortly. I stressed to him that these aircraft were being made available as a direct consequence of President Nixon's conversation with President Suharto in Djakarta last July, and that I would appreciate his passing this information to President Suharto and General Sumitro. I added that in the meantime appropriate agencies of the U.S. Government were giving further consideration to the question of providing military assistance to Indonesia, and that he should not necessarily take the 10 C-47s as the end of the story.

General Suhud, who had not heard of the provision of the C-47s, appeared very pleased. He asked if he might now discuss with Defense the arrangements which had been made for sending the aircraft to Indonesia. Since our Embassy in Djakarta had told the Indonesians there about this matter, I informed General Suhud that I could see no objection to his getting in touch with Defense, but that I would appreciate his not informing Defense that he had heard of the matter from me.

General Suhud informed me *inter alia* that he is returning to Djakarta early next month to assume a new post. He believes that this position will be Assistant Chief of Staff for Intelligence of the Indonesian Army. His replacement will not be informed as to the contact which he, Suhud, had been maintaining with the White House, and hence any further communications would need to be via the special channel which had been set up last summer in Djakarta.

John H. Holdridge

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 531, Country Files, Far East, Indonesia, Vol. I. Top Secret; Sensitive. Attached to a January 22 covering memorandum from Holdridge to Kissinger that indicates Kissinger saw the memorandum.

282. Memorandum Prepared for the 303 Committee

Washington, February 2, 1970.

[Source: National Security Council Files, Nixon Administration Intelligence Files, Subject File, 303/40 Committee Files, Indonesia. Secret; Sensitive. Extract—1 page of source text not declassified.]

283. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to Secretary of State Rogers and Secretary of Defense Laird¹

Washington, March 11, 1970.

SUBJECT

Additional MAP for Indonesia

The President has directed the following actions, in response to the memorandum of February 4 from the Secretary of State.²

1. An expanded MAP program for Indonesia is approved on an annual basis totaling approximately \$15 million per year (including the imputed valuation of items supplied from excess stocks), with the five year projection strictly for planning purposes. No commitments for a five year program should be implied, nor should the program be designed so as to provide more gradual deliveries in the early years with a speed-up toward the close of the period.

2. Because of his conversations with President Suharto the President has directed that there should be more combat matériel than is envisaged in the illustrative program enclosed with the memorandum of February 4. There should be informal consultations with the Indonesian Armed Forces as to their combat equipment priorities, in order to determine what combat matériel should be considered for the program.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Kissinger Office Files, Box 101, Backchannel Messages 1970, Indonesia, HAK/Sumitro 1970 [1 of 2]. Secret. Also sent to Bureau of the Budget director Mayo.

² See Document 280; Rogers' February 4 memorandum has not been found.

3. A supplemental MAP appropriation bill should not be required in order to finance the \$10 million increase over the original budget for MAP for Indonesia in FY 1971. This increase should be met from deductions from other programs and insofar as possible from maximum use of excess stocks.

4. You are authorized to proceed immediately with discussions with the Indonesians.

5. The nature of the proposed program should be definitively spelled out prior to President Suharto's visit in late May.

Henry A. Kissinger

284. Telegram From the Department of State to the Embassy in Indonesia¹

Washington, March 31, 1970, 0155Z.

046476. For Ambassador from Asst. Secretary Green.

1. Public statements by Adam Malik clearly show his awareness of importance of Cambodia to security Southeast Asia, including Indonesia. As reported by FBIS, Malik told press March 25 that "what is happening in Cambodia at present is a change of government and that Indonesia recognizes the government currently in power in that country." Malik added that all foreign troops should be withdrawn from Cambodia since their presence only "endangers situation in SEA."

2. Request you see Malik at earliest convenient moment to discuss developments in Cambodia as they relate to security of Southeast Asia. After commending him for his above statement, you might point out to him that we too fully support the neutrality and territorial integrity of Cambodia. Communist allegations of US involvement in Cambodian affairs are absolutely without foundation. These charges are an

¹ Source: National Archives, RG 59, Central Files 1970–73, POL CAMB–INDON. Secret; Immediate; Nodis. Drafted by Green and Masters on March 30, cleared by Haig in the White House and Wingate Lloyd (S/S), and approved by Green.

² In telegram 46727 to Djakarta, March 31, Green advised Galbraith in part that if ASEAN countries were "to play [a] useful role with regard to Cambodia, it [is] important that they publicly announce their support for Cambodia's neutrality and territorial integrity at earliest possible moment. I therefore do not believe you should await Malik's return April 4 or 5 [from Bonn] but should try to see Suharto soonest and encourage Indonesian initiative through him." (Ibid.)

obvious effort to divert attention from the undeniable fact that there are perhaps 40,000 North Vietnamese encamped on Cambodian soil plus some 5,000 Viet Cong. It was in order to gain international support, including that of Moscow and Peking, for the removal of these NV/VC forces that Sihanouk set out on his trip. Meanwhile, Lon Nol is continuing efforts to talk with Hanoi and PRG to get them to remove these forces and there are now unconfirmed reports and rumors that Communists may be seeking to attack and overthrow Government of Cambodia or to extend control over various parts of country.

3. Under these circumstances, would be most useful if Asian countries were to register their concern over developments in Cambodia and their support for Cambodian neutrality and territorial integrity, much the way Malik has already done (see para 1). If this could be done by ASEAN countries speaking with common voice, this would be particularly impressive, but if ASEAN as an organization shrinks from being involved in this kind of an issue, then it would be second best if ASEAN member countries could speak up on their own. In any event, it is better for Asians to take the lead than it is for US or European countries. Moreover, any indication that US was putting Asian countries up to making such statement would be unfortunate.

4. I leave it to your best judgment and finesse as to how to handle this issue with Malik in a way likely to result in ASEAN (or failing that, ASEAN member countries) making their position clear along above lines. It is not our intention to approach other ASEAN countries on this issue since this should be a purely Asian initiative. Indeed I would hope you could handle conversation in such a way that Malik would make suggestion himself about ASEAN or ASEAN member countries making statement and that he would follow through with them.

Rogers

285. Telegram From the Embassy in Indonesia to the Department of State¹

Djakarta, April 2, 1970, 0930Z.

2311. For Assistant Secretary Green from Ambassador. Ref: State 46727.²

1. In meeting with Suharto evening April 1, I told him I had a matter of some urgency that I had wanted to discuss with FonMin Malik but he was abroad. It was matter which I thought had to be considered at top level.

2. I said situation in Cambodia and question of preserving Cambodia's neutrality were most worrisome. I said Malik's statement a few days earlier stressing the importance of Cambodia's neutrality had been helpful. I spoke of the importance of underlining and doing all possible to preserve Cambodian neutrality, and of the difficulty for U.S. to do much because we were already accused of having been somehow involved in change of governments in Phnom Penh. I emphasized, of course, this not true and Suharto appeared accept this. I asked whether Suharto had thoughts about what might be done, whether there had been any consultation with Indonesia's neighbors, whether he thought it might help if group of Asian nations such as ASEAN were to evidence interest and support for Cambodia's neutrality.

3. Suharto said current events in Cambodia were difficult to interpret, because of paucity of information and conflicting reports. It was necessary to study the Cambodian situation carefully in order determine whether support to Lon Nol was indeed the way to preserve Cambodian neutrality and the best chance for Cambodia's continued independence. He reflected considerable caution that Indonesia not be caught in support, verbally or otherwise, of an unsuccessful Cambodian regime, or in a posture which would both weaken Cambodia and be seen as collusion between GOI and USG.

4. Suharto thought best thing currently to be done was to try to strengthen support among Asian nations for UN consideration of threats to Cambodian neutrality and he implied that GOI was prepared to support such an effort.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 531, Country Files, Far East, Indonesia, Vol. II. Secret; Immediate; Nodis.

² See footnote 2, Document 284.

5. Suharto said that if it developed that Lon Nol was able consolidate FARK and people behind him and he needed outside help, GOI would be prepared try to help him. But, Suharto said, Indonesia had no physical possibility of helping Cambodia.

6. Suharto added that it might be vital to U.S. position in SVN that Lon Nol receive help and perhaps GOI could serve as channel for U.S. assistance which would, if given directly, otherwise compromise Cambodian neutrality. I said it would be next to impossible in American system to channel our assistance in any way that would not become known and further complicate problem.

7. [*less than 1 line of source text not declassified*]³ reports GOI has sent message to Indon delegation UN to quietly but urgently push for some move by U Thant. GOI is thinking of UN peacekeeping force for Cambodia and, if requested by UN, GOI would be prepared to participate in such a force, along with such other truly non-aligned nations as Burma and Sweden. But only if UN requested GOI participation. GOI believes there need for prompt UN action and is worried that U Thant will drag feet and do nothing. GOI has not discussed this plan with RKG, nor has GOI offered any assistance to RKG.

8. *Comment:* As we have noted previously, Suharto, while appearing to realize importance of maintaining Indonesia's non-aligned position, does not appear always to realize nuances of protecting that position. Malik and FonDept generally take care of this aspect. Suharto appeared stimulated by our discussion of this problem but I have feeling he needs Malik's guidance. In any case, my discussions on Cambodian problem here last few days reveal that Indonesians are thinking mainly of UN not ASEAN as vehicle for group action and they obviously want to be part of larger and non-aligned supported effort.

Galbraith

³ Not found.

286. Telegram From the Department of State to the Embassy in Indonesia¹

Washington, April 15, 1970, 0023Z.

055342. For Ambassador Galbraith from Asst. Secretary Green.

1. You may have noted today's Phnom Penh broadcast declaring Cambodia's adherence to neutrality and spirit of Bandung, and informing international community of necessity "to accept all unconditional foreign aid from all sources for national safety." In your estimation, would GOI be willing to assist Cambodia, even in small token way? What would be GOI's attitude towards US-financed Indonesian assistance to Cambodia on a covert basis? What are the chances of keeping such a transaction covert?

2. Since Cambodian Army (FARK) utilizes AK-47 rifles, we would be particularly interested in knowing whether Indonesians might have any AK-47's and ammunition which could be made available for Cambodia. (We understand Indonesia manufactures AK-47 ammunition.)² In addition, is there any other military equipment which Indonesians might have that might be of immediate usefulness to FARK?

3. Would appreciate your information and opinions on above queries soonest. Foregoing should not be discussed with GOI.

Rogers

¹ Source: National Archives, RG 59, Central Files 1970-73, POL 27 CAMB. Secret; Immediate; Nodis. Drafted and approved by Green on April 14, and cleared by Under Secretary Johnson, Director Dirk Gleysteen (S/S-S), and Kissinger at the White House.

² The Washington Special Actions Group (WSAG) considered possible types and quantities of assistance to Cambodia in a meeting on April 14. According to the minutes of the meeting, Johnson raised the question of possible "Indonesian sources" for AK-47 rifles and ammunition. Green stated that the Indonesians had "a small factory in Bandung" that produced AK-47s and some ammunition, but he did not know "whether the production is in excess of their own needs." William Nelson of the CIA added that Indonesia was "the only possible sizable source within reach of Cambodia" and that they had "about 15,000 AK-47s issued to their own troops." Kissinger stated that if the Indonesians were to give AK-47s to Cambodia, "we would have to replace them with American rifles." He then asked how long it would take "to get delivery from Indonesia" and how "the rifles would be routed to Cambodia." Nelson replied, "If the shipment were to be completely covert, we could make arrangements with the Indonesians [*less than 1 line of source text not declassified*]. They could arrange commercial air shipment to Cambodia." (National Archives, Nixon Presidential Materials, NSC Files, NSC Institutional Files (H-Files), Box H-114, WSAG Minutes, Originals, 1969 and 1970)

287. Telegram From the Embassy in Indonesia to the Department of State¹

Djakarta, April 15, 1970, 1030Z.

2645. For Asst Secretary Green from Ambassador. Ref: A. State 55342;² B. Djakarta 2631.³

1. Within few hours after dispatch ref B, Sudjatmoko on instructions from Pres. Suharto reiterated to me Indonesia's willingness to assist Lon Nol Government with small arms if U.S. willing replenish and said Suharto awaiting US reaction. Sudjatmoko obviously not in complete agreement with his President's position but dutifully carried out instructions.

2. According to Sudjatmoko President told him this morning that Cambodia must be helped and that Indonesia should do its best to be of assistance since, because of historical background, Thailand would have difficulty and, to preserve Cambodia's neutrality, US should not become directly involved. Indonesia only logical country available and Suharto willing to provide training within Indonesia, and small arms. Lon Nol has asked GOI specifically for small arms for two to three divisions. Indonesia might be able to help with small arms for brigade but could not supply quantities required without replenishment by the United States. Arms for Cambodia would not be of US manufacture and Sudjatmoko said to Suharto that Indonesia could handle transport by air, ferry and sea. In response to my query Sudjatmoko said that, while President did not specifically say so, he had implied GOI supply of arms to Lon Nol government would be open although replenishment by US would be kept confidential.

3. Sudjatmoko raised with Suharto the implications for Indonesian non-alignment if such collusion between US and Indonesia became known. He also said he had explained to Suharto the cautious hedging of both the Soviet Union and the Chinese Communists in their support for Sihanouk and effect on entire Indo-China conflict if Indonesia were to become so openly involved. Suharto apparently undeterred by Sudjatmoko cautions but told Sudjatmoko that he had informed Lon Nol to go slowly in shift from monarchy to republic and

¹ Source: National Archives, RG 59, Central Files 1970-73, POL 27 CAMB. Secret; Immediate; Nodis.

² Document 286.

³ Telegram 2631 from Djakarta, April 15, reported Suharto's indications of his willingness for Indonesia to support Cambodia. (National Archives, Nixon Presidential Materials, NSC Files, Box 531, Country Files, Far East, Indonesia, Vol. II)

that he had urged Lon Nol to try to use Sihanouk or Queen Mother to neutralize their supporters, somewhat in the fashion he had used Sukarno's supporters after 1965 coup.

4. Sudjatmoko intends to discuss this whole matter with Malik either in Djakarta or Bangkok Friday or Saturday. It's our impression that neither Malik nor others in FonDept had, before Suharto talked to Sudjatmoko, been cut in on Suharto's plans to assist RKG.

5. In light of what appears to be specific request from Lon Nol to Suharto and Suharto's willingness to be forthcoming, it appears GOI would be amenable to move ahead along lines ref A with some assurance US approved of such action and would be willing to provide replenishment for arms given to RKG. However, when Malik returns, he may try to slow down Suharto.

6. Sudjatmoko's task was to be sure I got message and reported it to you which I assured him was case.

Galbraith

288. Memorandum of Conversation¹

Washington, April 17, 1970.

PARTICIPANTS

Dr. Kissinger
John H. Holdridge, NSC Senior Staff Member
William R. Smyser, Staff Member
Marshall Green, Assistant Secretary of State,
East Asian and Pacific Affairs
William H. Sullivan, Deputy Assistant Secretary
of State, East Asian and Pacific Affairs

SUBJECT

Dr. Kissinger's Conversation with Ambassadors Green and Sullivan

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 559, Country Files, Far East, Southeast Asia, 1970, Vol. II. Secret; Sensitive. The meeting was held in the White House Situation Room. On April 21 Holdridge sent this memorandum to Kissinger who approved it on June 1, with the proviso "Just for our files and my personal ones." (Attached memorandum from Holdridge to Kissinger, April 21; *ibid.*)

Following are the highlights of Dr. Kissinger's luncheon conversation with Ambassadors Green and Sullivan in the White House situation room on April 17, 1970.

[Omitted here is discussion of Cambodia.]

Military Assistance to Indonesia

Mr. Green raised the subject of US military assistance to Indonesia. The Indonesians had asked us for 40 T-37 jet trainers, and he and Ambassador Galbraith both felt that this was not advisable. For one thing, the cost of the T-37s would virtually take up the whole aid program, and in addition he doubted that jets would be a good idea. The Australians, for example, were opposed to them. He proposed instead that our aid be confined to transport-type aircraft such as C-47s and C-130s which could be converted as gunships and thus might meet the Indonesians' desire for combat equipment. He appreciated the desire of the Indonesian Air Force to get jets and the morale factors involved, but thought that giving the T-37s was going too far.

Dr. Kissinger responded with the observation that the President would probably ask, if confronted with State's position, why it would not be possible to give the Indonesians at least some of what they wanted, say perhaps 5 or 10 T-37s. Mr. Green agreed that this could be done.

[Omitted here is discussion unrelated to Indonesia.]

289. Telegram From the Embassy in Indonesia to the Department of State¹

Djakarta, April 19, 1970, 1130Z.

2738. Subj: Indonesian Help to Cambodia. For Asst Sec Green from Ambassador.

1. At informal Sunday luncheon meeting at residence, General Alamsjah, who as you know is one of President Suharto's closest advisers, raised Cambodian issue with me. He indicated awareness of my talk with Suharto and of at least my first talk with Sumuatmoko and he asked whether I'd had any response from Washington on proposition that if Indonesia gave arms assistance U.S. would replenish. After my negative reply Alamsjah urged I try again.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 531, Country Files, Far East, Indonesia, Vol. II. Secret; Immediate; Nodis. Received at 7:12 a.m.

2. Alamsjah said it was Indonesia's assessment that unless Lon Nol Government received arms and other help within next two weeks it might fail. Result of that would be increased Communist threat in Southeast Asia.

3. Alamsjah said Indonesia felt it urgent to get small arms for from five to ten battalions into Cambodia within next two weeks. He indicated Indonesia was prepared to do this (I asked him if Indonesia was thinking of supplying AK-47s and he indicated vaguely that this was possible) but that unless these arms were replenished Indonesia itself might be facing increased internal threat. Alamsjah said Indonesia was prepared to supply small arms, training assistance both within Cambodia and in Indonesia, and close air support. Latter would depend entirely, however, on willingness U.S. to supply T-37s and OV-10s.

4. I told Alamsjah that I thought it best that Indonesia work out with Cambodian Government whatever assistance it thought it should and could give without reference to any arrangement with U.S. I said I thought questions of U.S. supply of small arms and aircraft to Indonesia should be quite separate matter. I said otherwise some leak linking two was almost inevitable and would be devastating. Alamsjah indicated agreement in principle but said some reassurance from U.S. that replenishment would follow was essential.

5. Alamsjah said Suharto thinking in terms of flying small arms into Cambodia from and basing any air support for Cambodia on Natuna Island which about two hours flying time from Phnom Penh.

6. I asked Alamsjah whether Foreign Minister Adam Malik, who I knew had some ideas on trying to shore up Cambodian neutrality on diplomatic front, was aware and approved of Indonesia military assistance to Cambodia. Alamsjah answered affirmatively. He said he had discussed it with Malik before latter left for Manila a little over a week ago and Malik had commented that it was important that whatever was done be done expeditiously.

7. Alamsjah said Suharto regarded Indonesian efforts to help Cambodia to be implementation of the Nixon Doctrine.

8. *Comment:* You and I know that Alamsjah unlikely to be most coordinated channel in Indonesian Government. But he is close to Suharto and I have hunch that he accurately reflects Suharto's thinking. He may not be au courant with Sutopo Juwono [*1 line of source text not declassified*]², indeed Sutopo may not yet have made pitch to

² Not found.

Suharto. Sutopo in turn probable awaiting Malik's return and perhaps return Indonesian team from Cambodia.

9. Although there is serious doubt in my mind that Indonesians would be very effective in this, their first, exercise in providing military assistance to beleaguered neighbors, I tend to think it would be salutary for them to get their feet a little wet in their attempt to give content to the Nixon Doctrine on Asians taking initiative. I suggest therefore that I be authorized to suggest to Suharto that they work out whatever they think they can and should do to block expansion of Communist threat in Cambodia and that they will find U.S. sympathetic to problems of replacement and replenishment which, however, must be handled quite separately and unrelated to what they do for Cambodia.

Galbraith

290. Memorandum From President Nixon to his Assistant for National Security Affairs (Kissinger)¹

Washington, April 21, 1970.

[Omitted here is information unrelated to Indonesia.]

On Indonesia, Suharto wants training rather than weapons as I understand it. This should be a very easy request to fill. In any event, I hereby direct that we go forward on the Indonesian military request in the event that Suharto wants it, particularly since it is minimal and completely consistent with the Nixon Doctrine. McCain tells me that Djakarta has ordered the Soviet technicians out. They have no spare parts for their Soviet equipment and, consequently, may have to come to us eventually for equipment.²

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 559, Country Files, Far East, Southeast Asia, 1970, Vol. II. Confidential.

² According to an April 20 memorandum from the President's Military Aide General John Hughes to Kissinger, the President met with Admiral John S. McCain, CINCPAC, on April 19. Admiral McCain said that his recent visit to Indonesia was "the first CINCPAC visit there and he had received a good reception." McCain said that "Suharto felt strongly that the Fort Leavenworth training for his Army officers helped greatly in defeating the communists." McCain then told the President that the Indonesians were in the process of expelling Soviet technicians, and that the Soviets had not provided spare parts for the equipment that they had furnished. (Ibid.)

291. Telegram From the Embassy in Indonesia to the Department of State¹

Djakarta, April 23, 1970, 0430Z.

2859. For Asst Sec Green from Ambassador. Subj: Indonesian Initiative on Cambodia. Ref: Djakarta 2763.²

1. Malik told me this morning (I met him with dawn patrol on golf course) that he is shooting for conference of 12 or 14 Asian nations at either Kuala Lumpur or Djakarta in early May.

2. I asked Malik whether he was trying to convene preparatory meeting before main conference in early May. He replied in negative. I asked him which countries would be sponsoring conference. He said Thailand, Japan, New Zealand, and Indonesia. I asked him whether Australia would also sponsor. He said there hadn't been time to get Australian Foreign Minister's approval when he talked to him but that Australian Foreign Minister had announced approval publicly in last day or two.

3. Malik said he had met with North Vietnamese Chargé yesterday and asked latter to convey to his Government Malik's ideas about conference and invitation to attend. Malik said Chargé's response reflected irritation. Chargé called Cambodian Government illegal, said coup had been arranged by American CIA and that American troops were in Cambodia. Malik responded that GOI information indicated Government of Cambodia legal with approval of legislature. Malik said perhaps North Vietnamese had information on CIA involvement which Indonesia did not have but Indonesia's information indicated there were no American troops in Cambodia.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 531, Country Files, Far East, Indonesia, Vol. II. Secret; Immediate; Nodis.

² Telegram 2763 from Djakarta, April 20, reported Ambassador Galbraith's meeting on April 19 with Foreign Minister Malik. Malik had met shortly before that with Suharto to discuss Indonesian ideas on assisting Cambodia. Galbraith reported that "Malik suggested we continue to drag our feet on responding to Suharto on proposal that U.S. replenish Indonesian arms supply to Cambodia. I said I thought it was highly impractical to link U.S. military assistance to Indonesia to Indonesian assistance to Cambodia. Malik indicated agreement and said he had made this point to Suharto. I said I was somewhat concerned however that Suharto felt he should receive response from me to questions he had put to me. Malik said I didn't need to worry, he had told Suharto he would be talking to me on Cambodia." Galbraith concluded "there is obvious lack of consensus among various advisers to Suharto on how to help Cambodia. I suggest we go along with Malik for a few days." (Ibid.)

4. Malik said with obvious relish that North Vietnamese are now on defensive and that "we had seized the initiative."

5. I told Malik that we were most interested in his efforts and were rooting for him.

Galbraith

292. Memorandum of Conversation¹

Washington, May 5, 1970.

PARTICIPANTS

Indonesian Ambassador Soedjatmoko
Dr. Kissinger
John H. Holdridge, NSC Senior Staff Member

SUBJECT

Comments by Indonesian Ambassador on Cambodian Developments

Ambassador Soedjatmoko thanked Dr. Kissinger for receiving him in what must be a very busy period. However, he was very pressed by two problems: the conference Indonesia was planning to hold on Cambodia, and the Suharto visit here; and the connection between these developments and what was happening in Washington. He would appreciate clarification on the decisions taken to move into Cambodia, and on the resumption of the bombing. Dr. Kissinger interjected that we had *not* resumed the bombing and our activities over North Vietnam had been stopped after we had achieved what we wanted.

In reply to a question from the Ambassador on whether this was a one-shot affair, Dr. Kissinger said that it depended on the other side, but that our intention was not to go on day after day.

Returning to the subject of Cambodia, the Ambassador asked whether the conclusion could be drawn that the US had given up on establishing buffer states? Dr. Kissinger stated that it had not been the US which had moved into Cambodia, established bases, and expelled the Cambodian authorities. We were not going to occupy Cambodia,

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 531, Country Files, Far East, Indonesia, Vol. II. Secret; Sensitive. Drafted by Holdridge on May 5 and approved by Kissinger on May 7.

but would destroy supplies and then withdraw. We were not going to march on Phnom Penh, and would be delighted if all foreign forces could be withdrawn from Cambodia and Indo-China. Our purpose was to protect our own forces and to protect Cambodia.

As to buffer states, Dr. Kissinger noted that we had no interest in staying on in that region, and would expect, welcome, and support anything which other states encouraged. We had had nothing to do in instigating the Cambodian situation, and had accepted the situation under Sihanouk. The Communists had then moved out of their bases and had shown that they themselves did not accept a buffer state.

Continuing, Dr. Kissinger stressed to Ambassador Soedjatmoko that he could assure his President and the highest levels of authority in Indonesia that we wanted buffer states, and that if the Asian nations desire a security system we would be glad to withdraw. We believed that what we were doing was in the interest of the neutral nations in Asia.

The Ambassador declared that he was relieved to hear what Dr. Kissinger had said—he had been starting to be less sure on these points. Dr. Kissinger said that the situation reminded him of a joke, in which somebody was hitting a mule over the head with a sledge hammer, and when asked why, had said that he had to do something to get the mule's attention.

Ambassador Soedjatmoko recalled that in the President's April 30 speech,² there had been a heavy reference to the credibility of the US. Was this credibility with respect to Hanoi, or to the the Soviet and Chinese Communists? Dr. Kissinger expressed the opinion that the issues were closely related, to which the Ambassador remarked that he would have expected a slightly lighter tone if we had been focusing only on Hanoi. Dr. Kissinger reiterated that it was hard to distinguish. This was the most dangerous situation in the world, and Hanoi knew both publicly and privately that if it moved on Phnom Penh we would do something. It knew, too, that if it stepped up US casualties, we would do something. The situation affected not only Hanoi but other countries. We were not looking for a confrontation, though.

Ambassador Soedjatmoko said that there was some pressure in Indonesia to call off the conference on Cambodia. Dr. Kissinger observed that this would be a mistake, to which the Ambassador responded with the reassurance that his Foreign Minister still believed the conference

² In his address to the nation on the situation in Southeast Asia of April 30, President Nixon explained that U.S. and South Vietnamese forces would launch attacks "to clean out major enemy sanctuaries on the Cambodian-Vietnam border," where "North Vietnam in the last 2 weeks has stripped away all pretense of respecting the sovereignty or the neutrality of Cambodia." (*Public Papers: Nixon, 1970*, pp. 405–410)

should be held. Dr. Kissinger agreed, but emphasized that it should be an Asian initiative and that we would make no public endorsement.³

Ambassador Soedjatmoko mentioned that when President Suharto arrives, it may be at a time when issues were heightened in the US. President Suharto was scheduled to have a meeting with the Senate Foreign Relations Committee. Was there a danger that the visit might become politically utilized or embarrassing? Dr. Kissinger thought that the visit would not be embarrassing for the Administration, although almost certainly an effort would be made to embarrass Suharto and to show that Asians disapprove of our policy. Nevertheless, having seen President Suharto in action, Dr. Kissinger had great confidence in his ability to be enigmatic. Ambassador Soedjatmoko laughingly referred to inscrutable Asians, and Dr. Kissinger said that occidentals could be inscrutable too.

Dr. Kissinger expressed confidence that the Suharto visit could be handled tactfully. His estimate, based on what he knew, was that President Suharto was not excessively pained by our policy and if he expressed his views carefully would be understood and not embarrassed. We were looking forward to his visit, and would do everything we could for its success.

Ambassador Soedjatmoko raised a minor point: if the two Presidents met alone, he hoped it would be possible to have the Foreign Minister meet with Under Secretary Richardson and Dr. Kissinger at the same time. (Secretary Rogers would be in Rome.) Dr. Kissinger explained that a decision would be needed as to whether he would sit in with the President; if not, he would certainly sit in with the Foreign Minister.

Dr. Kissinger asked if there were any special wishes from President Suharto which the Ambassador wanted to convey. He wanted to reassure the Indonesians that we understood their position. We wanted a neutral Indonesia, and didn't expect a blanket endorsement of our policies. We thought that what we were doing in Cambodia was in their own interest, and undertake not to hurt their neutrality but to protect it. Our operations were limited, as would become apparent

³ In a memorandum to Kissinger, May 4, Holdridge stressed some of these very points, noting that the United States Government would be "glad to see Indonesians and other Asians taking the lead in trying to do something for Cambodia," and that a "public U.S. endorsement would harm rather than help the conference." Holdridge noted also the U.S. hope "that any resolution on withdrawal of foreign forces does not seem to be pointed at us, whose presence is admitted and can be documented, rather than equally at the Vietnamese Communists, whose presence there long antedates ours, but who refuse to admit it."

when they were completed. Our main purpose was to strike at enemy logistics.

In conclusion, Ambassador Soedjatmoko referred again to the point of a neutral buffer zone and said that Dr. Kissinger's remarks had clarified the US position in this respect.

293. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, May 12, 1970.

SUBJECT

Determination to Permit Continuation of the Grant Military Assistance Program to Indonesia

Under Secretary Richardson (Tab B)² requests that you sign a determination authorizing the use of FY 1970 military assistance funds in excess of \$3 million to provide defense articles to Indonesia. Similar determinations were made in 1968 and 1969.

Section 505(b)(2) of the Foreign Assistance Act limits the provision of grant defense articles to any country to \$3 million per fiscal year if the articles are not to be utilized for the maintenance of the defensive strength of the free world. Military assistance to Indonesia is not considered to do so.

However, Section 614(a) of the Act permits a waiver of Section 505(6)(2) when the President determines that such assistance is important to the security of the U.S. State feels that it is, and Budget concurs (Tab C).³

The proposed \$5.8 million program for Indonesia for FY 1970 is a continuation of our prior civic action-type programs in substance, amount, and purpose. It helps the Indonesian military focus on constructive economic rehabilitation work, thereby bringing it closer to the people, and improves our working relationship with the Government.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 370, Subject Files, Presidential Determinations, 71–10. Secret. Sent for action.

² Attached at Tab B, but not printed, was Richardson's April 3 memorandum requesting \$5.8 million in grant military assistance to Indonesia.

³ Attached but not printed.

Congress has been informed of the justifications for the proposed grant assistance.

Recommendation

That you sign the determination at Tab A.⁴

⁴ Attached at Tab A, but not printed, was Presidential Determination No. 70-8, May 18, authorizing the grant assistance Richardson had requested.

294. Telegram From the Embassy in Indonesia to the Department of State¹

Djakarta, May 21, 1970, 0430Z.

3709. For Asst Sec Green from Amb.

1. I had an hour's pre-departure discussion alone with President Suharto last night providing me with insight into what he will want to discuss with President Nixon.

2. I began conversation by congratulating Suharto on outcome of Asian conference and way it had been handled. He said he hoped that conference and follow-up, if successful, might serve as pattern which could be used further to deal with situations in Laos and South Vietnam. He indicated that achieving consensus between divergent views of South Koreans and South Vietnamese, who wanted to condemn Communists, and, for example, Singapore, which was anxious to avoid damaging its trading and financial interests with both USSR and Red China, was difficult.

3. This led Suharto into further derogatory comment on Singapore. He said that although leadership of Singapore was perhaps free of any dominating influence by Peking, there were many Chinese in Singapore who looked toward Communist China. For this reason he thought great care should be taken in providing Singapore with weapons which might be transferred to Communists. He made specific reference to M-16 factory, production of which might some day fall into hands of Communists. [*1½ lines of source text not declassified*] I explained to Suharto genesis of Singapore's acquisition of factory and limitations on and control of M-16 production.

¹ Source: National Archives, RG 59, Central Files 1970-73, POL 15-1 INDON. Secret; Priority; Exdis.

4. Suharto discussed briefly talks he had had with both Cambodian and South Vietnamese Foreign Ministers about possible Indonesian material assistance to Cambodia. He indicated that arms and ammunition caches in Cambodian sanctuaries should provide source arms and ammunition which Indonesia was in no position, in any case, to supply. Cambodian army lacked training, however, in guerrilla warfare and there was inadequate understanding of how army and people in Cambodia should work together to defend Cambodia against NVN/VC. Suharto indicated that Indonesia was prepared to provide training in this general field.

5. I outlined to Suharto results of study in Washington of MAP program we had worked out with Hankam for FY 71. I mentioned possibilities of substituting T-28s for T-37s, situation with respect to C-47s, substitutions we were considering in naval patrol craft, possible availability of two lsts and possibility of requirement for communications system for Hankam. I said it had become clear in going over our recommendations that list we had submitted and substitutions which would probably be required would come to great deal more than \$10 million addition to MAP. Some selectivity on basis of priorities would be required. I said we would welcome Suharto's views on priorities.

6. In commenting on foregoing, Suharto began by describing additional difficulties which Indonesia was undergoing in trying to get spare parts for Soviet equipment, implying that Soviet-Indonesian relations had further deteriorated. He said it had originally been planned to try to maintain this equipment and make it do through five-year plan but that this, in the face of difficulties, indeed impossibilities, of securing Soviet spare parts made this plan impractical. It would be necessary to scrap Soviet cruiser, "West Irian", destroyers and some 16 other vessels which were completely useless. Likewise with antonovs, of which three had been flying, it would be impossible to keep these going beyond next overhaul requirements. Suharto said it was necessary, therefore, in terms of Indonesia's internal defense and minimum deterrent to outside aggression to find, by end of 1971, source of equipment for armed forces. Clearly he hopes this will be the U.S.

7. Suharto said he hopes to speak to President Nixon in terms of possible commitment for four years beginning FY 1972 which would permit some rational planning and relieve him from trying set priorities now. This would make it possible to plan equipment to be acquired for armed forces by end of four years and to adjust in the meantime to availabilities and financial and other problems on U.S. side.

8. Suharto said acquisition of military equipment Indonesia will need to insure its internal security, minimum of deterrent to outside aggression and some potential for cooperating in strategic terms with U.S. in area could be provided on either grant or credit basis or both.

9. I told Suharto that I couldn't comment on possibilities beyond FY 71 commitment which President Nixon had already decided. I thought it would be difficult for President, in face of Congressional questioning of expanded military involvement in Southeast Asia, to make forward commitment of this kind and I knew he would not want to make commitment unless he was certain he could fulfill it. I assured Suharto President Nixon would listen sympathetically.

10. Replying to my question what other subjects he might want to discuss, Suharto mentioned need for capital investment needed to effect increased timber exports and income therefrom and to stimulate tourism and investment in facilities therefore. Suharto indicated desire to explore EX-IM Bank loans for purposes of expanding airports in Djakarta and Bali to accommodate jumbo jets, which he felt would in turn bring private investment in hotels and lead to quick increase in Indonesia's earnings from tourism. In the case of timber, he said Indonesia is presently exporting at the rate of about \$10 million annually. This could easily be doubled and one-tenth or more of cost of exporting this timber could be saved with acquisition of Indonesian shipping (Indonesia now dependent on Japanese shipping for exporting its timber which costing it large amount foreign exchange, Suharto said). Implied Suharto wants to discuss Export-Import loan for acquiring ships for timber trade.

11. Suharto said he will want to express his appreciation to President for U.S. participation in and leadership of IGGI and donor effort. He said additional and accelerated momentum to development process could be achieved through increased attention to exploitation of timber and tourism in Indonesia. He would want to discuss importance of this with President; it was not unrelated to acquiring equipment needed for Indonesia's defense. I told Suharto it was hard for me to guess what magnitudes he might be talking about in terms of Export-Import loans but I sparked no response from him on this.

12. *Comment:* It appeared implicit in way Suharto related events in Cambodia and threat to South Vietnam and U.S. armed forces there, his suspicion of Chinese Communists and Soviet influence in Singapore, difficulties Soviets are giving Indonesia in supply of spare parts for Soviet military equipment and possibly accelerating threat of Communist aggression in neighboring countries, that Suharto will want to talk mainly about enlarged and accelerated flow of military equipment from U.S., beginning, as he put it, after elections in 1971.

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295. Memorandum of Conversation¹

Washington, May 26, 1970, 10:33 a.m.–12:10 p.m.

PARTICIPANTS

The President
President Suharto of Indonesia
Mr. Henry A. Kissinger

President Nixon expressed his pleasure at having the opportunity of meeting President Suharto and told President Suharto how much he had enjoyed his visit to Indonesia. President Nixon then inquired about the state of Indonesia's economy. President Suharto replied that his economy was progressing in accordance with his approved program. The five-year plan was working well and Indonesia is taking steps to abolish the dual exchange rate and is working to adjust the oil rate. However, progress in the economic field, while encouraging, is not enough for the population which wants a speed-up. Indonesia also must speed it up to destroy the remnants of the Communist Party.

President Nixon asked what the strength of the Communist Party was and whether there is a real danger or is it under control. President Suharto replied that strategically the Communist Party had been nullified. Ten percent of the old body of the hard-core members still exist even though thousands are in jail. President Nixon then inquired about the Indonesian students' attitude on the Communists. President Suharto said that he thought the student movement was under control, pointing out that Indonesia is making students participate in development projects with good results. Students go into the villages to carry out government work and this way they do not have so much time to become ideological.

President Nixon then asked what President Suharto thought of United States problems in Indonesia. President Suharto replied that the progress in the Indonesian economy is, of course, in the first instance the result of Indonesian efforts, but foreign governments certainly have helped. Indonesia is aware that the United States has difficulties with

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 1024, Pres./HAK Memcons, President/Pres. Suharto/Kissinger, May 26, 1970. Top Secret; Sensitive. No drafting information appears on the memorandum. The meeting was held in the Oval Office. The time of the meeting is from the President's Daily Diary. (Ibid., White House Central Files) In telegram 87970 to Djakarta, June 6, the Department sent a summary of the President's two conversations with Suharto on May 26 and May 28. (Ibid., RG 59, Central Files 1970–73, POL 27 CAMB/KHMER)

Congress in getting appropriations and it appreciates that despite this the United States has increased its aid to Indonesia. In addition, foreign capital and the World Bank have been very helpful and Indonesia has appreciated U.S. assistance in rescheduling its debt.

President Nixon said we want to be of every assistance consistent with respect for Indonesia's non-aligned status. Indonesia will continue to have U.S. support. President Nixon added, "The principle I wish to emphasize is this: we do not want to interfere in Indonesian affairs, but we want Indonesia to be strong enough so that no one else can interfere."

President Suharto thanked the President for his expression of respect for Indonesia's non-aligned status, which will be used to preserve peace in Asia and especially Southeast Asia. President Suharto said he was convinced that a sound economic situation produces a commitment to peace but improving economic conditions is, by itself, not enough. "Military strength is also essential. We cannot neglect military strength. In the first few years of office, I have put top priority on economic strength, but now Indonesia must give attention to military strength as well. Assistance is especially needed for the navy and air force. Given Communist strength we cannot neglect defense, especially air force and navy patrol craft."

President Suharto stated further that the Chinese IRBM threat was now beginning to give the Chinese the capability of reaching countries even as remote as Indonesia. The military leaders in Indonesia recognize that Indonesia must move step by step and not get over-ambitious. However, Soviet infiltration in Asia and in the Indian Ocean makes it necessary to strengthen the ASW capability around Indonesia. President Nixon agreed that Indonesia's military strength was necessary for both external and internal reasons. He added that President Suharto was correct in putting first priority on economic matters, but neutrality is meaningless unless the neutral can defend its neutrality.

President Suharto said he had already talked to Ambassador Galbraith and that the Ambassador wanted to move step by step.

It was very important from now on to know what kind of assistance the U.S. can give Indonesia. President Nixon confirmed that the U.S. would give Indonesia's requests very sympathetic consideration, recognizing its desires are defensive. President Suharto replied it is an important part of Indonesia's responsibility to make sure other states in the area are convinced of the seriousness of the situation in Cambodia. Indonesia received a Cambodian request for help. The limitations in Indonesia's capabilities make it impossible to do much in the military field, but they are giving all political and moral support and attempting to line up others. Political activities have included the Djakarta Conference whose main aim is the territorial integrity

of Cambodia, elimination of foreign troops, and reactivating of the Geneva 1954 Accords. A commission of three has been appointed to look into it, but there also exists a military difficulty. Lon Nol's Government has only 35,000 soldiers facing larger and more experienced forces. The involvement of the U.S. and South Vietnamese forces was essential strategically to give Cambodians a chance to help themselves.

The crucial role of sanctuary operations cannot be overemphasized, President Suharto added. They will help Vietnamization. President Suharto urged President Nixon to give the equipment captured in Cambodia to the Cambodian Government, stressing that the relations between the Cambodians and the South Vietnamese was not especially good. Also, the Lon Nol Government realizes the continuing need to deal with VC and the NVA on Cambodian territory after the United States withdrawal.

Summing up, President Suharto stated, "we hope that sanctuary operations will smash the military strength of the VC and the NVA. The U.S. should keep up the operation as long as possible and thus reduce the pressure of the VC and NVA. At this time, the Indonesians can give only training support, especially in anti-guerrilla warfare. Indonesia is limited in its ability to give military support because of limited resources and because of economic priorities. However, they would certainly be prepared to do so if resources would be freed." President Nixon asked whether President Suharto considered the survival of Cambodia important for Indonesia and other countries in the area. President Suharto replied affirmatively, stressing the need for the actual neutrality of Cambodia.

President Nixon suggested that some people say the U.S. should have let Cambodia go since it would have made no difference. President Suharto replied that this attitude is reflected only by those who do not live in the area, adding, "if Cambodia falls into Communist hands, it will be an expanded base for guerrilla and infiltration activities; Vietnamization could not succeed." President Nixon stated that the U.S. has no designs on Cambodia and will leave as soon as the sanctuaries have been destroyed. The GVN will react, however, if NVA sanctuaries are restored. The war in Vietnam, President Nixon continued, has been a very difficult war for the United States. Many want us to pull out. We have not and will not do so, not because we have designs, but because to do so would demoralize all of Southeast Asia including the Indonesian people. Therefore, it is also important that the local people speak up. President Suharto said Indonesia had this idea from the beginning, but when Indonesia proposed to Ambassador Galbraith that it send equipment for the battalions of the Cambodian army, Ambassador Galbraith doubted that the U.S. could replace this equip-

ment.² President Suharto had in mind that Indonesia's proposal could maintain the neutral position of Indonesia and yet help Cambodia.

President Nixon said that the U.S. wanted to provide whatever help it can that will not, in turn, hurt Indonesia. Indonesia is indispensable for the future of Southeast Asia.

² In a telephone call to President Nixon later that same day, Kissinger said that "the Ambassador's attitude when we give military assistance was troubling." The President responded: "They should provide assistance and we will replace it." He added: "Let's get going on that subject. I assume they are following up on getting some captured equipment over here." Kissinger answered: "That is being done." (Library of Congress, Manuscript Division, Kissinger Papers, Box 363, Telephone Conversations, Chronological File)

296. Memorandum of Conversation¹

Washington, May 26, 1970, 10:30 a.m.

PRESIDENT SUHARTO'S WASHINGTON VISIT—CONCURRENT WHITE HOUSE TALKS

SUBJECT

U.S. Role in Southeast Asia

PARTICIPANTS

Foreign:

Adam Malik, Minister of Foreign Affairs
 Soedjatmoko, Ambassador to the United States
 H. Alamsjah, State Secretary
 Professor Widjojo Nitisastro, Chairman, National Planning Board
 Vice Admiral Sudomo, Chief of Staff, Indonesian Navy
 Soedharmono, Secretary of the Cabinet
 Dr. Ch. Anwar Sani, Director General for Political Affairs
 Suryono Darusman, Chief of Protocol

United States:

Elliot L. Richardson, Acting Secretary of State
 Marshall Green, Assistant Secretary of State for East Asian and Pacific Affairs

¹ Source: National Archives, RG 59, Central Files 1970-73, POL 7 INDON. Secret. Drafted by Masters and Paul Gardner (EA/MS) and approved by John D. Stempel (D) on June 11. The memorandum is part I of IV; part III is *ibid.*, parts II and IV are Documents 297 and 298. The meeting was held in the Cabinet Room at the White House.

Francis J. Galbraith, Ambassador to Indonesia

Robert W. Barnett, Deputy Assistant Secretary of State for East Asian and Pacific Affairs

John Holdridge, White House Staff

Edward E. Masters, Country Director for Indonesian Affairs

After welcoming Foreign Minister Malik and his colleagues to Washington and conveying Secretary Rogers' regret that a long standing commitment to attend a NATO conference had prevented his being present, Mr. Richardson asked Mr. Green to provide a brief survey of the situation in East Asia.

Mr. Green outlined the principles which underlie the Nixon Doctrine and noted that, while the Cambodian situation has injected a new element into Southeast Asia, our policy there is completely consistent with these principles. The President's action in sending troops into Cambodia, Mr. Green pointed out, is designed to protect and advance the policy of Vietnamization and increase prospects for Cambodia's stability and friendly cooperation with its neighbors. Referring to a Harris poll the previous day which showed that a majority of the American people support the President on this issue, Mr. Green stated that the success of our action in Cambodia would increase this popular support.

Mr. Richardson noted that the Nixon Doctrine does not mean that we are in the process of disengaging or running out on our commitments but represents an adjustment of U.S. policy to actual conditions. It reflects increased Asian capability for and interest in regional cooperation, the declining influence of ideology and the fact neither super power is in a position to push others around. For these and other reasons, Mr. Richardson explained, the President has decided that we should adjust, but not abandon, our role in Asia.

Mr. Richardson emphasized that the U.S. does not seek a military victory in Southeast Asia and noted that we have placed definite restraints on our actions regarding North Vietnam. The U.S. believes that it will have discharged its obligation to the people of South Vietnam if they are given freedom to choose their own course.

The United States recognizes the importance of Indonesia as a non-aligned country, Mr. Richardson said, and can envisage as a possible solution of the conflict a situation in which all of Indochina might be non-aligned, if this is what these nations want. The U.S. commitment to the people of South Vietnam is to help them attain a position in which they can reach their own solutions rather than be forced to accept those dictated by others.

Malik said he wished to make clear that Indonesia has no misapprehensions regarding the Nixon Doctrine but, in fact, believes that it is time for some rethinking along these lines by the U.S. Indonesia hopes, however, that under this new doctrine the U.S., as a super power,

will not equate all problems of Southeast Asia. The Indonesian Government understands the domestic problems which the U.S. faces but nonetheless believes it important that the U.S. stress and even increase its commitments as far as certain problems are concerned.

Malik perceived two distinct facets of communists' strategic approach, the more moderate public line of the Soviet Union and the militant position of Communist China. This divergence in the communist camp has an impact on world opinion and on domestic opinion. Indonesia would like to expose the communists' views so that they are not able to play both sides of the street.

Until now, Malik continued, the impression has been created through communist propaganda that the communists are all right and the U.S. is all wrong. Demonstrators aiming at ending U.S. support for Vietnam's struggle forget that the communists have been attempting to subvert South Vietnam for a long time. The Djakarta Conference was designed, among other things, to open the eyes of the world to the true state of affairs, Malik explained.

297. Memorandum of Conversation¹

Washington, May 26, 1970, 10:30 a.m.

PRESIDENT SUHARTO'S WASHINGTON VISIT—CONCURRENT WHITE HOUSE TALKS

SUBJECT

Diplomatic Initiatives on Cambodia

[Omitted here is the list of participants, which is identical to that in Document 296.]

Mr. Richardson explained that the U.S. crossed the Cambodian border to insure our ability to carry forward with Vietnamization and not to insure the survival of the Cambodian Government. This latter objective can best be served by the diplomatic initiatives. In this connection,

¹ Source: National Archives, RG 59, Central Files 1970-73, POL 7 INDON. Secret; Exdis. Drafted by Masters and Gardner and approved in U by Stempel on June 11. The memorandum is part II of IV; part III is *ibid.*, parts I and IV are Documents 296 and 298. The meeting was held in the Cabinet Room at the White House.

the United States is interested in proposals for an international conference to discuss Cambodia and related matters, Mr. Richardson continued. French suggestions in this regard were promising. At one point Malik of the Soviet Union seemed to be saying much the same thing, but unfortunately nothing materialized from his remarks. The U.S. has also watched with quiet interest Indonesia's initiatives in calling the May 16–17 Foreign Ministers Conference in Cambodia.

Malik explained that, although Indonesia should logically concentrate first on economic development and its internal problems, it sees a connection between Cambodian events and Indonesia's own security. India opposed the idea of the Djakarta Conference, preferring to wait and discuss Indochina in the forum of the Non-aligned Conference. Indonesia did not accept this view, first because of the need to act quickly (the Non-aligned Conference will be held in September) and secondly because, if past performance is any indication, that Conference would give the communists an additional opportunity to spread their propaganda unless thorough preparations were made in advance.

Indonesia consequently decided to invite 21 nations to a meeting in Djakarta, Malik continued. Invitations were sent to Communist China, North Vietnam, North Korea and Mongolia to see if these nations really wanted to solve the problem through negotiations. Indonesia concluded that it was better to continue with the Conference even though the communists refused to attend.

Noting the importance of Moscow's reaction to the Djakarta Conference, Malik said Indonesia advised the Soviet Union twice regarding the Conference. Although Pravda and Izvestia opposed the Conference, officially there has been no reaction from Moscow except a question as to why Peking was invited. Indonesia perceives some hesitation in the Soviet Union's policy towards Cambodia. The Soviets have not closed their Embassy in Phnom Penh and, just before he left Phnom Penh for the Djakarta Conference, Cambodian Foreign Minister Yem Sambaur received assurances from the Soviet Ambassador that the U.S.S.R. was not in a hurry to break off relations with Cambodia.

Malik noted that the Djakarta Conference had encountered difficulties because of the different approaches recommended by various participants. South Vietnam and Thailand wanted to condemn North Vietnam and the Viet Cong. Cambodia, for its part, wished to use the Conference as a forum to mount a major push for military assistance. Indonesia managed to convince the Cambodians the day before the Conference opened that they should not do so or they would jeopardize Indonesian efforts. Mr. Malik said he had explained to Yem Sambaur that the aim of the Conference was not to assist Cambodia in waging war and that it would be disadvantageous to give the impression that the Conference was beating war drums for the Cambodians.

Malik noted that the participants did not wish the Djakarta Conference to be a one-shot affair. They consequently empowered Indonesia as Chairman to take all necessary steps to carry out the agreed decisions and appointed Indonesia, Japan and Malaysia as their representatives to carry their views to the Geneva Conference Co-Chairmen, the three members of the ICC and the UN. Those nations which declined to attend the Conference will also be informed of the results of the meeting, Malik noted.

Malik believed that the flexible decisions of the Djakarta Conference may reinforce U Thant's view that there should be an international conference on Indochina. The major key to such a Conference is Moscow, Malik said, adding that in his opinion the Russians have not yet made up their minds on this question. France, Germany and the United Kingdom seem agreeable to convening a Geneva-type conference, Malik added, but this cannot be hurried. Malik said that the U.S. could play an important role in bringing about such a conference, but this role cannot be too open. If the U.S. enters too directly into the picture, Malik said, there is danger that the other side will use this fact in its propaganda to defeat the possibility of a conference. Appropriate ways should be found to press the Soviet Union to agree to a Geneva-type conference on Indochina, Malik added.

Referring to North Vietnamese claims that they are willing to fight for another 100 years, Malik said there are actually indications that North Vietnam is tired of the war. If the Soviet Union can be drawn into a conference, Malik continued, this could have a constructive influence on Hanoi. It is also necessary to exert pressure on North Vietnamese troops in Laos and in the Thai-Laotian-Cambodian border area similar to the pressure exerted in the fishhook area of Cambodia, Malik said, while acknowledging the possibility that this could cause North Vietnam in turn to step up its pressure on Cambodia. In addition to Indonesia's diplomatic efforts, Malik envisaged two means of aiding Cambodia: exerting military pressures to convince Hanoi to go along with an international conference and helping the Cambodian Government form village defenses against the North Vietnamese and Viet Cong.

Malik expressed doubt that Communist China will intervene in Indochina, suggesting that its strategy is rather to arouse opposition to U.S. policy and put the Soviet Union in an increasingly difficult spot. A Geneva-type conference would force Peking into the open and prevent it from continuing this strategy, Malik explained.

Mr. Richardson agreed that diplomatic initiatives clearly offer the best prospects for preserving Cambodia's neutrality and stabilizing the situation. In this and other respects the role of the Soviet Union is crucial. The extent to which it can influence or is influenced by Hanoi is an open question.

The United States fully supports the efforts of the Three Nation Committee appointed by the Djakarta Conference, Mr. Richardson continued, but will be careful to avoid giving them the “kiss of death.” The United States will keep in close touch with the Indonesians regarding means of helping without compromising the efforts of the Three Nation group, Mr. Richardson added.

298. Memorandum of Conversation¹

Washington, May 26, 1970, 10:30 a.m.

PRESIDENT SUHARTO'S WASHINGTON VISIT—CONCURRENT WHITE HOUSE TALKS

SUBJECT

Military Assistance for Cambodia

[Omitted here is the list of participants, which is identical to that in Document 296.]

Mr. Malik noted that participants in the Djakarta Conference agreed that they should concentrate on finding a peaceful solution to the Cambodian problem, leaving the matter of military aid for bilateral negotiations. The Cambodians nonetheless informally asked all of the participants for weapons and even troops. The Indonesians understood that Thailand, Australia, New Zealand and some others have promised aid.

Cambodian Foreign Minister Yem Sambaur had high hopes of obtaining military aid from Indonesia, Malik continued, but the Indonesians explained that the maximum they could give was training assistance. Providing the Cambodians with an adequate supply of weapons would not seem too difficult, Malik said, if arms captured by South Vietnamese and U.S. troops could be given to Cambodia. Malik explained that, according to Indonesian information there was, however, another problem over and above the shortage of arms: the Cambodian Armed Forces are not yet able to *handle* any significant volume of arms.

¹ Source: National Archives, RG 59, Central Files 1970–73, POL 7 INDON. Secret; Nodis. Drafted by Masters and approved by Stempel (U) on June 11. The memorandum is part IV of IV; part III, U.S. Troops in Cambodia is *ibid.*; parts I and II are Documents 296 and 297. The meeting was held in the Cabinet Room at the White House.

They need training first, Malik said, and Indonesia can perhaps help in this field.

Mr. Green remarked that Malik seemed to envisage two concurrent courses of action regarding Cambodia: diplomatic efforts, which depended in good part on the Soviet Union and the outcome of which is not yet clear, and action to keep the Cambodian Government afloat while these diplomatic efforts are proceeding. Mr. Green noted that the U.S. is giving limited support to Cambodia, primarily in the form of small arms. The U.S. hopes that others will provide support also, not only because it is needed militarily, but also because this support would provide a psychological boost to the Cambodian Government and signal to Moscow and others that the countries of the area are willing to work together to preserve peace.

In response to Mr. Green's question on how Indonesia would help Cambodia in the field of training, Malik explained that Indonesia had in mind bringing Cambodians quietly to Indonesia for training in guerrilla warfare. They could be blanketed with other nationalities training there, he added, without attracting undue attention. Indonesia is also considering sending Indonesian instructors to Cambodia, which Malik felt would reveal Indonesia's hand too openly. Another possibility, Malik said, is the attaching of some officers to the Indonesian Embassy in Phnom Penh to help advise the Cambodian Government on military matters in a liaison capacity. This matter is still under discussion by Indonesian defense officials, Malik said, and a decision has not yet been made.

Malik said Indonesia was caught between two difficult problems: it does not want to do anything which would compromise its non-aligned position and reduce its influence within the Afro-Asian group on the one hand and it does not wish to see the Lon Nol Government fail on the other.

Malik said there was one related matter he wanted to mention. According to Indonesia's information, Cambodia does not have direct, open contacts with the U.S. on matters such as military aid; as a result, Cambodia is trying to channel its requests through third countries. Perhaps, Malik said, the U.S. could calm Cambodia by giving more direct proof of its support. The Cambodians, for example, have mentioned to the Indonesians the possibility of dealing with the U.S. on military matters through the former U.S. military attaché in Phnom Penh who is well known to the Cambodian military.

Mr. Richardson assured Malik that we are in direct touch with the Government of Cambodia through our Chargé in Phnom Penh on aid and all other matters and that additional channels are not needed.

299. Memorandum of Conversation¹

Washington, May 27, 1970.

PARTICIPANTS

His Excellency H. Alamsjah, Indonesian State Secretary
Henry A. Kissinger
John H. Holdridge, NSC Senior Staff Member

SUBJECT

U.S. Military Assistance to Indonesia

Mr. Alamsjah said that his President had ordered him to see Dr. Kissinger as a continuation of the previous day's discussion. President Suharto had felt that it would be better to give more explanation concerning Indonesia's request for military assistance. This position had also been explained to Admiral Moorer, who at that moment was still busy with Admiral Sudomo.

Since 1965, Indonesia has been concentrating on peaceful development of its economic and political stability. However, following the Cambodian affair, when things were moving very fast, President Suharto had decided—while still adhering to Indonesia's basic principles of non-alignment—that it must take a greater interest in Southeast Asia developments. The Djakarta conference was an outgrowth of this decision. (Mr. Alamsjah went on to describe the nature of the conference, and the agreements which have been reached for ongoing diplomatic initiatives to end the war in Indo-China.) At the conference, all of the countries except Singapore had been very worried at the situation in Cambodia and surrounding countries, and also about the spread of Communism. Their representatives had brought this out in conversations with Foreign Minister Malik. They had also expressed their full confidence in Indonesia. Hence Indonesia, which since 1965 had never stressed military affairs, now felt that it had a special role with respect not only to Cambodia but to the surrounding countries. Lon Nol had twice approached Indonesia on the possibility of obtaining Indonesian weapons. This request had been made known to the U.S. at President Suharto's suggestion through Ambassador Galbraith, but no reply had been received.

Dr. Kissinger wondered whether there might be a problem here in that the Indonesian Foreign Minister didn't want to give arms. Never-

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 1024, Pres/HAK Memcons. Top Secret; Sensitive.

theless, if President Suharto wanted to send arms, our President would be sympathetic.

Mr. Alamsjah expressed the opinion that his Foreign Minister would not say anything other than what his President suggested, since he knew he could be replaced if he acted otherwise. In any event, as President Suharto had suggested through Ambassador Galbraith, the Indonesians were prepared to send sufficient weapons to Cambodia to equip 10 battalions. Dr. Kissinger mentioned that we had never received a formal proposal to this effect, to which Mr. Alamsjah replied that it was correct to say that there had been no formal proposal, but that the proposition had been passed along and only three people had known about it in Indonesia: President Suharto, Alamsjah himself, and Galbraith.² Mr. Alamsjah noted that the Indonesia proposal had been made three weeks to a month ago, and involved sending small arms, including mortars, but no artillery. The Indonesians had also brought up a related problem—if they sent arms they would need replacement stocks, and would expect these from the U.S.

Dr. Kissinger asked if the quantity of replacement stocks had been made known to Admiral Moorer. Mr. Alamsjah explained that he had touched on this matter with Admiral Moorer the preceding evening, and that Suharto had afterwards decided that he, Alamsjah, had to see Dr. Kissinger.

Turning to Cambodia's military requirements, Mr. Alamsjah said that there were two urgent matters for Indonesia to consider. First, there was the matter of weapons, and there was also training. On training, if possible the Indonesians would like to send Cambodians to Indonesia for guerrilla training. Many foreign students had received such training, since Indonesia's experience in dealing with guerrilla warfare was the greatest among all Southeast Asia armed forces. In addition,

² This exchange between Alamsjah and Kissinger went a long way towards answering Nixon's question "What did you find out on this thing?" that he posed to Kissinger in their telephone conversation of May 26. Following the question, Nixon ordered that Kissinger "check this out with the Ambassador. We want the Indonesians' help. I want it done. That is a policy decision. It is vitally important to have other countries help them in some way. Now here is a country that is willing to help. We tried to get the Thais. But now this country wants to help. What in the hell happened here." Kissinger responded: "It is part of the problem we talked about before. We have to make these departments more responsive." Nixon continued, "If Indonesia wants to send this ammunition, they should do it. The Soviets of course are taking on Lon Nol. As long as he appears to be a puppet of the US it is one thing but when I ordered this three weeks ago that is the way it is to be. We have got to get the military to shape up and get it done. I want the Indonesians to send some stuff. We will replace their stuff. Of course we will get a military request from Indonesia anyway. So let's see what we can accomplish." Kissinger then promised that "I will have it done by tomorrow evening." (Library of Congress, Manuscript Division, Kissinger Papers, Box 363, Telephone Conversations, Chronological File)

if the Cambodian situation became urgent, Indonesia could send officers to Cambodia who would be carried as personnel of the Indonesian Embassy but who would train the Cambodian forces.

Dr. Kissinger remarked that he had been told the preceding evening that Foreign Minister Malik had been most unhappy about what our President had said to President Suharto. Mr. Alamsjah doubted that Mr. Malik had been unhappy, and referred again to the fact that the Foreign Minister was subject to the orders of the President.

To recapitulate the Indonesian proposal for aid to Cambodia, Dr. Kissinger asked if it was correct that they were willing to send military equipment to Cambodia immediately, that the amount would be sufficient for ten battalions, and that they would want us to replace these stocks. Mr. Alamsjah agreed. On replacement, Dr. Kissinger asked over what period? Mr. Alamsjah replied as soon as possible, since removing these arms from their supplies would leave an empty hole. Dr. Kissinger then asked how this should be handled as a practical matter. Mr. Alamsjah referred again to the military mission which his President wanted to send. In addition to the point of aid to Cambodia, however, there was a second point concerning the general state of the Indonesian armed forces. For ten years the Navy and Air Force equipment had all come from the USSR, and now spare parts were unavailable. As he had mentioned to Admiral Moorer, a Navy without gunboats was useless, and pilots without aircraft were useless. He indicated that he was thinking not only in terms of Indonesia, but in terms of the other countries of the region except Singapore. Indonesia was being counted on by these others, but they did not know the real power of the Indonesian military sector. The U.S. had a military advisory and assistance system, but Indonesia was not a member. Admiral Moorer had suggested to Admiral Sudomo that it would be impossible for the U.S. to re-equip the Indonesian Navy and Air Force, even though these forces possessed tactical skills.

Dr. Kissinger explained that our problem was with Congress. Nevertheless, we would like to help, and would do our best. The President was sympathetic. We had more than tripled our MAP for Indonesia, although we recognized that this was still not enough. We would like to look into the problem of surplus equipment from Vietnam at lower costs, but the problem of Congress remained. How could we get an idea of the Indonesian needs? Mr. Alamsjah again referred to their military mission.

Dr. Kissinger declared that the President had reiterated the same morning that he was anxious to cooperate fully with President Suharto on the matters which he had discussed with President Suharto the previous day on aid to Cambodia. He had found President Suharto's attitude very encouraging.

Dr. Kissinger noted briefly that the Indonesians also had a problem in connection with the Bandung munitions factory. We would take this matter up and let them know. The amount was not great, being only somewhat more than \$3 million, and we would be sympathetic in reviewing the Indonesia aid request. Dr. Kissinger stated that their military mission should bring a complete proposal with it.

Turning to the equipment for the 10 battalions, Dr. Kissinger said that we would look at this matter with the intention of being helpful and knowing that this was in the spirit of what the President wanted.

Mr. Alamsjah asked about the possibility of taking care of some of the Indonesian needs prior to the elections, particularly those of the Air Force. In sending weapons to Cambodia they planned to use air transportation from Indonesian to Cambodian airports. Dr. Kissinger replied that we would do the best that we could, and asked how soon the military mission would come. Mr. Alamsjah said it would arrive not more than three weeks from now. Mr. Alamsjah observed that the mission would be led by the top Indonesian Army man, General Umar. General Sumitro, whom Dr. Kissinger had met in Djakarta last year, was now concentrating on internal Indonesian affairs and General Umar was responsible for broader matters.

Mr. Alamsjah reverted to the question of Foreign Minister Malik's attitude on aid to Cambodia, and recalled at yesterday's advisers' meeting he had made a very strong pitch for military assistance. Dr. Kissinger mentioned, however, that he had expressed some doubts about this matter. Mr. Alamsjah thought that these doubts referred to sending arms only if there was no replacement.

The meeting closed with Mr. Alamsjah expressing confidence that the press problem could be handled, and with Dr. Kissinger emphasizing once more the President's pleasure over his conversation with President Suharto. The President understood President Suharto's view, and saw eye-to-eye with President Suharto on maintaining Indonesia's formal policy of non-alignment.

300. Letter From the Assistant Secretary of State for East Asian and Pacific Affairs (Green) to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, May 27, 1970.

Dear Henry:

In response to your suggestion this morning, I list below a phased program through which Indonesia might help Cambodia without unduly interfering with its diplomatic efforts to bring peace to Cambodia or seriously complicating its internal or external position. We cannot at this time fix a time phase for this program but would have to remain flexible, keying later steps to the progress of Indonesia's diplomatic efforts. As I see it, there are four major areas in which we might expect the Indonesians to be helpful:

1. First, as top priority, the Indonesians should be encouraged to continue their present diplomatic efforts. The Three Nation committee appointed during the recent Djakarta Conference will be contacting the Co-Chairmen and members of the ICC as well as key U.N. officials during the next few weeks to consider ways in which Cambodia's independence can be preserved. The Indonesians are realistic enough not to expect dramatic results. Concurrently, they will push Cambodia's case within the non-aligned forum. A preparatory meeting for the September Non-aligned Conference will be held in New Delhi on June 8. The Indonesians expect the Sihanouk government in exile to make a major bid to be seated during this meeting. Indonesia will support the Lon Nol government, and Adam Malik believes it important that Indonesia take no action before that time which might compromise its credentials with the Afro-Asian group.

2. Indonesia has apparently already decided to provide some military training to the Cambodian armed forces. While details have not yet been worked out, they are considering the possibility of bringing Cambodians to Indonesia for training in Indonesia's service schools, particularly those concerned with counter-guerrilla activities. This will not be publicized. They are reluctant thus far to send advisers to Cambodia since this would be even more difficult to conceal but have mentioned the possibility of assigning several military experts to their Em-

¹Source: National Archives, Nixon Presidential Materials, NSC Files, Box 531, Country Files, Far East, Indonesia, Vol. II. Secret. An attached covering note from Colonel Kennedy to Kissinger, May 28, stated that Green's paper "seems to add nothing to our store of knowledge or action program." Kennedy added that he would give a copy to Holdridge, who would do "a more complete brief."

bassy at Phnom Penh to provide informal liaison with the Cambodian military. They are also stepping up coordination with Cambodia and other countries in the area in the field of intelligence.

3. We should now begin exploring quietly with the Indonesians the possibility of Indonesia converting its ammunition plant near Bandung to produce ammunition for the AK-47. We do not know how big a job this would be, but we believe it would be manageable and acceptable to Indonesia provided that, through some indirect offsetting arrangement, we helped them meet the costs involved. Indonesia has on-going need for some AK-47 ammunition and would be in a position to sell much of the plant's output to Cambodia, which has urgent requirements for such ammunition.

4. A final step, which I believe should be delayed until the above steps are further advanced, is the provision of military equipment by Indonesia to Cambodia. Indirect offsetting arrangements with the U.S. (within agreed limits) are necessarily involved.

Malik and others are concerned that providing weapons to Cambodia at this time would complicate Indonesia's current diplomatic efforts and also trigger opposition among domestic left wing as well as traditional groups which fear a basic shift in Indonesia's foreign policy of non-alignment.

As I mentioned this morning, the Indonesians seem to be placing top priority during this visit in getting a commitment from us to replace their Soviet military equipment. This equipment had an original price tag of nearly \$1 billion. Some Indonesians hope, by giving arms to Cambodia, to put us in their debt and improve chances for such a commitment.

There is also the danger of exaggerated expectations on the part of the Indonesian military. I have been through this once. In 1966 some of the Indonesian Generals received the impression following a visit to Washington that we were going to give them arms to the tune of \$500 million. This, of course, was impossible, but it took nearly a year to convince them of this fact. Meanwhile, our relations with the Indonesians were strained and I was cut off from effective contact with Suharto.

We should also bear in mind the fact that the Indonesians are already having difficulty absorbing what they are receiving. Skilled personnel are in short supply, and maintenance procedures are poor. At present, they could not effectively use more than they are getting through our expanded \$15 million annual program.

The problem, as I see it, is essentially one of timing. I believe we can successfully avoid the problems of exaggerated expectations as well as internal or external damage to Indonesia's position if we follow the phased program outlined above and keep flexible. Steps one and two

are already underway in any event and should prove helpful to Cambodia while we assess further steps.

Marshall

301. Memorandum of Conversation¹

Washington, May 28, 1970, 10:08–11:03 a.m.

PARTICIPANTS

President Suharto of Indonesia
The President
Dr. Kissinger

The President: I consider this an historical opportunity because we are the two largest democratic countries of the world, with the exception of India. You and Henry both know that I would like to travel to Indonesia again before the end of my present term. I always emphasize to my American colleagues the economic and strategic importance of Indonesia in Southeast Asia. Most people know about Thailand, Cambodia or Vietnam but not many people know very much about Indonesia. This is because there are not many opportunities to travel there.

President Suharto: I am very happy with your evaluation concerning the important role of Indonesia in Southeast Asia. The fact that you would like to return again is a sign of our close friendship. The Indonesian people will always welcome you with an open heart.

President Suharto: Concerning military matters, I have appointed Lt. Gen. Sumitro to take charge of these affairs and I have in mind to appoint a reserve officer also. In the future I will also appoint an additional limited number of officers to work in this field.

The President: What is the rank of your military attaché here in Washington?

President Suharto: There are three—Air Force, Army and Navy. The Air Force Attaché is a Colonel, the Navy Attaché is a Colonel and

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 1024, Pres/HAK Memcons. Top Secret; Sensitive. The time of the meeting is from the President's Daily Diary. (Ibid., White House Central Files) The meeting was held at the White House.

the Army Attaché is a Brigadier General. The Army Attaché was trained in Russia but he is also a member of the revolutionary generation of 1945.

The President: I would like to have one military attaché in Djakarta to have my complete confidence. The rank is not important but it shouldn't be out of line with the rank of the Indonesian attaché in Washington. To Kissinger—I wanted more than that. I would like to upgrade this position in Djakarta.

The President: Quite frankly we must recognize that there is resistance both in Indonesia and in the United States to a large military assistance program for Indonesia. We do not want to compromise your non-aligned position. There is also a fear in the United States that increased military assistance will be a financial burden. But you and I as politicians must recognize these political realities. We would like to work out an arrangement to fulfill the needs of Indonesia without any embarrassment to your political situation. These needs should be met so that Indonesia may play a larger role in Southeast Asia. For example, when the Cambodian problem began, they turned to Indonesia for assistance but your capabilities were limited. Your equipment was all old. We may be helpful there. Looking at the broader picture in Southeast Asia and Asia, the larger countries such as Japan and Indonesia should play an effective role. The role of Japan can only be in the economic field. In Southeast Asia itself, Indonesia is the largest country and can perhaps lead the way in collective security arrangements but always within the framework of the necessity to maintain your non-aligned position. Indonesia as a neutral country must be strong enough to defend itself against minor assaults. But it is not enough only to insure ones own neutrality. If a nation believes that its neutrality is only for its own self interest and has no role when a smaller nation goes down, that nation itself will become the next target.

President Suharto: Thank you very much. My view is not much different from yours. Indonesia must be strong economically, socially, and militarily in order to develop the will and capacity to resist ideological, political and military attacks. We will continue to carry out our active and independent foreign policy, but we place great importance on working together with the other Asian neighbors. I recognize also that there is fear within the area that Indonesia will become too strong. But this fear is completely unjustified. Our philosophy, Pantjasila, does not permit us to expand in relation to other countries and peoples or to attack other countries. This is absolutely contrary to Pantjasila. I have made it clear to you and to the members of the Senate Foreign Relations Committee that our first priority is economic development, but this also must be related to security measures. We must not neglect military development but this must not be so rapid that it hampers economic

development. Concerning the possibility of a strategic capability for Indonesia in the long-range future, I feel that training can be carried out in the U.S. and this training can be put to use later if needed.

The President: I hope that we can work out the appropriate cooperation in an agreeable way. We welcome your military mission.

I would like to emphasize our appreciation for the initiative of Indonesia in sponsoring the recent conference concerning Cambodia. The initiative of Asian nations is very important. Who knows where the next problem will occur? It may be in Burma or it may be in Laos again. But when something happens it is heart-warming to see a country such as Indonesia speaking up and gathering together other Asian nations to discuss the problem. When a country is under attack it seems as if it always ends up with the question of what the U.S. is going to do. The U.S. becomes the issue but the issue should be the small country which is under attack. We do not intend to withdraw from Asia. Our intention is to help you to do what you decide is best. There is no American imperialism. We seek no colonies. We do not want any bases.

President Suharto: We understand completely the role of the United States and we are convinced that the United States is waging a just struggle for independence and freedom in Southeast Asia. Concerning our role in Southeast Asia, we must keep in mind our limited capabilities for activity outside of the borders of our own country. A larger role for Indonesia in Southeast Asia depends upon the rate of acceleration of our economic development program. If we were to undertake actions which were beyond our capabilities, this would certainly endanger our domestic situation. There are four conclusions which I would like to present to you. First, we are pleased that the United States understands our efforts in the field of economic development and we appreciate the aid of the United States in these efforts. Secondly, we appreciate the manner in which the United States respects our non-aligned position. Thirdly, we hope that the United States fully supports the recent 11-nation Asian conference on Cambodia which was held at Djakarta. Fourthly, we fully support the Nixon Doctrine or the Guam Doctrine and hope that it will continue to be carried out.

The President: Very good. Very good.

302. Memorandum of Conversation¹

Washington, May 28, 1970, 10 a.m.

PRESIDENT SUHARTO'S WASHINGTON VISIT—SECOND CONCURRENT WHITE HOUSE TALK

SUBJECT

Economic Assistance

PARTICIPANTS

Foreign:

Adam Malik, Minister of Foreign Affairs
 Soedjatmoko, Ambassador to the United States
 H. Alamsjah, State Secretary
 Professor Widjojo Nitisastro, Chairman, National Planning Board
 Vice Admiral Sudomo, Chief of Staff, Indonesian Navy
 Soedharmono, Secretary of the Cabinet
 Dr. Ch. Anwar Sani, Director General for Political Affairs
 Suryono Darusman, Chief of Protocol

United States:

Elliot L. Richardson, Acting Secretary of State
 Marshall Green, Assistant Secretary of State for East Asian and Pacific Affairs
 Francis J. Galbraith, Ambassador to Indonesia
 Robert W. Barnett, Deputy Assistant Secretary of State for East Asian and Pacific
 Affairs
 John Holdridge, White House Staff
 Edward E. Masters, Country Director for Indonesian Affairs

Mr. Richardson opened the discussion by returning to the topic of U.S. economic and military assistance to Indonesia, which was introduced by Foreign Minister Adam Malik just before the May 26 concurrent meeting was interrupted.

At the earlier meeting, Malik expressed deep appreciation for the U.S. role, and in particular that of Mr. Barnett, in assuring Indonesia sympathetic treatment at the April meetings of the Inter-Governmental Group on Indonesia (IGGI) on economic aid and of the "Paris Club" on the Sukarno debt problem. Malik added, however, that Indonesia required additional help at this particular state of economic development. He noted that Indonesian efforts to procure aid from "socialist" countries have not been productive but will continue. In the meantime,

¹ Source: National Archives, RG 59, Central Files 1970-73, POL 7 INDON. Secret. Drafted by Masters and Gardner and approved by Stempel (U) on June 10. The memorandum is part I of III; part III is *ibid.*, part II is Document 303. The meeting was held in the Cabinet Room at the White House.

he wondered if there were additional sources of U.S. assistance which might be tapped, mentioning in particular the Export-Import Bank.

Mr. Barnett noted that the multilateral IGGI mechanism had enabled Indonesia to obtain greater aggregate assistance than if it had dealt bilaterally with individual donors. He added that, again, one of our reasons for supporting a Paris Group solution of the Sukarno debt was to provide Indonesia with essential multilateral leverage in dealing with Eastern European creditors. Mr. Barnett noted that we had not encouraged Indonesia to repudiate its debt to the Soviet Union in light of the latter's importance as a source of military spare parts, as a potential aid donor, and as an important future market for rubber and other natural resources. Repudiation of the Soviet debt might also damage Indonesia's credit worthiness, he added. Mr. Malik later expressed appreciation for the U.S. Aide Mémoire in which the U.S. accepted the debt settlement worked out at Paris in April, which he said would help Indonesia to move forward in negotiations with other countries.

Regarding additional sources of U.S. assistance, Mr. Barnett said that progress made in resolving the debt problem would permit the Export-Import Bank to talk with the Indonesians about a possible resumption of the Bank's financing activities in Indonesia. Mr. Barnett pointed out that the Bank is already offering insurance for suppliers' credits and is a participant in Freeport Sulphur's program. Mr. Barnett noted, however, that the Export-Import Bank is not a foreign aid agency and its function is to facilitate U.S. exports. He emphasized the need to consult fully with the Resident Mission of the IBRD in Djakarta on the priority of projects for which Ex-Im financing might be sought. Indonesia should be aware of the risk that aid donors might reduce their aid should Indonesia indicate through Ex-Im transactions that it was entering a phase where it could borrow on normal commercial terms.

Mr. Malik inquired whether the Export-Import Bank could lend to the Indonesian private sector in order to further contacts between private business in the two countries. Mr. Barnett expressed the opinion that the Bank would wish to know about particular projects being considered and the extent to which the Indonesian Government is involved, through guarantees, for example. When queried whether there is not a means to get around a requirement for government guarantees, Mr. Barnett suggested that representatives of the Indonesian Government discuss the matter with the Export-Import Bank.

Mr. Malik referred also to the possibility of doing more in the field of scientific cooperation but did not specify what he had in mind.

303. Memorandum of Conversation¹

Washington, May 28, 1970, 10 a.m.

**PRESIDENT SUHARTO'S WASHINGTON VISIT—SECOND
CONCURRENT WHITE HOUSE TALKS****SUBJECT**

U.S. Military Assistance to Indonesia

[Omitted here is the list of participants which is identical to that in Document 302.]

The May 28 meeting returned to the subject of U.S. military assistance raised by Foreign Minister Adam Malik during the May 26 meeting but not discussed because of lack of time.

At the earlier meeting, Malik said that Indonesian hopes for a peaceful solution of Southeast Asian problems should not lead it to neglect its own internal defense. Economic development remains Indonesia's top priority, he added, but Indonesia must also prepare for the worst possible eventuality. Recent developments affecting Cambodia have created concern in neighboring countries and have given rise to the expectation in some quarters that Indonesia might help defend neighboring states if a more serious situation developed. At present, Indonesia could not do so, Malik said.

Referring to President Nixon's July 1969 conversation with President Suharto in Djakarta on military assistance, Malik said the Indonesian Navy and Air Force remain in a most difficult position. Most of their equipment originated in the Soviet Union which continues to take a hard-nosed attitude regarding spare parts. Malik said there was not time to go into details but the Indonesian Armed Forces could discuss the problem with their counterparts. In this respect, Malik mentioned the possibility of the United States sending a delegation to Indonesia to determine its needs. In conclusion, Malik pointed to the presence of Admiral Sudomo in President Suharto's official party as an indication of the importance Indonesia places on the defense aspect of national development.

At Malik's request, Mr. Masters summarized the current status of the Military Assistance Program for Indonesia. He noted that the Indonesian Ministry of Defense and the U.S. Defense Liaison Group in

¹ Source: National Archives, RG 59, Central Files 1970-73, POL 7 INDON. Secret. Drafted by Masters and Gardner, and approved in U on June 10. The memorandum is part II of III; part III is *ibid.*, part I is Document 301. The meeting was held in the Cabinet Room at the White House.

Djakarta seem to have reached a general understanding on the items to be included in the FY 1971 program, which is to be increased almost threefold over the current annual level. Mr. Masters mentioned in particular that the U.S. hopes to help within budgetary limitations to meet the Air Force's requirement for trainer and close support aircraft, the Navy's need for patrol craft, and all of the Services' needs for communication and electronic equipment. As for the latter requirement, Mr. Masters noted that a U.S. technical team has just completed an in-country survey and is now drawing up its recommendations.

Mr. Malik asked if support for the police is to be included in the expanded program. Mr. Masters said that the U.S. was tentatively thinking of allocating approximately \$300,000 of the FY 1971 program to meet police requests for communications equipment, subject to the findings of the technical team which had also explored police needs in this field.

304. Letter From the Assistant Secretary of State for East Asian and Pacific Affairs (Green) to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, June 4, 1970.

Dear Henry:

I have long believed that it is important for us to do whatever we possibly could to encourage Asians to become more involved in their own affairs. I deeply share the President's views—and your views—on this vital issue. Our own problems will be much simpler when Asians speak with a common voice on matters of mutual concern, when their present rudimentary efforts toward regional cooperation and mutual security really take hold. In this connection, I believe also that it

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 531, Country Files, Far East, Indonesia, Vol. II. Secret; Nodis; Strictly Personal. In an attached covering memorandum sent to Kissinger for action on June 5, Haig summarized Green's letter and added: "Underlying all of this, of course, is Green's basic view that we should be very cautious about changing Indonesia's non-alignment image and about providing her with greatly increased military assistance." Haig then asked for Kissinger's decision on the proposed message to Suharto. Kissinger initialed the approve option on June 8 and noted: "(already approved by telephone. Deal with Jonathan Moore in absence of Marshall Green.)"

is important that Indonesia and the other nations of Southeast Asia assist Cambodia. Their own security is clearly at stake.

At the same time, there are dangers involved in forcing the hand of Indonesia and others too quickly. In the case of Indonesia, for example, too sudden or too deep an involvement in Cambodia could upset fragile internal balances. Nationalist political groups are already concerned that Indonesia is moving too close to the West. Cambodia, if not properly handled, could give them additional ammunition against the Suharto Government.

In addition, the handling of this problem could upset civil-military relationships. Suharto's instincts on this matter are sound, but this is not true of some of his close advisers. A number of these, including General Alamsjah, are out to get Malik. If we induce Indonesia to move in a way or in a time frame which discredits Malik we will not only be damaging the effectiveness of a man who has been of great assistance to us, but we may well be contributing to a disturbance of the present delicate balance between military and civil leaders in Indonesia.

We can already see in the case of Indonesia that some of the Generals are using the Cambodian issue as a lever to get from us a broad commitment to re-equip their armed forces. It would not only be politically undesirable for us to take on this role but it would also be far beyond our present capabilities. There is also the problem of Indonesia's limited absorptive capability which we have discussed before.

I am, of course, not averse to a bit of judicious pressure, but if the Nixon Doctrine is to be effective, these countries must themselves recognize the danger and be prepared to act on their own. If they do so largely at our behest, they will expect us to pay the bill.

Your conversation with General Alamsjah, unlike that between the President and Suharto, causes me concern. Given the curious workings of the Indonesian scene, the three references which you made to Malik's doubts about Indonesia providing military aid to Cambodia could jeopardize his position, although I know this was not your intent. I am concerned in particular by the fact that you signalled to Alamsjah that Malik had on May 26 expressed his misgivings directly to us.

As I mentioned earlier, Alamsjah is [*less than 1 line of source text not declassified*] a man who has been the target of intense criticism in Indonesia for years. We learned reliably [*less than 1 line of source text not declassified*] several years ago that he hoped to become Foreign Minister. For this and other reasons he is out to get Malik, and I feel he will use your remarks to further this objective. Frank Galbraith tells me that Malik was very subdued during the trip outside Washington. It may well be that Alamsjah has already scored some points with Suharto against Malik.

I am also aware that the military team which Suharto plans to send will expect more than we could and should give them. Your remarks that they should bring a “complete proposal with them” may well be taken by the Indonesians as an invitation for another unrealistic Indonesian shopping list. We have had a number of these over the years and have only recently succeeded in getting the Indonesians to sit down with our people and plan realistically regarding their military requirements. As I told you last Wednesday morning, I was in coventry for several months in 1967 (denied access to Suharto by Alamsjah and others) due to frustrations by the Indonesian military who for some reason had been led to expect during Pentagon visits that we would give far more civic action aid than we delivered.

One way out of this difficulty, particularly that affecting Malik’s position, would be for the President to send a message to Suharto. This could be in response to the message of thanks we will likely receive from him or we could use the fact that June 8 is Suharto’s birthday as the peg for a message. In this message, the President might express his appreciation for his useful talks with Suharto and confirm the fine impression which Suharto left here with the Congress, the press, and others. He could also extend warm regards from himself and Mrs. Nixon to Mrs. Suharto, who made so many friends in the U.S. He might then ask that his best regards be conveyed also to Foreign Minister Malik whose astute handling of Indonesian foreign policy has won admiration throughout the world, including the U.S., and who played a particularly helpful role as catalyst in bringing together the eleven nations which recently met in Djakarta to discuss Cambodia.

If this were done, I think Suharto would clearly get the signal that we support the diplomatic efforts initiated by the Djakarta Conference and also Malik’s continued role as Foreign Minister.

If you agree, I should be glad to try my hand at such a message.²
Sincerely yours,

Marshall

² Green’s proposed message was drafted and approved by Masters and sent as telegram 88649 to Djakarta, June 8. (Ibid., RG 59, Central Files 1970–73, POL 7 INDON)

305. Letter From the Assistant Secretary of State for East Asian and Pacific Affairs (Green) to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, June 18, 1970.

Dear Henry:

As you know, a recent Djakarta message indicates that General Sumitro may arrive here as early as next Monday (June 22) to follow up on the discussions with President Suharto and General Alamsjah last month. We do not yet have detailed knowledge of just what the Indonesians have in mind, but it appears that Sumitro will carry with him two lists. One will include military items they would expect from us to replace any equipment they might give Cambodia, and the other would deal with Indonesia's own long range military requirements. Sumitro plans to see you first and follow your guidance on others he should talk with in Washington.

The Indonesians apparently then plan to send a second military mission in July to be led by the Army Chief of Staff, General Umar, and including logistical experts from all of the armed services. According to word from Djakarta, the Umar mission will seek a "fixed commitment" from us to re-equip Indonesia's Armed Forces over the next five to seven years.

President Suharto's visit here gave new impetus and direction to the Indonesians' as yet only partially formulated plans to assume a greater role in matters affecting Southeast Asian security. Sumitro's visit will give us another good opportunity to nudge the Indonesians in the right direction. The Sumitro group will also bring along a few bear traps, however, which we should keep well in view. Principally among these is the Indonesian tendency to read more into what we tell them than we actually intend—to translate our general comments into what they consider broad and binding commitments. For this reason I would like to suggest the following general precepts by which the visit might be handled:

1. Indonesia's diplomatic efforts are at a particularly sensitive stage with the Three Nation Committee now engaged in discussions with the Soviet Union. For this and other reasons it is important that the Sumitro visit be treated low key and that every effort be made to avoid publicity.²

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 531, Country Files, Far East, Indonesia, Vol. II. Secret; Nodis; Khmer.

² A notation apparently in Holdridge's handwriting next to this sentence reads: "yes."

2. Since Sumitro is coming here primarily to talk with you, I believe it important that he get from you a full and realistic assessment of what we can and cannot do to help Indonesia.³ Otherwise, he will not take to heart comments about budgetary limitations and other problems which he may receive at DOD.

3. In addition to his talks with you, I would welcome an opportunity to talk with Sumitro and suggest we also arrange a courtesy call on General Westmoreland and a “working level” meeting with officers in DOD who have detailed knowledge of MAP matters and possible availability of excess equipment.⁴

4. I suggest we tell Sumitro that we welcome the opportunity to get his firsthand views and those of other key Indonesian officials, but we believe that both our interests would be best served by continuing to handle detailed planning in Djakarta.⁵ For this reason, while we would be delighted to see General Umar, we would suggest that he not bring any large number of experts with him but that we continue to handle details of our MAP in Djakarta through the very effective coordination already developed between HANKAM and our Defense Liaison Group.

If you agree, a copy of this letter might be passed on to Dave Packard and Tom Moorer.⁶

Sincerely yours,

Marshall

³ A notation in the same handwriting next to this sentence reads: “guidelines of Pres.—encourage be helpful in Cambodia.”

⁴ A notation in the same handwriting next to this sentence reads: “yes.”

⁵ A notation in the same handwriting next to this sentence reads: “yes.”

⁶ A notation in the same handwriting next to this sentence reads: “yes. They can send but we direct.”

306. **Memorandum From John H. Holdridge of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)**¹

Washington, June 20, 1970.

SUBJECT

Your Meeting with General Sumitro

Indonesian General Sumitro, whom you met in Djakarta last year, is arriving in Washington June 22 for the expressed purpose of seeing you and following up on your conversation with General Alamsjah about U.S. arms aid to Indonesia and Indonesian military assistance to Cambodia. (We will not be able to set the specific time of your meeting until after he arrives.) Although State is very much aware of Sumitro's visit, the arrangements have been made through the special channel and not by State. Sumitro will, in fact, probably want to short-circuit State (although a protocol call on Ambassador Green is in order) on the grounds that he will expect to get more by dealing directly with you and Defense.

Sumitro's Anticipated Position

—He will hope to obtain a firm U.S. program for Indonesia which will re-equip a substantial part of the Indonesian armed forces with U.S. military hardware. (He will not wish to get into specifics, since a military mission under General Umar will be arriving soon to discuss details.)

—He may justify the need for a MAP program on the grounds that the Indo-China situation poses a grave threat to the entire Southeast Asian region, and that Indonesia has an important regional defense role. He will probably explain that Indonesia's previous Communist sources of arms are now excluded.

—He may also argue that Indonesia's needs for economic development preclude picking up this burden through Indonesian resources.

—He will probably raise the matter of Indonesia's plan to send 15,000 Communist-pattern weapons to Cambodia. He will want immediate U.S. replacement of these stocks, as a special program and not part of the regular MAP.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Kissinger Office Files, Box 101, Backchannel Messages 1970, Indonesia, HAK/Sumitro 1970 [1 of 2]. Secret; Sensitive. Sent for information. A notation on the memorandum indicates that Kissinger saw it.

—He will solicit your help in getting favorable action out of Defense and State.

Your Recommended Position

—You recall with pleasure your talk with Sumitro and his associates last summer in Djakarta. You are glad to welcome Sumitro to Washington.

—As the President told President Suharto, we want to be as helpful as possible in responding to Indonesia's arms needs. There are of course Congressional and budgetary constraints on what we can do, but within these parameters we will try to work out an appropriate program. (You might wish to mention that we have already more than trebled Indonesian MAP.)

—As discussed by the President and President Suharto, the matter of arms aid to Cambodia is urgent. You hope that Indonesia can move soon on this, not only to meet the military needs in Cambodia, but to give the Cambodian Government a needed psychological boost. You appreciate, though, the desirability of maintaining Indonesia's non-aligned image, especially while Japan, Malaysia, and Indonesia are following up the Djakarta Conference.

—You might wish to ask Sumitro how these arms would be delivered, and whether he thinks secrecy could be maintained. (Possibly the U.S. could render some assistance in delivery, either directly or through third parties.)

—You hope that Sumitro will have useful discussions with people in the Pentagon. Your staff members have been in touch with responsible people there in setting up meetings. The question of our replacing stocks of Indonesian arms sent to Cambodia can be discussed in them.

—You believe it would be useful, too, for Sumitro to talk with Ambassador Green. All of us—those in the White House, Defense, and State—want to be helpful.

—You understand that General Umar will be coming soon with a mission to go into details of U.S. military aid. He and his group will be welcome. You anticipate that further details will be worked out afterwards at Djakarta between our respective military representatives.

—(If Sumitro raises. You are glad to hear that our technicians have arrived to inspect the Bandung ammunition plant, and hope that conversion to handle AK-47 ammunition can proceed rapidly.)

Points to Avoid

—Implying any substantive role for Alamsjah in our arrangements. Since he was here with Suharto we have learned [*less than 1 line of source text not declassified*] that senior officers among the Indonesian military

have become sensitive over the way that Alamsjah functioned within the Suharto party. (Alamsjah is only a Brigadier General.) This smacks of Indonesian palace politics, of which we want no part. If the matter arises, you might note that you dealt with Alamsjah merely as Suharto's emissary, and as a transmission-belt for carrying the President's views to Suharto.

307. Memorandum From John H. Holdridge of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, June 25, 1970.

SUBJECT

Further Points for Your Meeting with General Sumitro

General Sumitro arrived in Washington late yesterday, and his aides, General Latief and Colonel Soekeng, got in touch with me today. General Sumitro hopes for an early meeting with you, and does not want to talk with anyone at State or Defense beforehand. I have not given any assurances of when the meeting will be arranged, but assume that you will want to talk to him as soon as it is convenient. I assume also that the party can be flown out and back by Jetstar.

Meanwhile, a number of additional points have developed in my conversations with State and Defense which you might wish to bear in mind in your discussions with Sumitro:

—Defense hopes that the Indonesian offer of rifles to Cambodia can be held to 15,000, at least for the time being. The rationale in part is that making up stocks will be difficult (M-16's would need to come from new production at \$150 each; M-14's are in short supply as stocks are being used to re-equip the National Guard). In addition, if the Indonesians turn over all 33,000 AK-47's in their possession there will be no requirement in Indonesia for the AK-47 ammunition produced by the Bandung ammunition factory.

—A way can be found to replace quickly the rifles Indonesia sends to Cambodia, however. Defense is thinking in terms of a loan of 15,000

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Kissinger Office Files, Box 101, Backchannel Messages 1970, Indonesia, HAK/Sumitro 1970 [1 of 2]. Secret; Nodis. Sent for action.

M-14's with a promise to replace them later with M-16's out of the Indonesian MAP.

—Military assistance funds are extremely tight due to the extra burden which Cambodia has imposed. Defense is already cutting into MAP for other countries to take care of Cambodia, and the need to pick up Indonesia imposes yet an additional burden. This is over and above the replacement of rifles, which is being treated as a separate item. Defense believes it can locate funds to maintain Indonesian MAP at a level of \$15 million as already agreed, but will find it very difficult to add more. Defense hopes that you can firmly but gently get this point across to Sumitro. (\$15 million should be enough, especially if Defense is not held to \$70 million annually on what it can provide from U.S. excess.)

—For their part, the Indonesians probably have high hopes for much more than \$15 million. Suharto wants to standardize the arms of the entire Indonesian Army—which means U.S. help, since he can't get anything from the Communists. There is talk in Indonesia of setting up an Armalite or M-16 plant. The other services will want their share, too. The Indonesians desire a firm U.S. commitment.

—There is no enthusiasm whatsoever in State and Defense for the Indonesian technical mission to be headed by General Umar. They feel that this mission will tend to reinforce Indonesian hopes, in that it might go home with inflated ideas of what we can do if technical talks actually take place. State tried to turn the mission into just a protocol visit limited to Umar, his wife, and two aides. I told them that this simply wouldn't wash—your talks with Alamsjah and the President's talks with Suharto endorsed the technical mission concept, and that it simply cannot be turned off. (You may be hearing more on this, though, from Marshall Green.)

308. Memorandum of Conversation¹

Los Angeles, California, July 1, 1970.

PARTICIPANTS

General Sumitro, Indonesian Army
Brigadier General Latif, Indonesian Army
Colonel Soekeng, Indonesian Army
Dr. Kissinger
Mr. Holdridge

SUBJECT

U.S. Military Assistance to Indonesia

Dr. Kissinger expressed his regrets in his delay in seeing General Sumitro; the problem was that he had to be with the President so as to help prepare the President for the meet-the-press session that evening. He was pleased to see General Sumitro whom he remembered from the Djakarta visit last year. He also recalled the conversation which he had had with General Sumitro. Had General Sumitro engaged in talks with anyone else in Washington? General Sumitro replied that he had wanted to see Dr. Kissinger first. He would, though, want to call on Admiral Moorer. He also wanted to convey President Suharto's greetings to the President.

Continuing, General Sumitro explained that President Suharto had called a meeting of senior Indonesian Armed Forces officers just after returning from the U.S., and had gone over his conversation with the President. He had then ordered General Sumitro to come to the U.S. to follow up his, Suharto's, talks with the President. General Sumitro added that this visit, which was something of a surprise to him, was made on the basis of his having become, in effect, Dr. Kissinger's counterpart in Indonesia. Dr. Kissinger asked if General Sumitro had any special representative in Washington, and upon hearing that none presently existed, ascertained that any communications by the President and Suharto would be through Sumitro in Djakarta. The special channel would be used.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Kissinger Office Files, Box 101, Backchannel Messages 1970, Indonesia, HAK/Sumitro 1970 [1 of 2]. Top Secret; Sensitive. Drafted by Holdridge and forwarded to Kissinger under a July 6 covering memorandum. The meeting was held at the Century Palace Hotel.

General Sumitro then brought up Indonesia's strategic thinking, noting that before Suharto had left for the U.S. he had directed that an analysis be prepared of the current situation in Southeast Asia and the Indonesian role. (There had been some changes since Dr. Kissinger had been in Djakarta.) This study took into consideration the withdrawal of U.S. forces from the Far East over a period of time, which the Indonesians hoped would not be earlier than 1973. They also hoped that this would be a scheduled process. Looking at the situation very realistically, they had come to the conclusion that there should be no vacuum. At the same time, Indonesia was not yet a real power, and not yet able to take over the responsibility for security in Southeast Asia.

They had then addressed the problem of the future role of Japan, on the assumption that there were no other major powers with which they could undertake cooperation. (They had noted that the U.S. was moving in this direction also.) India could not be relied upon, although its industry was growing, because of its internal political instability. While Japan had its troubles, too, its people seemed to be generally of the same opinion, namely, that the major threat to Japan would come first from Red China and secondly from the USSR. In 1968, when there first had been regional discussions, the fact of Japanese development had been recognized but also the dangers which came from that direction. The Indonesians maintained the hope that the U.S. would play a role in making Japan strong, and causing it to be a power able to give a sense of security to Asia.

On Japan, the Indonesian position was that they did not object to seeing Japan come into the region, but still had some doubts about the part which Japan would play as a political and military power. Japan was unpredictable, and while it had industry, logistical support, and manpower, and could develop strong armed forces, there might be yet some tendencies in Japan to accommodate. Two years ago, Sumitro had been told by the South Koreans that the Japanese might reach an understanding with the Chinese to divide up the responsibilities in the Far East between the two of them, with the Chinese dominating the Asian mainland, and the offshore centers coming under Japanese control. General Sumitro felt that this might be true, and that there were forces in Japan which wanted to work with the Chinese.

General Sumitro said that the Indonesian Government, President Suharto, and the principal officers of the Armed Forces had originally not intended to build up the Armed Forces before 1973 because they had decided in 1965 that the first need was to upgrade the Indonesian standard of living, and thus had sacrificed security for the sake of the national reconstruction effort. However, this situation had changed. There was the fact of the U.S. withdrawal from the Far East, and the knowledge that Japan was still a questionable friend even though it

might become a political and military power. The Indonesians were also afraid that Asian centers such as Thailand, Singapore, the Philippines, and Malaysia, because of the lack of military power in the region would be pressed by domestic forces to make policy shifts. In this connection, General Sumitro referred to the intensity of Soviet diplomacy, and expressed apprehension that the Asian governments he had mentioned might lean to the Soviet side. Although the Soviets were committed in the Middle East, they had influence in the region, and the Asian nations might turn to the USSR to counter the danger of Chinese infiltration. Speaking frankly, Indonesia had to consider then becoming active in this situation.

General Sumitro noted that between 1960 and 1965 Indonesia had possessed strong Armed Forces, although the policies of the old regime in this period had been bad. He added that Sukarno, who had just died, could now be forgiven, but his policies would not be followed. Indonesia again needed to develop strong armed forces. He and his colleagues were not worried about internal disturbances, since they had been able to roll up the strong Communist organization. The problem was external, and what Indonesia could do if asked by others for assistance. Indonesia could send its men, but the means available to them were so poor that they could not do too much. Indonesia's "strategic material" was originally from the Soviets, but would be all used up by 1971. What was on hand was in bad condition and could not be used in a war against the Communists. Indonesia was willing to dispose of these materials. Dr. Kissinger mentioned, and General Sumitro confirmed, that the Indonesians have problems with spare parts for their Communist matériel.

According to General Sumitro, the Indonesians were now hoping to obtain military supplies from Western Europe and from the U.S. in order to rebuild their Armed Forces. They had been encouraged by the talks between the President and President Suharto, but when Admiral Sudumo had talked with Admiral Moorer on the Indonesian proposals, Moorer had said that everything had depended on Dr. Kissinger's views. This was the reason why Suharto had asked him to give the background of the Indonesian thinking. In speeding up the rebuilding of the Indonesian Armed Forces, Indonesia needed time to develop since its training facilities were limited and its management very bad. There was an additional principle: military development should not interfere with the Indonesian five-year plan. Not one penny could be expected from this plan, or it would fail.

General Sumitro remarked that the Indonesians had been extremely pleased at the boldness of the President's decision on Cambodia, and over the fact that he had not allowed public opinion to deter him. On the basis of the President's appreciation of the facts and the

support which he enjoys with the silent majority, President Suharto had wanted him, Sumitro, to present a full conception of the Indonesian military requirements. These he had with him, which would be gone into in detail later by General Umar and the special group which would accompany him. Another factor which the Indonesians had taken into consideration was the possibility that if the U.S. demobilized or reduced its military strength, there would be surplus material which could be used by the Indonesians. Indonesia wouldn't ask for what was still required, but only for what would no longer be needed after demobilization. He would make the list of Indonesian requirements available to Dr. Kissinger.

Dr. Kissinger asked if General Sumitro had the list with him, and was told that such was the case.² Dr. Kissinger said that he had no idea as to how this matter could be implemented, but wanted to say a number of things. We had a tough legislative problem, and there were also some divisions in the Government on the issue of military aid to Indonesia along the same departmental lines as existed in Indonesia. We had learned of Indonesian divisions from various sources. All these things posed a difficult problem, although he felt that we both understood the problems which existed in our respective Capitals.

Dr. Kissinger said that he wanted to make one point plain—the strategic picture which we had in mind was not of withdrawal, but of a reduction. The President agreed with the Indonesian position, and had expressed this to President Suharto, whose visit he had very much welcomed. Anything which required legislation or money needed to wait until after the November elections. If these went badly there might be difficulties. General Sumitro expressed the hope that the elections would go very well. He observed, too, that he had convinced the Indonesian Ambassador in Washington on the need for what Indonesia was doing.

Dr. Kissinger asked how long General Sumitro had been in Washington. He was worried about the time factor. If this was no problem, he would suggest that the best procedure would be for him to study the Indonesian paper, and for General Sumitro to see Admiral Moorer, in whom he had full confidence. He would speak to Admiral Moorer beforehand. Because the President was so preoccupied with Cambodia, not much could be done that day, but he would be back in Washington on Monday. He would study the plan, would talk about it with the President, and meet again with General Sumitro on Monday or Tuesday. No one but Admiral Moorer and Mr. Holdridge would know of this matter. Possibly something could be worked out in principle,

² Not attached and not found.

and he was sympathetic to the idea of providing surplus matériel. There was a problem, though, that if our help became too obvious, then Congressional restrictions might be imposed. The Congress would zero in if the program were too obvious. As for the elections, we didn't need to defeat all the Senators, but if three or four were defeated the others would get the message. Meanwhile, we could use the time between now and the Fall to do what could be done in developing a program. The Indonesian theory was fully consistent with the Nixon Doctrine. We would need to study the paper and transfer it into specifics. He would want to talk with General Sumitro again, and with the President in some detail so that proper guidance could be provided. An immediate way to be helpful might be on the matter of the Indonesian offer to send rifles to Cambodia. If these were replaced with some U.S. rifles, the program of re-equipping the Indonesian Armed Forces would already be beginning.

On the matter of the rifles for Cambodia, General Sumitro felt that it would be better to wait for the visit of General Umar to work out the technical details. President Suharto had told him not to get into details. Dr. Kissinger assured him that we would think the whole thing over. He could only say that the President had been very pleased over his conversation with President Suharto, and believed he had reached an understanding with him. He wanted to do what he could to help Indonesia develop. The problem was one of finding measures to do so which would be within our political capability. As to the visit by General Umar, it might be a good idea to hold this matter in abeyance and to talk about it further next week. General Sumitro indicated that General Umar would not leave until after his own return to Djakarta, so that holding off for a while would be no problem.

General Sumitro asked if Dr. Kissinger had any questions concerning Indonesian strategic thinking. Dr. Kissinger wondered about the magnitude of the development program, the size of the Indonesian Armed Forces, and the scale of re-equipment. He would get a better feel of this from the paper. On the Indonesian strategic appreciation, he recapitulated this as: *first*, accepting the importance of having the Asian centers play a larger role if the U.S. presence was reduced (we didn't like to talk about "withdrawals"); *second*, having Japan play a larger role but with its forces coming in only if a threat developed and not before; *third*, regarding Indonesia as another component in the strategic situation in which Malaysia, the Philippines, etc., tended to look to the largest country for security; *fourth*, seeing India as not being in a position to fulfill this responsibility; and *finally*, reasoning that the Indonesian Armed Forces needed to be re-equipped to some extent to fit into our reduction, using equipment of common origin. This meant replacement of matériel from Western Europe and U.S. sources. The Indonesians also were aware of the U.S. legislative restrictions,

and were thinking of surplus equipment after U.S. forces were drawn down.

Dr. Kissinger stated that he would ask Admiral Moorer to translate the Indonesian request into dollars, and would try to keep this matter as restricted as possible. We would need some idea as to what was really involved. At the same time, the President had the warmest attitude toward Indonesia, appreciated its constructive attitude, and regarded the Indonesians as friends. Could he assume that General Sumitro spoke for President Suharto? General Sumitro replied that his position had been mentioned during the meeting of the two Presidents and reiterated before the Indonesian military leaders. General Latif, who had been in both meetings, could verify this. Dr. Kissinger observed that we would communicate with General Sumitro via our man in Djakarta. If we received confusing reports, we would check with him, and it would be helpful to receive information as to what President Suharto thought. Similarly, if they received confusing reports from our Ambassador, they should check with us. He would provide exact information. Was there any other matter which General Sumitro wanted to discuss? He did not object to the Indonesian list, but did not want it to become an official proposal. It was agreed that one copy would be provided to the NSC staff and one to Admiral Moorer. The NSC copy would be examined by Dr. Lynn.

309. Memorandum From the Deputy Assistant to the President for National Security Affairs (Haig) to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, July 7, 1970.

SUBJECT

Meeting with Sumitro

Attached is the MemCon of your meeting with Sumitro in Los Angeles on July 2.² Admiral Moorer was asked yesterday to meet again with Sumitro and did so at 5:00 p.m. last night. Sumitro was told by

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Kissinger Office Files, Box 101, Backchannel Messages 1970, Indonesia, HAK/Sumitro 1970 [1 of 2]. Top Secret; Sensitive.

² Document 308. The meeting took place on July 1.

Holdridge to provide Admiral Moorer with a list of Indonesia's requirements; however, he refused to do so and when he was pressed by Admiral Moorer he stated that his instructions provided that he had to give the list to you alone. All of the instructions which you gave to David were carried out, and Holdridge spoke to Sumitro yesterday morning on the subject but apparently to no avail.

During the conversation with Admiral Moorer, Sumitro made the following points:

—Indonesia is prepared to furnish up to 25,000 AK-47's to Cambodia.

—Indonesia is also prepared to train Cambodian forces either in Indonesia or in Cambodia. Sumitro estimates it would take three months to develop an effective soldier and six months to train highly qualified troops.

—Sumitro is very anxious to actively participate in Cambodia's anti-Communist efforts. He suggested to Admiral Moorer that the U.S. should completely replace all Soviet equipment in Indonesia and should also provide the amphibious or airlift for at least a brigade of Indonesian troops so that their power could be projected into trouble-spots.

—Sumitro estimated that the major threat comes from Communist China which could move through Burma or Thailand.

Admiral Moorer got the impression that there would be no difficulty in getting the Indonesians to help provided their quid pro quo was met. The quid pro quo, in Admiral Moorer's estimation, undoubtedly will be extremely large, however.

John Holdridge is completing detailed talking points for your use at tomorrow night's meeting with Sumitro and will have them to you before the close of business today.

310. Memorandum of Conversation¹

Washington, July 8, 1970, 5 p.m.

PARTICIPANTS

General Sumitro, Indonesian Army
Brigadier General Latif, Indonesian Army
Colonel Soegeng, Indonesian Army
Dr. Henry A. Kissinger
Dr. Laurence E. Lynn
Mr. John H. Holdridge

SUBJECT

U.S. Military Assistance to Indonesia

Dr. Kissinger said that he had read the memos covering General Sumitro's conversations with Admiral Moorer,² and had studied the Indonesian proposal for U.S. military assistance. In addition, he had just had a long talk with the President about the situation.³ He had given the President a full account of the discussions in Los Angeles, and had told the President about the Indonesian defense philosophy if U.S. forces were reduced, i.e. others would need to step in, and Indonesia as the largest country in Southeast Asia would want to play a bigger role as its forces were modernized. The President had agreed. The problem now was one of how to put the Indonesian philosophy into effect. The full Indonesian list was very substantial; for example, B-52s did not appear to be the most immediate necessity. General Sumitro remarked that as he had explained to Admiral Moorer, the plan for modernizing the Indonesian forces was divided into phases.

Dr. Kissinger stated that the problem with the total list was that it was so comprehensive we found it hard to make a reasonable proposition. We would like, first, to build upon the \$15 million Indonesian MAP. Although there were some here who said that the emphasis in

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 531, Country Files, Far East, Indonesia, Vol. II. Top Secret; Sensitive. Sent for information. Drafted by Holdridge and sent to Kissinger for approval under a July 13 covering memorandum. Kissinger initialed the approve option and also approved sending an attached sanitized summary of the conversation to the Department of State, which had "been pressing for word of what was said." Attached but not printed. The summary is also *ibid.*, RG 59, Central Files 1970-73, POL 27 CAMB/KHMER. The meeting was held in Kissinger's office.

² Summarized in Document 309.

³ According to the President's Daily Diary for July 8, Kissinger met with President Nixon from 4:17 to 5:10 p.m. (National Archives, Nixon Presidential Materials, White House Central Files)

the MAP should be put on civil construction, we recognized that this did not serve the purpose of modernization, and so would undertake a review. Second, we would look over our surplus equipment in Asia to see how much we could give. Third, we had established good success in our Government in making studies of problems such as this in terms of program analysis of requirements, and with their approval would like to do this for them to see how we could develop a reasonable program within our capabilities. We couldn't reach agreement on the full list right away, and needed a program; we also wanted to look at what we could get from surpluses. Dr. Kissinger assumed that the Indonesians could get such civil assistance items as road building equipment elsewhere, and that there would be no objection to a re-ordering of the Indonesian MAP.

General Sumitro said that he had discussed this with President Suharto, who had indicated that if the U.S. was in basic agreement, the MAP program would be dropped and included in the new requirement list. They hoped that MAP could be transferred into their overall requirements. Dr. Kissinger expressed the view that MAP should be continued; in fact, he had asked Dr. Lynn to see what could be obtained from MAP alone if it were concentrated on weapons. There was no need to go into details now, but a good deal might be obtained. (He read from an illustrative list.) We wanted, too, to look at surpluses. He had talked with Secretary Laird on the possibility of increasing the Indonesian MAP, and would attempt to do so, but we needed to get some idea of their needs in terms of realistic possibilities. We would look at their plan through Dr. Lynn,⁴ and we would look at surpluses.

Dr. Kissinger indicated that until all of these requirements had been completed, it might be better for General Umar not to come. We did not want this matter to become too bureaucratized. If it were kept low, the Indonesians could be sure of the President's personal attention. General Sumitro agreed, observing that it would be much better if General Umar could wait. In the meantime, a study could be made in Indonesia, which he felt might require about two months. Dr. Kissinger thought that the time required might not be more than two weeks, since Dr. Lynn had done superior work before in this sort of

⁴ Lynn had already looked at the Indonesian plan that Sumitro had given Kissinger, and had reported his conclusions in a July 7 memorandum to Kissinger. Lynn reported that the Indonesian plan requested "a complete force modernization plan," including such new big-ticket items as B-52s and IRBMs, and that it would cost "billions of dollars." Lynn proposed instead "to give them assistance which contributes to the priority mission of maintaining internal security," including 18 T-37 aircraft, 20 C-47 aircraft, 10 patrol craft, 12 light landing craft, and initial equipment for 9 infantry battalions, which he estimated would cost \$75 million over 5 years. (Ibid., NSC Files, Box 531, Country Files, Far East, Indonesia, Vol. II)

analysis and could organize a study team quickly. This would be a good survey, which would provide us with a basis for joint action.

General Sumitro noted in response to a question from Dr. Kissinger that he was planning on returning to Djakarta on July 9. Upon his return, consideration would be given to what the Indonesia Five-Year Military Plan should be. There was as yet no idea as to magnitudes. Dr. Kissinger suggested that Dr. Lynn might be able to help in this respect. General Sumitro speculated that it might be possible to talk in terms of percentages of their total requirements list, perhaps 10–15 percent for a start. The officer in charge of laying out these requirements was just finishing up a seminar in the U.S. and was on his way to Djakarta.

Dr. Kissinger asked how we might maintain communications, to which General Sumitro replied he favored using the same special channel which now existed. In a month or two, he would have a military man in Washington who could act as a contact. Dr. Kissinger also raised the problem of maintaining security on Dr. Lynn's presence in Indonesia. On this, General Sumitro proposed that the study be made in Bali, which could be reached by direct flight to Bangkok. Dr. Kissinger observed that he would give further thought to this question, and would be in touch. Would they mind if our Ambassador knew of the study? General Sumitro replied that President Suharto felt Ambassador Galbraith could be relied upon. He was, however, subordinate to the State Department. Dr. Kissinger assured General Sumitro that we would keep this whole thing under tight control, and would look into the bureaucratic aspects.

On the question of obtaining a visa for Dr. Lynn, General Sumitro felt that this was no problem. The Indonesian Military Attaché could set it up, or it could be obtained somewhere else such as the Indonesian Embassy in Bangkok (their Ambassador there was a General) or in Tokyo. General Latif observed that in the President's conversation with President Suharto the President had given assurances that Ambassador Galbraith would be kept fully informed. Dr. Kissinger agreed, but pointed out that the communications channel posed a problem. It would be difficult if we had to go through the regular channel. However, what we told our Ambassador would be our worry. Did Ambassador Galbraith know that General Sumitro was here? General Sumitro noted in reply that Ambassador Galbraith had been kept informed of his, Sumitro's, visit by the Indonesian Foreign Minister. Dr. Kissinger declared that we would keep Ambassador Galbraith informed on essential matters.

Dr. Kissinger stated that we would start now to work out the composition of the study, and the communications channels. Our requirement would be to get some sense of the magnitude of the quantities,

and to know what we could realistically do. He emphasized that the President was in favor of helping. What the Indonesians had presented was a maximum program, but we needed to be realistic. Had the Indonesian plan been given to Admiral Moorer? General Sumitro said that it had not yet been given to Admiral Moorer, since they didn't regard it as a formal document. However, they would be glad to pass the plan on to Admiral Moorer if Dr. Kissinger thought that this would be desirable. It was agreed that Colonel Soegeng would give it to Mr. Holdridge for transmittal to Admiral Moorer.

Dr. Kissinger raised the issue of the Indonesian offer to provide AK-47s to Cambodia. General Sumitro said that Indonesia had 25,000 on hand which they were willing to offer as soon as they heard from Phnom Penh and as soon as U.S. replacement rifles arrived in Djakarta. They understood that the total Cambodian requirements were for 30,000 small arms. Dr. Kissinger informed General Sumitro that we would be willing to send 15,000 M-14s immediately, on loan, and replace these with M-16s under the Indonesian MAP. General Sumitro remarked that of the types of weapons available—the M-14, the AR-15, and the modified M-16—the modified M-16 was much the best. Dr. Kissinger reiterated that our proposal was to give M-14s now and replace them with M-16s as production became available.

General Sumitro raised another question: the re-equipping of the Indonesian State Police, for which they had also forwarded requirements. He pointed out that the Police were a part of the Indonesian defense establishment. Dr. Kissinger and Dr. Lynn indicated that this question, too, would be considered in the study.

Dr. Kissinger then telephoned Admiral Moorer to ask about the time which would be required to provide M-16s under the Indonesian MAP. He quoted Admiral Moorer as saying that the M-16s would be provided within a year or even less, and that the M-14s would thus be on hand for a relatively short period. These M-14s would be in good condition, since they were being held in reserve for the U.S. forces.

General Sumitro referred to the fact that the Indonesians had an arms factory capable of producing a machine gun known as the BM-59. This was a stop-gap weapon, which did not compare with the M-16. Was it correct that the U.S. had given an arms factory to Singapore for manufacturing M-16s? Mr. Holdridge said that he thought this was still under discussion, and had not yet been decided. Dr. Lynn asked if their existing factory could be converted to manufacture modern weapons, to which General Sumitro expressed uncertainties as to the technical nature of the problem. Again, the M-16 was better than anything else. Dr. Kissinger explained that we were in principle prepared to provide M-16s and would do so as soon as production caught up. We were in fact cutting back on production for our forces.

Dr. Kissinger wondered how AK-47 deliveries to Cambodia could be worked out. General Sumitro responded by saying that President Suharto wanted the Cambodians to take over this responsibility and transfer the weapons to Phnom Penh themselves. Dr. Kissinger stated that this was satisfactory, and that the Indonesians should let us know when the transfer had been completed so we could provide replacement weapons. General Sumitro then said that the Indonesians wanted the U.S. rifles first, to which Dr. Kissinger observed that we should start doing this and would take it up in the next WSAG meeting.

Dr. Kissinger touched on the question of Bandung ammunition factory, asking about its status. General Sumitro noted that the money was available in Indonesia to start building a new plant for AK-47 ammunition, and that nine months would be required for the first production. They still had ammunition reserves, but had pulled it all back to Djakarta and had re-equipped their commando and parachute brigades.

General Sumitro again brought up the question of the National Police, explaining that the Police would need to take over internal security responsibilities from the other services so that these services could concentrate on the national defense effort. Dr. Kissinger thought that our program would take care of most essentials.

General Sumitro went over Indonesian strategic concepts in the same terms which he had outlined in Los Angeles. Once again he expressed reservations about the role of Japan in Southeast Asia, pointing out that the Japanese military leaders properly understood the threat Communist China posed for Japan but that the Japanese politicians in contrast wanted to avoid a conflict with China and might accommodate. In fact, Japan's approach to the other Asian countries might even constitute an economic and political threat if things were to go wrong. When Dr. Kissinger asked what could go wrong, General Sumitro pointed once more to the possibility of a Japanese accommodation with Communist China. He hoped that the U.S. would be successful in influencing the Japanese to follow the proper line, but he was not so sure about this—he had the impression that the Japanese politicians were stubborn. Dr. Kissinger recalled that when he had been in Indonesia last year he had encountered disquiet over the future role of Japan.

The conversation concluded with a reaffirmation from Dr. Kissinger that the President had wanted very positively to respond to the Indonesian proposals and had asked that his warmest feelings be conveyed to President Suharto. He considered his relationship with President Suharto as one of the warmest he possessed. We had certain restraints on what we can do, but within these limitations we would act. We recognized the Indonesian role, which was precisely what the Nixon Doctrine required. General Sumitro should feel free to write on any subject and to keep in close contact.

311. Letter From the Assistant Secretary of State for East Asian and Pacific Affairs (Green) to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, August 10, 1970.

Dear Henry:

I have received a personal letter from Frank Galbraith covering a range of sensitive subjects regarding our relations with Indonesia. I thought you would be particularly interested in the following excerpts on Indonesian MAP. Frank presented these points as the views of the small circle in the Embassy who work on highly sensitive political/military matters (the DCM, Political Counselor, Defense Attaché [*less than 1 line of source text not declassified*]).

"What we are most anxious to see amplified is the timetable which the President and Dr. Kissinger have in mind for the Indonesian program. We are all agreed, as I believe you are in Washington, that Indonesia's present capability for assuming a meaningful security role in Southeast Asia is virtually nonexistent. A great deal of basic spadework needs to be done, both in stabilizing and developing the country as well as preparing the military establishment for modernization. The review of emphasis in our MAP which Dr. Kissinger mentioned to Sumitro has to a large degree already taken place. Although civic action continues to play an important role in the program, the planning under the new \$15 million ceiling places primary emphasis on improving the maintenance capability, logistics, and communications of the military, along with the introduction of some combat equipment. All of these elements are, of course, a necessary preamble to a modernization program.

"President Suharto's reaction, as reported by General Sumitro to George Benson (Djakarta 5655)² fortunately seems to recognize the need for a measured approach. He seems to be sufficiently concerned with the budget and Indonesia's economic development to want to postpone any further burgeoning MAP for this year at least.

"There are a number of pitfalls which both we and the Indonesians will have to avoid if we want a realistic chance for a stable Indonesia capable of playing the role we envisage for it in the area.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 531, Country Files, Far East, Indonesia, Vol. II. Top Secret. In an August 11 routing slip, attached but not printed, Holdridge noted that "HAK has seen, no further action necessary. JHH 8/12."

² Dated August 4. (Ibid.)

Shifting too quickly into a full-fledged modernization program, either because of our interest in forcing the pace of Indonesia's military progress, or because of the inability of the Indonesians to resist the temptations, would present us with one of two choices. Either one of these, I believe, would be undesirable at this stage. The first would be to turn over a lot of modern equipment too soon and watch it become quickly unserviceable; the other would be to provide hundreds of American trainers and advisers so that we could insist and insure that they take care of the equipment. If we were to adopt the second choice I am afraid that we would be adding significantly to the domestic political problems which are likely to mount for the Suharto Government anyway. Many of those in the Indonesian Armed Forces are all too inclined to ignore the political repercussions of actions which they consider desirable from a purely military point of view. If we compound their lack of political sophistication by ourselves ignoring such probable political repercussions, we are likely to increase their political troubles and eventually weaken the Suharto Government.

“Another area where a premature military modernization effort would weaken hopes for a stable base from which Indonesia could mount its heightened SEA role is on the economic side. It would be a tragedy should the Indonesians divert too soon their scarce resources from development into the military sector, a diversion which would be required if they were to seek to absorb more MAP, given the huge rupiah outlay required to receive, use and maintain the equipment we might give them. Progress on the economic side has been promising, but the situation remains critical. Such a diversion at this stage of the first five-year program could seriously set back the good start that has been made in economic rehabilitation.”

My personal experiences in Indonesia would support Frank's assessment.

Sincerely yours,

Marshall

312. Memorandum From John H. Holdridge of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, October 13, 1970.

SUBJECT

Indonesian Request for U.S. Assistance in Furthering Southeast Asian Regional Military Cooperation

At Tab B² is a message to you from General Sumitro requesting U.S. assistance to Indonesia in furthering Southeast Asian regional military cooperation. He proposes that Indonesia take the initiative in arranging for: (1) exchanges of personnel for training; (2) strategic intelligence operations; (3) holding seminars of senior commanders on defense, intelligence and territorial warfare operations; and (4) ultimately, participation in joint military operations in border areas.

General Sumitro's thesis is that the British "East of Suez" policy and the Nixon Doctrine create a military vacuum into which the Communists (particularly Communist China) will try to move via protracted wars of national liberation, and that the free nations of the region thus have enough in common to be able to coordinate on foreign policy and defense matters if someone shows the way. This could lead to a military "gentleman's agreement," and not necessarily to a formal military pact.

The initial costs to the U.S., as laid out by General Sumitro, would amount to a rounded-off figure of \$1 million spent between 1970 and 1972 on conducting an educational program in joint strategic intelligence, a senior seminar, an Indonesian advisory and military training program in Cambodia, and a language training program. To provide for transportation of the personnel involved, Indonesia would like the loan of six C-130s, or if this is not possible, the use of U.S. aircraft as needed on an "on-call" basis. Typically, General Sumitro insists that there be no impairment of Indonesia's five-year plan by diverting funds from it.

As a final pitch, General Sumitro strongly urges that the U.S. set up an M-16 factory in Indonesia to bring about the standardization of weapons among all the free Southeast Asian nations. He suggests that

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Kissinger Office Files, Box 101, Backchannel Messages 1970, Indonesia, HAK/Sumitro 1970 [1 of 2]. Secret; Sensitive. Sent for action.

² The September 25 message is attached but not printed.

the ammunition which Indonesia has sent to Cambodia be applied as a partial payment for the M-16 plant.

Comment

General Sumitro's proposal contains some intriguing aspects. We are interested in the development of regional security undertakings, and the Indonesians might well be the best ones to take the lead in this. The rather modest nature of their initial program would probably assure a good response, since there would be no implications of a formal security organization. The proposal might also be a means for getting Indonesia to move toward a security role of its own in troubled areas of Southeast Asia. The costs involved are also relatively modest.

On the other hand, we should recognize that Indonesia is not acting out of sheer altruism. A bid for six C-130s has been made to us earlier in connection with the shipment of ammunition to Cambodia, which we deflected by using U.S. aircraft, while a request for an M-16 factory has been made on several occasions, most recently during General Sumitro's conversation with you in July. It has been reiterated through regular State channels, also as part of a deal on the ammunition which they sent to Cambodia, and will probably come up again when Suharto sees the President. It is clear that they want the airplanes and the plant very badly, and may have used their regional cooperation proposal in part as the means to this particular end (or ends). They are also working their aid to Cambodia into the regional security framework, of course at our expense.

Nevertheless, as Mao Tse-tung put it, a single spark can start a prairie fire. As of now there is no movement at all toward a regional security arrangement in Southeast Asia, and the Indonesians might just be able to get things going. At Tab A is a draft reply from you to General Sumitro, which while not assuming any commitment expresses interest in his proposal and suggests that he should submit it through Ambassador Galbraith so as to assure that it will receive full staffing.³ The draft reply dodges the C-130 and M-16 factory questions, which you may wish to consider separately. An interim reply has already been sent to General Sumitro in your name, since you were in Europe when the message arrived, which promises fuller study (Tab C).⁴

Recommendation

That you approve the message at Tab A to General Sumitro.⁵

³ The draft was attached but not printed.

⁴ Tab C was not attached.

⁵ Kissinger initialed the approve option.

313. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to the Deputy Secretary of Defense (Packard)¹

Washington, November 2, 1970.

SUBJECT

Military or Related Assistance to Indonesia in Exchange for AK-47 Ammunition

Your memorandum to me of October 27, 1970 on the above subject² was very useful, and I appreciate the effort that went into it. Your preferred option for repaying the Indonesians for the AK-47s and ammunition which they sent to Cambodia is acceptable, i.e. providing them with \$262,000 in cash and with 2,640 M-16s, each with 1000 rounds of ammunition.

I would also appreciate, however, a somewhat fuller study by Defense and State on the pros and cons of the M-16 factory which the Indonesians have requested. In this respect, I believe that it would be useful to weigh into the balance any political factors which might affect our judgment one way or the other. I would in addition like more details on the aid which we might offer in connection with the Bandung ammunition factory or the Husien Air Base Depot, specifically whether our assistance would be of an order of magnitude which would make these projects acceptable alternatives to an M-16 factory.

Pending completion of this further study, I recommend that the draft State/Defense message to Djakarta which you attached to your memorandum to me be sent without the final paragraph.³

Henry A. Kissinger

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 531, Country Files, Far East, Indonesia, Vol. II. Top Secret; Sensitive. A copy was sent to Green.

² Attached but not printed.

³ The attached draft was sent as telegram 180287 to Djakarta, November 2; attached but not printed.

314. Memorandum From John H. Holdridge and Richard T. Kennedy of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, November 18, 1970.

SUBJECT

Survey Group on Military Assistance to Indonesia

You have approved a draft message to General Sumitro informing him you will send a survey group to Indonesia to go into the question of U.S. military assistance in relation to Indonesian needs as soon as General Sumitro informs us of a suitable date. As finally sent, this message contains a new sentence to the effect that we will inform General Sumitro of the composition of the group once a date is established;² the extra wording was included in response to an additional message from General Sumitro in which he indicates he is expecting Dr. Lynn to come (Tab A).³ We will of course want to inform him at an appropriate time that Dr. Lynn is no longer with the NSC and that the composition of the group will therefore be different than originally anticipated. However, any group which goes to Indonesia will be regarded as doing so under your direction and hence will be acceptable to the Indonesians.

A problem which now must be addressed is getting a suitable group organized. We believe that it would be desirable to send a small party so as to keep the visibility down, and to include one representative each from the Army, Navy, and Air Force, a logistics specialist and a representative of the Bureau of Politico-Military Affairs in State. A

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Kissinger Office Files, Box 101, Backchannel Messages 1970, Indonesia, HAK/Sumitro 1970 [1 of 2]. Secret; Sensitive. Sent for action. A notation in Kissinger's handwriting in the upper right-hand margin of the first page reads: "Discuss soonest. Why not small NSC working group on model of VSSG (Vietnam Special Study Group) task force." A note attached to the first page reads: "Xeroxed comeback copy sent to Holdridge/Kennedy 11/27 for action." In a memorandum to Kissinger, November 30, Holdridge stated that he, Kennedy, and Dr. Wayne Smith had agreed that the NSC should not become involved directly in the group sent to Indonesia, "but rather leave this to the bureaucrats to determine and staff through the NSC process." (Ibid.) Kissinger initialed his approval of this idea on a November 10 memorandum from Herbert Levin. (Ibid.)

² The attached message, sent as backchannel message WHO2234 to Djakarta, from Kissinger to Sumitro, December 24, advised that the group was in the process of being organized, would depart shortly after the start of the new year, and "I will be communicating with you further as details are worked out."

³ Quoted in a November 14 memorandum from Karamessines to Kissinger, attached but not printed.

representative of CINCPAC also should join the team for its Indonesian visit (he would pave the way for problem solving both with PACOM and MACV). The team chief preferably should be designated by the Joint Staff or DOD/ISA.

There is also a problem on how to initiate this project. No one other than Admiral Moorer is aware of the five-year improvement plan given you by the Indonesians. We suggest a game-plan which would involve your engaging in discussions with Under Secretary Irwin, Mr. Packard, and Admiral Moorer. Your luncheon on November 20 with Under Secretary Irwin and Mr. Packard would provide the opportunity to raise this with both of them, leaving only Admiral Moorer to be brought in. You could point out that:

—The Indonesians have been pressing to send a high-level mission to Washington under General Umar, their Army Chief of Staff, to determine possible levels of U.S. military assistance.

—Indonesian expectations are very high, and we, Defense, and State (the East Asian Bureau) agree that it would be inadvisable for General Umar's mission to come until we have a better feel for what they really need and what we can do. Otherwise, the Indonesians either would see our willingness to receive them as a sign that they can expect a great deal from us, or we would be placed in the position of turning them down.

—We do not want to leave the impression with the Indonesian military that we will not be helpful. The President, in fact, wants us to do what we can within the limits of available resources and has authorized an increase in the Indonesian MAP from around \$4.5 million to \$18 million for FY 71 (including \$3 million to reimburse the Indonesians for their aid to Cambodia). The intention is to use surplus stocks as much as possible. The Indonesian military are a very important factor in the country's stability, and President Suharto wants to be able to meet their desires for new equipment to the greatest extent possible. A negative attitude on our part could seriously impair what is now a cordial U.S.-Indonesia relationship.

—At the same time, we do not wish to lend any substance to the high Indonesian expectations. We want to keep the whole question of military assistance to Indonesia under control and not let the Indonesians set the pace.

—Accordingly, you suggest that a special survey group on U.S. military assistance to Indonesia be sent out to go into Indonesian requirements and to see what we might be able to provide, particularly from surplus stocks in Vietnam. This group would plan on spending several weeks in Indonesia, and would also go to Vietnam to inquire into the surplus situation there. In this way we could hold off General Umar's mission, and keep the initiative in our hands.

—You suggest that the survey group be composed of representatives of the three Armed Services, a logistician, a CINCPAC representative, and a representative of the Bureau of Politico-Military Affairs in State. It would be headed by a military officer to be designated by the Joint Staff, or by someone of appropriate rank from OASD/ISA.

—We would want to keep the existence of the survey group very closely held. Its members would be picked very carefully and briefed thoroughly on the political sensitivities involved and on the need to stay out of the public eye while in Indonesia.

Wayne Smith (John Court for) concurs.

Recommendations

1. That you discuss with Under Secretary Irwin⁴ and Mr. Packard the question of sending a survey group to Indonesia along the lines outlined above.

2. That you ask Mr. Packard to bring up this matter with Admiral Moorer.

⁴ According to an attached but not printed December 1 memorandum from Holdridge and Kennedy to Kissinger, Kissinger met with Irwin on November 30 and obtained his agreement “on the desirability of sending a survey group to Indonesia to consider military assistance which might be provided by the U.S.” The memorandum also suggested that Kissinger meet with Packard “following the next SRG meeting.”

315. Telegram From the Embassy in Indonesia to the Department of State¹

Djakarta, November 21, 1970, 0430Z.

8770. For Assistant Secretary Green from Ambassador.

1. We have had some pretty good indications last few days that contrary some previous reports debate is still going on within Indonesian Government over question of seeking Soviet assistance for rehabilitation of Soviet military equipment (or has been reopened as a result of a new and presumably more attractive Soviet offer). My hunch is that foreign office plus certain elements in military concerned both with Indonesian nonaligned image and with importance of Soviet

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 531, Country Files, Far East, Indonesia, Vol. II. Secret; Priority; Nodis.

equipment in air and navy (and this does not include apparently chiefs of staff of these two services) are pressing Suharto to seek Soviet assistance in military field. We have also received indication from member of staff of Chief of Air Force Suwoto that Soviet Ambassador has in last few days given President Suharto rosy picture of possible future Soviet military assistance. I have agreed to meet informally and privately with Chief of Staff of Air Suwoto this coming Monday evening at his request to discuss this matter, his purpose apparently being to seek my reaction and to enlist my efforts to emphasize to Suharto U.S. intentions in military assistance field in way which would counter Soviet approach.

2. I talked with new Director General for Political Affairs, Foreign Ministry, Djajadiningrat, yesterday I was asked whether I didn't agree that Indonesia should seek support from Soviets for rehabilitation Soviet military equipment. I said this was decision for GOI but that from my point of view if price was right and Indonesia could preserve its independence of action I saw no objection.

3. I would appreciate reassurance² that line I took with Djajadiningrat is correct one, particularly if, as we suspect, Soviets are raising the ante.

Galbraith

² Green reassured Galbraith in telegram 191309 to Djakarta, November 22. (Ibid.)

316. Telegram From the Embassy in Indonesia to the Department of State¹

Djakarta, November 24, 1970, 1000Z.

8853. For Asst. Sec. Green from Ambassador. Ref: A. Djakarta 8770²
B. State 191309.³

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 531, Country Files, Far East, Indonesia, Vol. II. Secret; Nodis. Repeated to CINCPAC for Admiral McCain. A notation on the first page in Kissinger's handwriting reads: "We can't rest till they [or they will] buy Soviet arms. HK" An arrow was drawn from this notation to Haig's name, which is followed by Haig's initials.

² Document 315.

³ See footnote 2, Document 315.

1. Before meeting mentioned para 1 ref A took place last night we learned that Chief of Staff of Air Suwoto was having cold feet about discussing alleged Soviet offers of military assistance with me. Nevertheless Suwoto and his chief of operations (Air Vice Marshal Slamet, who had served as intermediary) showed up at house of one of DLG staff and after some awkwardness about opening up subject (I eventually took initiative) Suwoto talked briefly and in very general terms about "probability" that Soviets will make attractive offer of military assistance to Indonesia. Suwoto said it is apparent to him that Soviets want to establish themselves in Southeast Asia in order to out-flank Communist China and that strenuous efforts they are making in this regard elsewhere in area is indication they will make attractive offer of military assistance to Indonesia. Suwoto said he does not want his air force split into two sections, one supplied by Soviet and one by U.S. (implying he is not in favor of accepting Soviet assistance) but he also implied that unless U.S. moves faster with its assistance for close air and other support for Indonesian air force he may be forced to take Soviet assistance.

2. I questioned Suwoto as closely as I could on whether Soviets had already made an offer or indicated in any concrete way that they are prepared to discuss the matter further. He maintained that this was all still in the conditional and the realm of possibility.

3. Air Marshal Slamet had also indicated previously that Suwoto would press me on possible procurement of excess B-25 aircraft. Suwoto did not do so although he queried me in general terms about availability of excess material in Vietnam. He also questioned me in general terms about future of U.S. military assistance to Indonesia. I replied in equally general terms that it was possible that there would be some excess equipment in Vietnam available that would be useful to Indonesia although we had not thus far been able to locate much within context our MAP. With respect to future U.S. military assistance I only said that Congress was watching this very carefully but that I felt sure we would do our fair share to help countries which showed that they could help themselves.

4. [*less than 1 line of source text not declassified*] contact has repeatedly assured [*less than 1 line of source text not declassified*] that Indonesians would not accept offer on spare parts from Soviets for Soviet military equipment. [*less than 1 line of source text not declassified*] contact told [*less than 1 line of source text not declassified*] on November 23 that Soviet military attaché had recently approached Suwoto with offer of spare parts for Indonesian air force. [*less than 1 line of source text not declassified*] contact said they now "investigating" report of Soviet approach to Suwoto to ascertain exactly what offer to Suwoto contained. [*less than 1 line of source text not declassified*] contact said he would advise [*less than 1 line of source text not declassified*] results their investigation.

5. *Comment:* It is hard to sort truth from fiction among the spongy and sometimes contradictory discussions referred to above. Our best guess is that although GOI, particularly army, has decided against accepting Soviet assistance and number of Soviet personnel which go with it, there are those among the armed services and, of course, in foreign office who believe that offer of credit terms which Malik brought back from Moscow for purchase of spare parts for military equipment should be taken up. The Soviets may be seeking to reopen the debate within the military over accepting Soviet spare parts (and incidentally embarrass the U.S. since they undoubtedly aware of our tardiness in delivering promised air force items) by a specific and presumably more attractive offer. Whatever Suwoto's motives in approaching me, he obviously backed away at last moment possibly at insistence of Hankam.

Galbraith

317. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, undated.

SUBJECT

Aid to Indonesia

State (Tab A)² requests your approval for a U.S. endorsement of (a) a World Bank recommendation that Indonesia receive \$640 million in aid from all sources in 1971/72 and (b) a pledge of \$215 million as the U.S. share of the total.

The proposed package would support your general aid strategy of shifting U.S. assistance increasingly into a multilateral framework, and the high priority you place on Indonesia. The FY 71 allocation necessary to support this U.S. pledge would be within expected appropriations

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 531, Country Files, Far East, Indonesia, Vol. II. Confidential. Sent for action. An attached December 15 memorandum from C. Fred Bergsten of the National Security Council staff to Kissinger indicates that the memorandum was drafted by the former and sent to the latter on that date. An attached routing slip indicates it was approved by Kissinger on December 16.

² A December 5 memorandum from Acting Secretary of State Irwin to President Nixon is attached but not printed.

and the approved budgetary outlay ceilings. Treasury, Agriculture, and OMB (Tab B) concur.³

The \$640 million Indonesian aid requirement was calculated by the World Bank, which coordinates the major non-Communist aid donors through the Inter-Governmental Group on Indonesia (IGGI). The total is an increase over the 1970/71 level of \$600 million. It is composed of \$160 million in food aid, \$375 million in bilateral non-food aid, and \$105 million of multilateral aid provided through the World Bank and Asian Development Bank.

The U.S. pledge of \$215 million will consist of \$90 million in food aid and \$125 million of non-food aid. Both pledges are consistent with the formula used last year, that the United States provide a "fair share" of food and one-third of bilateral non-food aid. It would, however, represent a slight decline from our \$230 million contribution this year.

Foreign aid has played a key role in stabilizing the Indonesian economy following the disastrous policies of Sukarno. The rate of inflation in 1970 has been less than 7 percent, compared with 600 percent in 1966. An increase in food availability, particularly rice, is the key to the success of the stabilization program. A sound rice policy has been instituted under which domestic procurement of rice by the Government has more than doubled over last year, helping assure an incentive price for farmers while eliminating seasonal fluctuations in urban rice prices.

In April 1970, basic reforms were introduced to simplify the foreign exchange system; exports thereby increased in the first ten months of 1970 by about 15 percent, despite falling prices for rubber and tin. Imports are being focused on high priority sectors. Indonesia's net foreign exchange position has improved, and foreign investment continues to be attracted to priority sectors. An international formula for rescheduling Indonesian debt has been worked out, and we expect to sign a bilateral agreement which will allow Indonesia to reschedule its debts to the U.S.

The problems facing Indonesia are still severe: generating long-term economic growth is difficult in view of the weak economic base; corruption continues to be a major problem; and the country's lack of a strong administrative capacity impairs even the most carefully conceived development plans.

However, President Suharto, with the assistance of the World Bank and the U.S., is sincerely trying to correct these problems and is showing encouraging success.

³ A December 14 memorandum from the Director of the Office of Management and Budget, George P. Shultz, to President Nixon is attached but not printed.

Recommendation

That you approve State's recommendation that the U.S. endorse (a) the \$640 million 1971/72 aid requirement for Indonesia from all sources and (b) pledge \$215 million as the U.S. contribution to meeting that total.⁴

⁴ Kissinger initialed the approve option for the President on December 16.

318. Memorandum From the Executive Secretary of the Department of State (Eliot) to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, December 23, 1970.

SUBJECT

U.S. Response to Indonesia's "Five Year Military Plan"

This memorandum follows up on a recent conversation on the above subject you had with Under Secretary Irwin and has his approval.²

Indonesian military leaders appear determined to draw from us within the very near future a reaction to their proposal to assume regional security responsibilities as well as a more precise indication of the military support we will be giving them over the next five years.

They have not provided us and perhaps have not yet formulated a clear picture of Indonesia's prospective security role in the region. They seem to envisage as a first step, however, an in-country training program for other Southeast Asian troops as well as the stationing of Indonesian advisors in Cambodia and perhaps other forward areas. By the end of the "Five Year Plan," they might well hope to equip a modern, mobile strike force to stand by for possible deployment on the mainland.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 531, Country Files, Far East, Indonesia, Vol. II. Top Secret.

² See footnote 4, Document 314.

We believe that we must at this point provide as unequivocal a response as possible to this Indonesian *démarche* if we are to place our future relations on a sound basis and avoid leading the Indonesians into potentially harmful miscalculations. In formulating our response, we should bear in mind that it is in the Indonesian nature to expect more than is usually possible and to request more than is really expected.

The enclosed paper discusses the current Indonesian probe and evaluates alternative U.S. responses. Following are our views on the approach we should take with the Indonesians:

We should discourage the Indonesians from thinking that we will underwrite a regional security role for them over the next five years:

—Even should funds for such a program be available, we cannot promote Indonesia into a role to which it must be elected by its neighbors. Indeed, efforts to do so would probably be counterproductive as other nations would resent Indonesia's serving as a middleman for U.S. military assistance.

—More compelling, some of Indonesia's neighbors might well view an Indonesian external defense capability as a threat rather than a contribution to their own security.

—Finally and most important, Indonesia's assumption of regional security responsibilities before it has developed necessary management, logistical and operational capabilities will only delay efforts to lay an indigenous base for a more effective defense establishment.

On the other hand, we should be as positive and forthcoming as possible in helping Indonesia over the next five years to build an indigenous logistical base which would permit it to play a role in the area commensurate with its size, population and economic potential. This approach is discussed under Section V B of the attached paper. It would involve supplying light combat items wanted and required by Indonesia for helping to meet its internal security needs as well as continued concentration on improving Indonesia's maintenance, transport and communications capabilities. In addition we might afford assistance in building up defense-related industries. If a suitable program can be worked out, we should consider increasing the currently planned FY 1972–76 annual MAP levels of \$15 million (\$13 million funded and \$2 million excess) over the next few years to permit support for a defense-related industry (estimated at approximately \$2 to \$3 million per year).

We strongly recommend informing the Indonesians of the approximate levels of both funded and long supply/excess support they can expect to receive under MAP for the next year or two, subject to Congressional appropriations. Failure to do so could well lead to exaggerated expectations and thus future misunderstandings. In this respect we support Alternative D under Section VI of the attached pa-

per.³ Using the current \$15 million planning figure, our Defense Liaison Group in Djakarta is now working up a general prospectus of the types and amounts of MAP-supplied equipment which we believe Indonesia will require next year and beyond.

We share your view that it is preferable to send a group of qualified DOD and State Officials to Djakarta to discuss this matter there with the Indonesians before General Umar's proposed visit to the U.S. This group could also look quietly into the question of increasing LS/E for Indonesia and helping to set up a vehicle and equipment repair facility. We believe, however, that we should define our response to this Indonesian initiative before entering into these discussions in Djakarta, which might best be timed for late January or early February.

R.C. Brewster⁴

Paper Prepared in the Department of State

U.S. RESPONSE TO INDONESIAN REQUEST FOR MAP SUPPORT OF A FIVE YEAR MILITARY PLAN

I. The Problem

The Indonesian military leaders have reportedly approved a "Five Year Military Plan" which projects a regional security role for the Indonesian Armed Forces. They have urgently pressed for high level, bilateral meetings to sound out U.S. reaction to this plan, which would apparently rely on MAP support.

We have as yet obtained only a very sketchy outline of the Indonesian plan and it is possible that the Indonesians wish to probe the degree of U.S. support for this general concept before developing further their ideas. As a first step, they apparently envisage a large in-country training program for Malaysian, Thai, Laotian, Cambodian and perhaps other Southeast Asian troops and the establishment of regular channels for the exchange of military intelligence. (This would in fact be expansion of arrangements Indonesia has already established on a bilateral basis with certain countries.) The Indonesians also have spoken of stationing Indonesian territorial warfare advisors in Cambodia and may envisage a regional advisory effort.

³ Alternative D of Section VI of the attached 10-page paper, "U.S. Response to Indonesian Request for MAP Support of a Five Year Military Plan," specified that the U.S. Government "could inform the Indonesians of an approximate ceiling both on funded and long supply/excess equipment."

⁴ Deputy Executive Secretary Brewster signed above Eliot's typed signature.

Towards the end of the Five Year Plan, the Indonesians probably wish to establish and equip a modern, mobile land force for possible deployment to the mainland, a navy strike force consisting of destroyers, submarines and attack transports and an enlarged Air Force transport arm. In addition, the Indonesians have clearly indicated their willingness to provide troops for a peacekeeping role in Viet-Nam under certain political conditions.

Army Chief of Staff Lieutenant General Umar Wirahadikusumah has been invited to visit the U.S. in late March and early April, 1971. The Indonesian military leadership has clearly indicated that his primary mission will be to obtain a high level reaction to the Indonesian Five Year Military Plan.

The U.S. will consequently be faced in the near future with the problem of (1) commenting on Indonesia's plan to assume a regional role and (2) responding in some manner to an Indonesian request for MAP support for this plan. This paper discusses first the principal factors influencing the Indonesians to make this request, secondly the assets and liabilities which Indonesia would bring to a regional security role, and finally possible U.S. responses to this Indonesian *démarche*.

[Omitted here is discussion of further factors underlying the Indonesian request and possible U.S. responses.]

319. Memorandum From the Acting Executive Secretary of the Department of State (Brewster) to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, December 24, 1970.

SUBJECT

Current Status of the Multilateral Development Effort for Indonesia

The December 15–16 meeting of the Inter-Governmental Group for Indonesia (IGGI) in Rotterdam illustrates how a multilateral assistance effort can in time assume an inner dynamism of its own. Because this aid consortium so clearly demonstrates the basic principles of the Nixon Doctrine, it is worth noting some of the IGGI's accomplishments

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 531, Country Files, Far East, Indonesia, Vol. II. Secret.

beyond those mirrored in the encouraging statistics of Indonesia's performance and donor nations' response.

The IGGI has grown not only in terms of donors and donations but, perhaps more important, in its ability to promote healthy change in Indonesia's institutions. The unanimous approval given to Indonesia's \$640 million foreign assistance projection for 1971, the decision of four countries to join the US in announcing their assistance in advance of the April pledging session, and Canada's entry into full IGGI membership may be attributed in part to Indonesia's sound economic performance over the past year. Also a major contributing factor, however, was the member nations' increased confidence in the IGGI as an effective vehicle for stimulating modernization in all sectors of Indonesian society.

After commending Indonesian performance in economic stabilization, the Rotterdam meeting discussed candidly the many institutional deficiencies which continue to hamper development efforts. Criticism on the part of donors, the World Bank and the International Monetary Fund, however, was most carefully phrased so that it might be used as a lever by Indonesia's problem solvers to lift burdens imposed on their economy by special interest groups.

Steps taken to ensure a more rational use of Indonesia's now substantial and rapidly expanding oil revenues is one example of how moves by the IGGI, the World Bank and the Indonesian Planning Bureau have been carefully and unobtrusively synchronized to help solve sensitive internal problems. Because the national oil company Pertamina has long served as a source of support for influential segments of Indonesian society, including the Armed Forces, it was politically impossible two years ago for Indonesia's economic planners to demand an accurate accounting of its receipts and expenditures. Brief mention of this problem by donors prior to and during last year's IGGI meeting, however, set in motion joint discussions between Indonesia's Planning Bureau and World Bank representatives which resulted in written recommendations to President Suharto. At the Rotterdam meeting this month the Indonesians were able to announce that legislation is now before Parliament which will place a significant portion of Indonesia's oil revenues into the national treasury for the benefit of the society as a whole. The IGGI's Dutch Chairman responded with a tactful request for further information on oil revenues during the next IGGI session, a peg which will undoubtedly be used in coming months to initiate further reforms.

In much the same manner, improvements are being initiated in the tax and tariff structure, investment policies, fertilizer distribution, floor prices for the rice farmer, and several other pressing areas. These are all politically volatile sectors in which the intervention of individual

foreign governments would be neither welcome nor helpful. The IGGI framework, however, has permitted donor nations, the World Bank and the International Monetary Fund to give discreet, highly effective support to the efforts of President Suharto and his economic planners to modernize their society's institutions. Although these particular accomplishments of the IGGI must remain unheralded, they are as essential to Indonesia's growth as the transfer of resources and technical skills, which is the IGGI's stated goal.

RC Brewster

320. Memorandum for the President's File¹

Washington, July 27, 1971, 11 a.m.

SUBJECT

The President's Meeting with Indonesian Ambassador Soedjatmoko

Indonesian Ambassador Soedjatmoko saw the President on July 27 for the purpose of paying a farewell call. Dr. Kissinger sat in. The White House photographer took pictures at the beginning of the meeting.

The President and the Ambassador began by discussing the President's July 15 China announcement,² which the Ambassador said marks a change in world history. The President agreed that it represents a massive change in world history—a visit by the leader of the most powerful country in the world to the most populous country.

The President assured the Ambassador that our action relates solely to our relations with Mainland China, and is not in derogation of any of our friends. Indonesia, he continued, is a tremendous force in Asia and in the Pacific. We have told the Indonesians we will assist them in their military programs. Under no circumstances will this Gov-

¹ Source: National Archives, Nixon Presidential Materials, White House Special Files, President's Office Files, Boxes 83–87, Memoranda for the President. Confidential. No drafting information appears on the memorandum. The meeting was held in the Oval Office.

² President Nixon announced to the nation on July 15 that he had accepted an invitation to visit the People's Republic of China and that Kissinger had already held talks in Peking with Premier Chou En-lai July 9–11. (*Public Papers: Nixon, 1971*, pp. 819–820)

ernment move in any way against the interests of Indonesia. Dr. Kissinger noted that we have ordered an increase in U.S. military assistance to Indonesia. The President added that we have internal problems to contend with here.

The Ambassador said that it is of principal importance to his country to know what kind of US presence there will be in Asia in the future, in terms of economic and military aid. The President replied that we will continue our economic aid and we will even keep our military presence. Indonesia need have no fear of a US withdrawal.

The Ambassador then commented that what is important is how to place our withdrawal from Vietnam into some future kind of system. It is not enough to give personal assurance—one must make specific proposals. The Ambassador wanted to relieve himself of some anxiety, particularly on Japan. Everything should be done to keep Japan from going nuclear. There must be a concert of world powers, of which one is not assured. But it must be done.

The President emphasized his agreement on the importance of maintaining our world presence. But some, like Fulbright and Mansfield, are a problem. Actually, Mansfield is a great fellow, the President added. But if we get out of Asia, Japan will go nuclear or make a deal with somebody.

The Ambassador emphasized that his country is not worried over the terms of a Vietnam settlement or about the American President. We are worried, he said, about the credibility of the American people's performance. The Ambassador also commented that Japan is basically a tribal society, with no world view.

The Ambassador then referred to the rubber issue, with which Indonesia was very concerned. [This involved the GSA's resumption of U.S. rubber stockpile sales, announced July 7.]³ Dr. Kissinger replied that we would look seriously at the counterproposals which had just been submitted by the rubber-producing countries.

The meeting then ended.

³ Brackets in the source text.

321. Memorandum for the President's File¹

Washington, September 14, 1971, 10:45–11:45 a.m.

SUBJECT

Meeting Between the President, Ambassador Francis J. Galbraith and Brigadier General A. M. Haig, Jr., September 14, 1971 (10:45–11:45 a.m.)

The President opened the meeting by welcoming Ambassador Galbraith and expressing his personal appreciation for the Ambassador's effective efforts over the past two years. The President recalled his meeting with Ambassador Galbraith at the time of the President's Asian trip, just after the Ambassador's arrival in Djakarta.

The President then asked the Ambassador for his view on the effectiveness of President Suharto and the Ambassador's estimate of the influence that the military had on Suharto's government. Ambassador Galbraith replied that President Suharto's demeanor was one of great reserve. Although his accession to power was based on the actions of the professional military in Indonesia he had been careful to insure a proper balance of civilian and military influence. His recent appointments were primarily civilian.

The President inquired about how President Suharto was getting along with Foreign Minister Malik, noting that in the past there had been some friction between the two men. The Ambassador answered that their relationship appeared to have warmed in recent months, especially after Malik played an active role in support of the President in the recent elections.

Ambassador Galbraith stated that the situation in Indonesia was very promising at the present time. In response to a Presidential question on the progress made with respect to U.S. investment in the country, the Ambassador reported that this year foreign investments would amount to \$1.1 billion U.S. dollars, of which one-third represented U.S. investment. He noted that Indonesian oil exploitation had increased substantially and that their hardwood production would amount this year to over \$100 million, with the possibility of reaching \$500 million in the future.

The President asked Ambassador Galbraith whether the atmosphere was favorable for U.S. investment in Indonesia. The Ambassador answered that considerable improvement had been made, although

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 532, Country Files, Far East, Indonesia, Vol. III. Secret; Sensitive. Drafted and initialed by Haig.

there were still many frustrations which a prospective investor had to overcome. He stated that it would take a considerable period of time to reach an optimum situation but that patience on the part of U.S. investors would generally meet with success.

The President next asked for the Ambassador's assessment of the Indonesians' attitude toward his China initiative. Ambassador Galbraith replied that without question the Indonesians were experiencing an underlying nervousness with respect to the U.S. initiative. The President stated that he wished the Ambassador to actively attempt to put U.S. logic in its proper perspective. He noted that many incorrectly had assumed that our initiative was based on a U.S. assessment that the Chinese had changed or, in fact, the Chinese Communists had never been a source of tension. This was patently incorrect. The U.S. had carefully assessed the need to review our posture with respect to China and had concluded that the dangers of the continued isolation of 800 million Chinese were no longer acceptable. We had concluded, therefore, that a very careful deliberate and pragmatic opening towards normalization represented in the long run a strengthening of the security of the countries in the area and reduced the risks that an atmosphere of isolation and confrontation would entail. He emphasized the importance of Ambassador Galbraith's making clear to the Indonesians that our approaches to the Chinese were deliberate and calculated. They were not based on the naive assumption that fundamental changes in Chinese performance could be expected.

The President then asked Ambassador Galbraith for his assessment of the Indonesian attitude toward the U.S. military presence in Asia. The Ambassador answered that the Indonesians were extremely nervous at the prospect of U.S. withdrawal. He noted that in fact General Habib, the Chief of the Policy Planning Staff, was visiting Washington now with the view towards ascertaining long range U.S. plans with respect to a military presence in Asia. The President stated that the Indonesian view appeared consistent with the view of other Asians and that he had no intention of eliminating our military presence in Asia. At the same time it was obvious that the aftermath of the Vietnam conflict would require some reductions.

The President then asked the Ambassador how the Indonesians view U.S. Vietnam policies. The Ambassador replied that the main concern of the Indonesians was that we would withdraw too quickly from Vietnam. The Ambassador added that the present political turmoil in Saigon did not represent a problem to the Indonesians except to the degree that it might affect our withdrawal rates.

In concluding the meeting, the President noted that there were those high level policy makers in the U.S. Government who felt quite strongly that U.S. assistance to Indonesia and, in fact, other developing

nations such as those in Latin America should be channeled primarily through economic assistance and that military assistance tended to retard progress. The President stated that he did not accept this view. He asserted that it was essential that all understand that a developing country such as Indonesia, with thousands of miles of coastline, a strong military influence and an essentially military leadership had to have a substantial military capability if political stability was to be assured.² He noted that this was true in many Latin American states as well. He cautioned the Ambassador to keep this reality in mind as U.S. assistance efforts are developed. The Ambassador responded that the \$25 million military assistance package for Indonesia appeared to be a sound one which maintained the proper balance between military and economic aid.

² Nixon signed Presidential Determination No. 72–3, September 7, to provide a program of \$25 million in military assistance to Indonesia during FY 1972. An attached August 23 memorandum from Kissinger to Nixon contains the former's recommendations of the program. (Ibid., Box 370, Subject Files, Presidential Determinations, 71–11–72–09/71) Further recommendation of increased military assistance to Indonesia had been provided by Ambassador David Kennedy in his meeting with President Nixon on April 9. Kennedy noted, according to a memorandum of conversation of that date, that Assistant Secretary Green was against this military assistance, "dominated our policies in Indonesia from his Washington desk," and had "hand-picked" the top officers at the Embassy in Jakarta. Kennedy added that "he had been very unimpressed with both their attitudes and their ability." (Ibid., White House Special Files, President's Office Files, Boxes 83–87, Memoranda for the President)

322. Editorial Note

On November 10, 1971, President Nixon met with Secretary of Defense Laird and Assistant to the President for National Security Affairs Henry Kissinger to discuss foreign policy matters, including Indonesia. They met from 3:16 to 4:20 p.m. in the Executive Office Building. At the time, Secretary of the Treasury Connally was traveling to various East Asian countries; see Document 323 for a report of Connally's trip to Indonesia. The following is an excerpt of the conversation among Nixon, Laird, and Kissinger:

President: "Let's get a hardnosed judgment, and when Connally gets back I think it will be very useful for him to sit down and give us his feel of Suharto, of Indonesia, don't you agree?"

Laird: "Oh, yeah. Well, I'm all for the Indonesian thing. I—"

President: "Mel—Well, let me ask you—"

Laird: [unclear]

President: "Let me say, Mel, I want you within the administration to push quite hard on the Suharto thing."

Laird: "I've been pushing hard."

President: "You will. And in public meetings—I mean in our meetings with the NSC. Because this is one thing I, we, have a constant battle with Marshall Green. Marshall Green is wrong about this. You can't have a thousand miles of islands with no damn equipment to defend those damn islands."

Laird: "No, I don't think we don't. We won't prod them" [unclear]

President: "With Suharto in power . . ."

Laird: [unclear]

President: "We have to keep Suharto in power, too. Let's face it. Otherwise, you get another goddamn Sukarno in there."

Laird: "Well, I'm going to let Westy go in there. Now Westy [unclear]. Apparently he wants to travel around the" [unclear]—

President: "Let him take a look."

Laird: "I think so—"

President: "Don't you think so, Henry?"

Kissinger: "Absolutely."

President: "That's excellent. When's he going?"

Laird: "He's going in there the first week in January."

President: "Well, have him drop over and have a talk with me. I mean I should give him a little blessing anyway. He'll appreciate it. Let's do that. Let's get—you bring him over with [unclear]. He's a fine man. He deserves a little—and tell him to give us a real report on that. Not a silly report. Indonesia is the big prize. It's a big prize. We don't think of it very often." (National Archives, Nixon Presidential Materials, White House Tapes, Recording of conversation among Nixon, Laird, and Kissinger, Executive Office Building, Conversation No. 299–19)

General William Westmoreland traveled to Southeast Asia in late January and early February 1972. He delivered a letter from Nixon to Suharto (Document 327) and met with Suharto on February 3 (Document 329).

On November 14, 1971, Nixon and Connally met in the Executive Office Building from 5:02 p.m. to 6:41 p.m. about the latter's trip to Southeast Asia. In this wide-ranging discussion, Connally included a report of a conversation with President and Imelda Marcos in Manila and a substantive conversation with the King of Thailand in Bangkok. The following is an excerpt of Connally's conversation with Nixon about his meetings with Suharto and some of the leading ministers in Indonesia:

Connally: "So I gave them—I said: 'The President asked me to see you and [unclear] too great to withdraw. The Nixon Doctrine is designed to draw on these [unclear] and so forth.' And I talked about the foreign aid thing and I told him that I'd talk to him on the foreign aid picture and said that you had recognized that [unclear] of protectionism of the United States largely because of what had been happening to it, and that you took the steps on August 15th both to correct the imbalance in our trade situation, and secondly, Congress still wants protectionism before they became too vocal in the United States. As part of that, you felt just that you could cut foreign aid ten percent and you did that. Well, but the Congress said, because they were in control of an opposite Party, thought that they had to get in some of the political popularity of protectionism—ok, so—growing in this country, so they just cut it all out. Now I'm sure the President can get it restored, and I said, 'I don't know in exactly what forms or in what amount but the administration is going to do everything within our power—'"

President: "Um-hmm."

Connally: "'to restore foreign aid.' And I said, 'We're not going to leave Indonesia. We're going to stay in Southeast Asia militarily, financially, economically, [unclear], for as long as we can now see.' And—so this is quite reassuring to all of them. And I think it particularly was to Suharto. His wife entertained at a luncheon for us, took us all to her home. One night with about ten of his Cabinet, he had dinner for us and all of our group and we had—we had a real good meeting with them on three different occasions. We met with all of his top economic people. And I'm very impressed with them."

President: "Are you? In Indonesia?"

Connally: "Yes, sir."

President: "Good. Good."

Connally: "Oh, they are over there."

President: "That's an important country."

Connally: "They're all articulate. They're all highly educated. They're all fluent in English. They're all graduates, most of them, from United States schools. The Finance Minister spent 4 years at Berkeley. One of them is a graduate of Pennsylvania. One of them is from Purdue. They're all, as I've said, they're all damn smart, all of importance—"

President: "Good."

Connally: "[and] very aggressive. I found all of them extremely honest, extremely busy people, and he's listening to them. Suharto listens to them. As I've said, he's got a couple of old military buddies, a couple generals that are still around, that at least our people don't like; they think they're bad men, real [unclear], but—"

President: "Suharto raised the military aid thing with the U.S.? Did you reassure him that we are [unclear]—"

Connally: "Yes. And primarily he's—"

President: "At least that's one place where there's no damn difference with the State Department there."

Connally: "He very much wants military and other aid for the simple reason that he wants to help Cambodia, and he's willing to do it."

President: "Um-hmm."

Connally: "He's willing to do it himself."

President: "Um-hmm."

Connally: "Or he's willing to serve as a conduit, but he is extremely interested in the military agreement" [unclear]. (National Archives, Nixon Presidential Materials, White House Tapes, Recording of conversation between Nixon and Connally, Executive Office Building, Conversation No. 296-16) The editor transcribed the portions of the conversations printed here specifically for this volume.

323. Telegram From the Embassy in Japan to the Department of State¹

Tokyo, November 12, 1971, 0735Z.

Conto 48/11325. Pass Treasury. Subj: Connally Visit:² East Asia: Meeting with Indonesian President Suharto.

1. Participants: H.E. General Suharto, President of the Republic of Indonesia; H.E. Ali Wardhana, Minister of Finance; Lt. General Alamsjah, State Secretary; General Sutikno, Presidential Secretary; General Sudarmono, Secretary to the Cabinet; Mr. Widodo, Interpreter; Secretary of the Treasury, John B. Connally; Ambassador Francis J. Galbraith, Nov 5, 1971, Istana Negara, Djakarta, Indonesia.

2. Following is the text of the memorandum of conversation of the meeting between Secretary Connally and President Suharto drafted by Ambassador Galbraith and approved by the Secretary's party.

¹ Source: National Archives, RG 59, Central Files 1970-73, POL 7 US/CONNALLY. Confidential. Repeated to Djakarta.

² Connally traveled to East Asia in November on behalf of President Nixon.

3. The Secretary conveyed President Nixon's warm regards to Suharto and expressed his own pleasure at being able to visit Indonesia.

4. Suharto began by describing, in familiar terms, Indonesia's economic development plans. He said these were modest in the first five years, covering merely the provision of the basic necessities of food, clothing and housing (the latter in the form of materials only). In the second five year plan some processing of the raw materials which constitute Indonesia's main exports would hopefully begin, establishing an industrial capacity. In the third five year plan Indonesia would start to produce its basic industrial requirements. Suharto mentioned the development of oil, minerals and timber which would provide additional foreign exchange.

5. Suharto said that Indonesia manufactured about 80 percent of its requirements in textiles but produced very little of the raw materials required. Indonesia did not seem to be particularly favorable for cotton production and most of its cotton therefore, thus far, had to be supplied from abroad.

6. Suharto emphasized that Indonesia's economic development depended mainly on its own efforts but, particularly in the present transition period, it also depended importantly on foreign aid. And in the provision of foreign aid, the position of the U.S. was key to the provision of foreign aid by others. He expressed some concern about the recent Senate actions;³ about the upcoming IGGI meeting where the U.S. pledge was of great importance;⁴ about the announced 10 percent cut in foreign aid; about the replenishment of IDA funds; and about Cambodian aid. Suharto stressed the importance of aid to Cambodia, a country which was not only threatened by subversion along with its neighbors, but by the presence of foreign troops. The defense of Cambodia was of major importance to the defense of Cambodia's neighbors. Indonesia was weak and could do little to help Cambodia but it

³ The Senate rejected the House-passed foreign aid bill (HR 9910) on October 29, thus failing to authorize appropriations for both military and economic aid in fiscal years 1972 and 1973. The defeat of the bill constituted the first outright rejection of foreign aid legislation in the 24-year history of the program. (*Congress and the Nation*, Vol. III, 1969–1972, pp. 876–877) Telegram 202840 to Djakarta, November 5, reported Green's efforts to reassure Indonesian Ambassador Sjarif Thajeb that "there would be a continuing aid program though likely at somewhat reduced levels." (National Archives, RG 59, Central Files 1970–73, AID (US) INDON)

⁴ In telegram 180503 to USUN, October 1, the Department reported Indonesian Foreign Minister Malik's concern, expressed to Rogers at the UN General Assembly, that the United States might not follow its "recent practice by leading off with its pledge at December IGGI meeting. This would have an inhibiting effect on other potential donors." Rogers responded that "he could not comment on the matter now since those aspects of the economic policy were still under study." (*Ibid.*, POL 7 INDON)

was trying to do what it could to increase Cambodia's sense and capacity for national resistance.

7. Suharto suggested that the Secretary might wish to comment on both the short and long term outlook for U.S. economic and military assistance in the region.

8. The Secretary began by describing the basic reasons for the recent Senate action on the aid bill. He said this was not a case of sudden pique because of the vote in the UN on Taiwan, although that may have been the immediate cause for the particular timing. The underlying cause was the mood of the country and the conviction of the American people that the U.S. had too long been bearing all the burdens of foreign assistance and common defense to the neglect of its own national interests, while other countries, able to help, were not doing so to the extent of their capacities and were, moreover, taking unfair advantage of the U.S. in trade.

9. The Secretary said that President Nixon's announcement of a 10 percent cut in foreign aid had been the most popular thing this administration had done. 83 percent of the people had expressed approval and only 6 percent had disapproved. The economic measures announced on August 15 had also met with strong public approval. This did not mean that the American people were returning to isolationism or would fail to share their wealth or to show compassion for the needs of others. But the administration had won public approval for its measures demonstrating that it was doing something about the U.S. balance of payments situation and about the lack of fairness which had grown into the currency and other financial and trade relationships between the U.S. and, especially, the industrialized countries. The Secretary said that in his view the Senate action was, as is often true, 60-75 days behind the mood of public opinion in the United States. That public opinion had already shifted, as a result of the administration's action, in favor of the continuation of foreign aid, in the Secretary's opinion. The Senate would be realizing this and acting accordingly.

10. The Secretary said he did not know what form the legislation would take but he was personally confident the Senate would act to continue aid—both military and economic. It was in the U.S. interest that it do so.

11. The Secretary stressed the common interests of Indonesia and the U.S. in Indonesia's development. Indonesia produced raw and semi-processed materials for which the U.S. had an insatiable appetite. On the other hand, Indonesia's population of 120 million provided a potential market of great interest to the U.S. We wanted a greater not a lesser relationship with Indonesia. It would make no sense for the U.S. to abandon Indonesia at this point; on the contrary it made good sense for the U.S. to expand Indonesia's economic development and help assure its stability.

12. The Secretary also stressed the intentions of the Nixon administration, and in his opinion of the U.S., to remain in Southeast Asia in a military, economic, financial and cultural sense. The U.S. was withdrawing its troops from Vietnam and it was the U.S. policy to avoid involvement in further military action in Southeast Asia. But the U.S. would continue to exert an influence and to do its part in further strengthening the ability of the countries in Southeast Asia to defend themselves and to maintain their independence and develop themselves economically. Indeed it was the success of the efforts thus far of the countries of Southeast Asia in strengthening their own capacities and the success of U.S. programs in helping them do this that had made it possible for President Nixon to go to Peking and Moscow with the objective of reducing world tensions and misunderstandings that might lead to confrontation. This was also in the common interest of the free world.

13. The Secretary affirmed his strong personal belief that the U.S. would continue to help Indonesia and that it would make the pledge, as it had in the past, in the meeting of the IGGI December next. The Secretary stressed that he could not, of course, guarantee this but he was personally confident that it would take place.

14. With regard to the ten percent cut, which as he had already mentioned had served to strengthen the hand of the administration in continuing foreign aid as a principal policy tool, the Secretary said there was no requirement that it be leveled across the board and no certainty that it would affect the Indonesian program at all. He expressed the opinion that whatever aid monies the U.S. had would go first to those that supported the U.S. In this connection, the Secretary called attention to the recent vote in the UN on Taiwan, noting that Indonesia had supported the U.S. The Secretary told Suharto that he wanted to convey the special thanks of President Nixon for the support Indonesia had given the U.S. on the Taiwan issue. The Secretary said, "We lost, but our position was right."

15. The Secretary also noted the fact that the replenishment bill for IDA funds had passed in the Senate and was now under consideration in the House. He thought that the outlook for this legislation was good.

16. With regard to Cambodia, the Secretary said the administration had every intention of continuing its assistance to Cambodia.

17. *Comment:* There was visible evidence in the faces of President Suharto and of those who sat in the meeting with him (Minister of Finance Wardhana, General Alamsjah, General Sudarmono, General Sutikno and others of the President's staff) of their pleasure at the forthright way the Secretary had spoken on Indonesia's favorable position in the eyes of the U.S. (the Secretary said that Indonesia's accomplish-

ments in stabilization and economic development had been little short of phenomenal.) Following the foregoing, President Suharto and Secretary Connally withdrew for a separate and private conversation of about twenty minutes duration.⁵

Connally

⁵ No record of this private meeting was found. Records of Connally's meetings with the Indonesian economic advisory team, telegram 11329 from Tokyo, November 12, and with Sir Sultan Hamengku Buwono IX, Indonesian Minister of State for Economic, Financial, and Industrial Affairs, telegram 11330 from Tokyo, November 12, as well as other reports concerning the Treasury Secretary's visit, are *ibid.*, POL 7 US/CONNALLY.

324. Message From the President's Assistant for National Security Affairs (Kissinger) to Indonesian General Sumitro¹

Washington, December 11, 1971.

Your messages of December 5² and December 9³ on the question of the U. S. pledge to be made at the IGGI meeting December 13 were much appreciated. President Suharto's letter to President Nixon on this subject⁴ has also been delivered by Ambassador Thajeb. I hope that President Suharto by now will have received President Nixon's reply⁵

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Kissinger Office Files, Box 101, Backchannel Messages 1970, Indonesia, HAK/Sumitro 1970 [1 of 2]. Secret; Sensitive; Eyes Only.

² Sumitro's December 5 message to Kissinger stated that Indonesia had learned from the Department of State that the U.S. Government "would pledge approximately \$100 million in support of Indonesia's Development Program at the I.G.G.I. meeting beginning on 13 December. This amount is a decrease of previous years and will have an adverse effect on our economic development plan." Sumitro continued: "I am bringing this problem to your attention through this private channel because our people feel they have had difficulty getting attention focused on this matter through other channels and because we, including President Suharto, should very much like to have President Nixon be made personally aware of our concern." (*Ibid.*)

³ Sumitro's message to Kissinger of December 9 reiterated the concerns of the December 5 message and added among other arguments that the Indonesian Government was convinced that any U.S. Government reduction in its pledge "will have an adverse and negative impact on other donor nations who will probably follow your lead and decrease their pledges as well." (*Ibid.*)

⁴ Not found.

⁵ Not found.

explaining his thinking on this matter, which is unquestionably of great importance to both of our countries.

As President Nixon stated in his reply, we fully share your concern that the momentum of Indonesia's economic development, achieved under President Suharto's leadership and with arduous effort, not be lost. For our part we are pledging, consistent with our formula last year, to meet one-third of your non-food aid requirements and a fair share of your food aid requirements, for a total pledge of approximately \$203 million.

We are also aware that serious consideration is being given by other IGGI donors to increasing their pledges for the coming year. I am sure that with the same representations with the other members which you have made in the past, Indonesia will again be successful this year in inducing them to increase their contributions. You may count on the fullest cooperation from the U. S. representatives in this effort.

Let me reassure you concerning the great value we place on the cooperation your Government has shown toward ours, and once again affirm our admiration of and support for the inspired progress that your country has made under the leadership of President Suharto.

Warm regards

325. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, January 12, 1972.

SUBJECT

Information Items

[Omitted here is discussion of Indochina.]

Indonesian President Suharto's Reaction to Your Assurances on Peking and Moscow Trips: The principal points of President Suharto's reaction to your assurances on your Peking and Moscow visits, delivered by Ambassador Galbraith January 10,² were:

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 38, President's Daily Briefs, January 3–17, 1972. Top Secret; Sensitive; Codeword. Haig signed for Kissinger. A notation on the memorandum indicates that the President saw it.

² Telegram 298 from Djakarta, January 11, reported Galbraith's conversation with Suharto. (Ibid., RG 59, Central Files 1970–73, POL 7 US/NIXON)

—He deeply appreciated your message and understands your purpose.³

—Countries lying close to the PRC such as Laos, Cambodia, and possibly Thailand should be reassured and kept as fully informed as possible about your trip. (Similar verbal assurances have been conveyed by our ambassadors in these three countries.)

—Indonesia will do its best to help strengthen the will and capability of Southeast Asian nations to resist Communism, and toward this end hopes the U.S. will support his efforts to improve Indonesia's cooperation with Japan and Australia.

—Communism, whether from Peking or Moscow, remains a threat to Indonesia, and the recent Indo-Pakistan conflict has resulted in a further extension of both Peking and Moscow into South Asia.⁴

—This threat underscores the importance of Indonesian political and economic stability, and Suharto is deeply grateful for your support through economic assistance for his country's development.

[Omitted here is discussion of Turkey and the Middle East.]

³ Nixon wrote next to this sentence: "K Set up a procedure where I bring in their Ambassador for a special briefing (after the trip)."

⁴ Nixon wrote next to this sentence: "K—of top priority—Keep close to Indonesia."

326. Message From the President's Assistant for National Security Affairs (Kissinger) to Indonesian General Sumitro¹

Washington, January 15, 1972, 1731Z.

WH20098. Please Pass Following Message to General Sumitro From Henry A. Kissinger:

In reply to your message² concerning support for the proposals discussed with Generals Hasnan Habib and Sudardjo Niklani, please be assured that these proposals remain under active consideration on a close-hold basis in appropriate areas of the Department of Defense. In view of the uncertainties which have developed from Congressional handling of this year's military assistance appropriation, it has not been possible to establish a clear basis for funding levels or sources. However, I will see to it that this matter will continue to be addressed. The

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Kissinger Office Files, Box 101, Backchannel Messages 1970, Indonesia, HAK/Sumitro 1970 [1 of 2]. Secret; Sensitive; Eyes Only.

² Not found.

entire military assistance picture should become much clearer in early 1972, and your proposals will be given every consideration. I anticipate that any assistance we provide can be handled covertly, as you prefer.

In the meantime, I have asked the Department of Defense to consider means for assisting Indonesia in this matter via existing programs. [5 lines of source text not declassified] I will keep in touch with you as further information becomes available.³

Warm regards

³ Sumitro replied in a message, January 22, that he understood from Kissinger's message that "the financial support we expected has been more or less agreed upon and will be implemented thru covert channels, when approved." Sumitro stated that he and President Suharto appreciated Kissinger's "personal attention and efforts on our behalf" in "the favorable results" from "President Nixon's decision on the U.S. I.G.G.I. pledge for 1972." (National Archives, Nixon Presidential Materials, NSC Files, Kissinger Office Files, Box 101, Backchannel Messages 1970, Indonesia, HAK/Sumitro 1970 [1 of 2])

327. Telegram From the Department of State to the Embassy in Indonesia¹

Washington, January 25, 1972.

14367. Subj: Letter to Suharto from President Nixon.

General Westmoreland is carrying letter from President Nixon to President Suharto. Text follows.

"General Westmoreland's visit with you presents an excellent opportunity to set forth to you my views on the importance of your country's security and continuing economic development and my determination to maintain our support for your outstanding efforts in these vital areas.

In my letter to you of December 11,² I outlined the extent to which I share your concern for strengthening the foundations of Indonesia's security and economic well being. In this regard, I recognize the strains placed on Indonesia's resources by the problems of strengthening its

¹ Source: National Archives, RG 59, Central Files 1970–73, ORG 7 JCS. Secret; Exdis. Text received from the White House, cleared by Theodore J. Heavner (EA/IMS) and by Robert T. Curran (S/S), and approved by Charles S. Whitehouse (EA).

² See Document 324 and the footnotes thereto.

security while also maintaining the momentum of economic development which your country has attained under your dedicated leadership. We in the United States want to do everything we can to assist you in meeting this formidable challenge.

I also understand the concern which you expressed to Ambassador Galbraith recently over the threat which Communist expansionism—whether originating in Moscow, Peking, or Hanoi—poses for Indonesia and Southeast Asia. I welcome your interest in helping to strengthen the other Southeast Asian nations so that they may cope with this threat, as well as your plans to improve Indonesia's cooperation through ASEAN and particularly with Japan and Australia.

In the light of these considerations, I want to tell you that, despite the severe limitation which our Congress has placed upon funds for military assistance, we will continue our military assistance for Indonesia this fiscal year at a level at least equal to that of last fiscal year. Further, I am asking the Congress for funds to increase our military assistance to you in Fiscal Year 1973. I believe this assistance on our part, together with our contributions through the Inter-Governmental Group for Indonesia, constitutes one of the most important means by which the United States can help to insure that the tremendous progress realized during the past six years under your leadership is not lost, but will indeed continue.

I also want to reassure you, as I have on earlier occasions, that the United States intends to remain in Asia to play a balancing role in the stability of the region, and that we will stand firmly behind all of our treaty commitments. Toward these ends, we will retain sufficient air, naval, and ground forces in Asia in order to accomplish these purposes.

Indonesia has a vital role to play in the future peace, prosperity, and stability of Southeast Asia and Asia as a whole. As I recently conveyed to you through Ambassador Galbraith, I shall have your country's interests very much in mind as I go to Peking and then to Moscow in the coming months. Knowing your keen interest in my trips, I will plan to be in touch with you when I return as to their results, and I would appreciate your reaction to these missions. I will hope, too, that you will feel free to pass any thoughts on these and other matters to General Westmoreland which he may report to me upon his return.

With warm personal regards,

Sincerely,

(signed) Richard Nixon."

Rogers

328. Memorandum From the Deputy Director for Coordination, Bureau of Intelligence and Research (McAfee) to the Under Secretary of State (Irwin)¹

Washington, February 1, 1972.

SUBJECT

Procurement of Soviet Matériel from Indonesia

Currently negotiations are going on (in a somewhat desultory fashion, as suits the Indonesians) for the clandestine procurement of a MIG-17, MIG-19, and MIG-21, all in operating condition from the Indonesian Air Force. The U.S. Air Force's offering price is \$250,000, a small sum which reflects the fact that the USAF has had previous access to these machines in Korea, Cambodia, and Israel. Additional units are desired, however, for testing.

Indonesia, which obtained a large stock of Soviet armaments during the Sukarno era, has become a prime source of Soviet matériel. Soviet replacements are no longer available to, nor desired by, a pro-Western Indonesian Government. The risks involved in obtaining Soviet matériel covertly, while undeniably present, are minimized by sloppy Indonesian inventory control in the past and consequent Soviet inability to maintain effective surveillance of the matériel. The Soviets are further hampered by travel restrictions, much reduced staff, and a generally hostile attitude on the part of the Indonesian Government and armed forces.

During the past two years the U.S. services have spent some two million dollars for Soviet matériel in Indonesia. The Soviet P-15 surface-to-surface missile, various fire control systems, anti-submarine warfare gear, and the Fan Song radar used in the Soviet SAM system are the major items obtained. All of these items (some still in the original crates) were air-lifted out of Indonesia without incident. In the case of the Fan Song radar three large vans were involved. The Air Force proposed using the huge and conspicuous C-5A which INR refused to agree to. Eventually USAF planes delivering civic action type supplies to the Indonesian services brought back the Fan Song vans on return flights. In all cases extreme care has been taken to do loading in hangars wherever possible and at night by specially vetted Indonesian military teams.

¹ Source: Department of State, INR/IL Historical Files, Indonesia File. Secret. Drafted by Richard K. Stuart (INR/DDC) and sent through INR Director Ray S. Cline.

An outgrowth of the procurement of the P-15 missile was the opportunity to monitor the firing of several P-15 missiles by the Indonesian Navy. When the Indonesians proposed test firings at a target island in the Java Sea, the Naval Attaché, knowing that the Indonesians were scrapping SKORY class destroyers, suggested that one be sold—covertly—to the U.S. Navy and that it be used as a target ship. The Indonesians agreed and with U.S. guidance welded impact gages to the hull and installed a transponder on the mast. They also agreed to film, in color, and “rooster-tail” of the missile when fired and turn the films over to the U.S. The telemetry of the firings (the ship was hit and sank) was monitored from specially configured U.S. aircraft which remained out of sight of the firings and did not land in Indonesia. The gages are now being removed from the destroyer by Indonesian divers. No Americans were involved in the firings, either as observers or technicians.

INR's role in the procurement of Soviet matériel is to make certain that the operation has the approval of the Ambassador, the Defense Attaché, [2 lines of source text not declassified]; that the Indonesian Government and the head of the Indonesian service involved approve; and that coordination is complete at the Washington level among State, including the policy bureau, Defense, and CIA.

329. Telegram From the Embassy in Indonesia to the Department of State¹

Djakarta, February 4, 1972, 0650Z.

1163. Eyes Only For General Westmoreland From Ambassador Galbraith. Subject: Letter to Suharto From President Nixon. Ref: State 014367.²

1. I accompanied General Westmoreland in his call on President Suharto afternoon February 3. Chief of Staff Umar and President's interpreter, Widodo, also present. General Westmoreland told Suharto President Nixon had taken keen interest in General's visit to Indonesia at invitation General Umar and had called Westmoreland to White House few days before he left Washington and had asked Westmore-

¹ Source: National Archives, RG 59, Central Files 1970-73, ORG 7 JCS. Secret; Exdis. Repeated to Canberra.

² Document 327.

land to pass to Suharto President's personal esteem for accomplishments Suharto Government and President's continuing interest in Indonesia. Suharto thanked Westmoreland and spoke briefly of the value he placed on his relations with President and on assurances he has received from Nixon on continued support for economic and military programs.

2. Suharto spoke of the priority given economic development in the Indonesian budget and of the austerity imposed on the armed forces which receive only a small part of total budget resources, barely enough for upkeep. Suharto said it was hoped and expected that in another few years and with economic development promising to gain some momentum, additional budget resources could be made available for the development of the Indonesian armed forces. He said Indonesia's armed forces understood and agreed to this approach.

3. Westmoreland gave Suharto letter reftel which Suharto read. Westmoreland then explained that although President had asked Congress for appropriations which would have supported \$25 million MAP for Indonesia, Congress had cut overall appropriations for military assistance by 40 percent, that President hoped to provide Indonesia with at least \$18 million for MAP which, together with \$2.3 million provided in excess supplies and other excess items which might be found useful to Indonesia, should raise total for MAP above \$18 million for FY-72. Westmoreland also mentioned no-cost lease arrangement on ships for Indonesian navy. Westmoreland said utilization all these sources might produce figure approaching \$25 million and President Nixon hoped to be able to do better for Indonesia in following fiscal year.

4. Suharto said he understood President's problems with Congress. He said \$25 million MAP was itself less than Indonesia hoped for and felt it needed.

5. I told Suharto that I monitored our MAP program very closely and that with amount of money which we hoped to make available and with prospect of somewhat more in following year I thought we would be alright. Suharto said our ability to plan a program on a two-year basis at the \$25 million level should be alright.

6. Westmoreland said he also brought assurances from President Nixon that in connection with his forthcoming trip to Peking there would be no changes in U.S. policy affecting Indonesia. The President would keep Suharto informed on results of his trip and on anything that transpired of interest to or affecting Indonesia. Suharto indicated his understanding of President Nixon's purposes and his appreciation that President Nixon was keeping him informed.

7. Suharto said he would be going to Australia and New Zealand in next few days on state visit. He hoped to explore with governments

those two countries assessment of common threat of communism in area and desirability of closer understanding and cooperation among nations in area facing that threat. Suharto indicated he hoped to develop with Australia and New Zealand, and also with Japan, common view on how to face threats to peace and security in this area. Suharto mentioned the saber jet squadron which Australia will be providing Indonesia, indicating that these planes would be helpful in maintaining Indonesia's pilot proficiency. Westmoreland indicated that he too would be going to Australia and New Zealand, though slightly ahead of Suharto.

Comment: It was apparent that there had been some difficulty in arranging for Westmoreland's appointment with Suharto, presumably because the latter is preparing for his state visits mentioned above and because he was involved immediately after the meeting in ceremonies connected with recent weddings his daughter and son. This probably explains why Suharto did not encourage a broader discussion Southeast Asian problems. There was, however, some indication that Suharto was aware of extensive discussions Westmoreland had over two-day period with Army Chief of Staff Umar on other subjects such as Westmoreland's observations on situation in Indochina.

Galbraith

330. Telegram From the Embassy in Indonesia to the Department of State¹

Djakarta, March 13, 1972, 1130Z.

2499. For The Secretary. Canberra For Assistant Secretary Green. Subj: Assistant Secretary Green's Call on President Suharto.

1. Evening March 11, Assistant Secretary Green, accompanied by John Holdridge and myself, gave President Suharto detailed description of talks, atmospherics and flavor President Nixon's Peking visit. Also present were Foreign Minister Malik, Chiefs Palace Secretariat General Sudharmono, Chief of Protocol Subagio and Presidential Interpreter Widodo. Suharto listened closely with evident intense inter-

¹ Source: National Archives, RG 59, Central Files 1970-73, POL 7 US/NIXON. Secret; Priority; Exdis.

est. Green started by extending to President Suharto President Nixon's warmest regards and highest esteem. Green slanted his presentation toward Indonesian concerns, underlining fact President Nixon had made no deals concerning other countries, that U.S. planned keep its commitments and maintain its position in East Asia and that U.S. under no illusions in U.S. approach to China. Green told Suharto that he and I were authorized to inform him that U.S. would maintain its present force levels less those related to Vietnamization, in Western Pacific in FY 1973. Green offered to go into more detail on these force levels with Deputy Chief Commander of Armed Forces Panggabean whom we would be meeting later.

2. In outlining main points and impressions emerging from the talks, Green included the following:

A. Peking seeks to avoid involvement in war and seems genuinely to desire a better relationship with U.S. Peking supported North Korea's 8-point plans for unification, but also interested in avoiding war to achieve it. Peking supports 7-point PRG peace plan but seemed less disposed than previously to have that conflict continue indefinitely since in its eyes this might serve to strengthen Soviet position in Hanoi.

B. Both sides subscribed to the Bandung principles even though PRC does not in fact live up to them, but it can now be better called to account for them.

C. Peking Government say they are concerned about Japanese militarism, although U.S. does not believe this would be problem so long as U.S.–Japan security treaty exists. ChiComs can be extension, therefore, come to see that maintenance U.S. security treaty with Japan could serve PRC interests though it would never say so publicly.

D. Taiwan was a most difficult issue but we now have a situation where, despite continuing U.S. commitments and ties to the ROC, we have in prospect an expanding dialogue and contact with with the PRC. Of 8,000 U.S. forces on Taiwan, 6,000 are connected with Vietnamization and will be withdrawn when and as that achieved. Other 2,000 will stay on Taiwan until there is peaceful settlement that issue in accordance with the will of the people on both sides of the Taiwan strait.

E. U.S. now reaffirmed that it will keep its commitments and continue its assistance to its friends and allies.

F. U.S. will continue to be power in Western Pacific.

G. China's announced position is the removal of all U.S. forces from sea, but it evidently does not want this done in way that enhances Soviet influence in sea. (Green summed up true ChiCom attitude as perhaps being "Yankee go home, but gradually.")

H. Overshadowing all this and emerging as basic reason for ChiCom interest in talks is their fundamental fear of Soviets and concern of Soviets extending influence in Southeast Asia and elsewhere.

ChiComs also fearful of revived Japanese militarism (and an unexpressed fear of Japanese economic hegemony in EA). Peking seeking to split Tokyo and Washington especially on Taiwan issue so as to isolate GRC all the more and bring Taiwan under PRC control. There were of course other PRC motives as well, both internal and external.

3. Suharto expressed deep appreciation. He expressed his understanding and support for President Nixon's effort to reduce world tensions and strengthen peace. He thought it salutary that PRC had in communiqué reiterated its support for Bandung principles, including non-interference in internal affairs other countries, non-aggression, co-existence and peaceful settlement of disputes. He noted that ChiComs took public stand they supported suppressed peoples. This meant they will not only support those who seek independence but those who sought as national liberation movements to become Communist nations. ChiCom would continue their support for Communist subversion, Suharto said.

4. Green said he agreed with this and that U.S. was not letting its guard down even while extending hand of conciliation. Green stressed importance of seizing opportunity of present situation to do what could be done to enhance peace.

5. Suharto continued by stressing importance of U.S. making clear it stands behind its friends, and allies. He said neighboring countries in Southeast Asia need moral support as well as other kinds of assistance. Suharto stressed importance of building national capacity for resistance in Indonesia and neighboring countries. This would be required to cope with what he was sure would be continued ChiCom support for supervision. Indonesia had had its bitter experience with Peking.

6. Suharto expressed his special appreciation for Green's stated intention to talk further with Foreign Minister Adam Malik² and, in case of U.S. planned force levels, in more detail with Suharto's top military staff.³

Galbraith

² Telegram 561 from Wellington, March 15, reported Green's conversation with Malik. (Ibid., Nixon Presidential Materials, NSC Files, Box 554, Country Files, Far East, New Zealand, Vol. I)

³ Telegram 2498 from Djakarta, March 13, reported Green's conversation with some of Suharto's top military staff. (Ibid., RG 59, Central Files 1970-73, POL 7 US/NIXON)

331. Telegram From Secretary of State Rogers to the Department of State¹

Belgrade, July 7, 1972.

Secto 200/3310. Subject: Secretary's Meeting with President Suharto, July 1. Following is approved memorandum of conversation:

1. *Summary:* Suharto appeared pleased and reassured by Secretary's presentation, in which Secretary made clear President Nixon had wanted him to brief Suharto on Peking and Moscow Summits, more recent Kissinger visit to Peking and implications results these meetings for East Asia and other areas and for world peace. *End summary.*

2. Foreign Minister Adam Malik, Chief of Presidential Secretariat General Sudharmono (who took notes) and Widodo, Suharto's regular interpreter, were present on Indonesian side, and Asst. Secretary Green and Ambassador Galbraith accompanied Secretary.

3. The Secretary said President Nixon had stressed importance of Secretary's visit to Indonesia, and his desire that Secretary brief Suharto fully on summits. Secretary gave Suharto letter from President.² Secretary said he would speak first generally and then invite Suharto's views. Secretary stressed there were no secret agreements with either Peking or Moscow. President Nixon had made clear to both that we were continuing unchanged our policies toward, and our relations with our friends and allies.

4. The Secretary said we believe that talks in Peking and Moscow had tended to reduce tensions and could lead to further negotiations and reduction of threats toward independence of countries like Indonesia. But we had no intention of letting down our guard. We would base nothing on trust and make no concessions, but we would be prepared to take any reciprocal action to further reduce tensions.

5. In case of China, because there had been no conversations for 22 years, great deal of initial conversation concerned getting to know each other. Chinese felt it necessary make full statement of their dogma for the record. Once that was out of the way, talks turned to bilateral matters and to relationships in Pacific. Two sides agreed to put Taiwan

¹ Source: National Archives, RG 59, Conference Files 1971–1972: Lot 73 D 323, Secretary's Trip to SEATO, June 24 to July 12, 1972. Confidential; Exdis. Drafted by Frederick W. Flott, Special Assistant at the Embassy in Indonesia on July 4; cleared by Eliot (S/S); approved by David H. Lissy, Special Assistant to Secretary Rogers. Repeated to Djakarta, Saigon, Hong Kong, Tokyo, Moscow, Canberra, and Wellington. Rogers was in Belgrade July 7–9 for an official visit.

² The original letter was delivered by the Secretary to Suharto; telegram Tosec 89/116168 to Djakarta, June 28, transmitted the text of the letter for information. (Ibid., Central Files 1970–73, ORG 7 S)

aside and let that issue take its course. U.S. made clear it would continue its treaty and diplomatic relationships with Taiwan but would conduct these in way not hostile to PRC. We agreed have contacts in Paris, UN, and through special emissaries to Peking. Increased trade and exchanges are in offing, but they likely to expand gradually. In this way general improvement relations could ensue without disturbing U.S. relations with Taiwan. Treaties and relationships in Pacific with Japan, Philippines, Australia, New Zealand and others would also not be disturbed.

6. Secretary said with respect to Vietnam, U.S. would withdraw its troops but in process make sure North Vietnam does not overrun South Vietnam. We believe PRC recognizes that U.S., having reduced troop strength Japan, Philippines, Vietnam, etc., has no territorial aspirations in East Asia. Also PRC recognizes U.S. presence has stabilizing influence; that if U.S. left vacuum would result and be filled by Soviet presence or revived Japanese militarism. President Nixon had emphasized that we would maintain our troops in Pacific and there would be no change in our relations with our allies.

7. Secretary said that Kissinger had recently followed up on bilateral exchanges, students, athletic teams, scientists, etc. He had discussed Vietnam with PRC. PRC evidently wants negotiated settlement. They don't want Soviet position strengthened in Vietnam. They have not permitted Soviets to use their ports which has helped make mining North Vietnam harbors so successful. We think Chinese prefer negotiated settlement Vietnam and will help, but we are not sure how much influence they can exert.

8. In order avoid PRC suspicions Kissinger reported to PRC on Moscow visit.

9. Secretary said it is difficult to judge Chinese intentions and it is possible they might be deceitful and take advantage. He said there is no one who understands this better than President Nixon who intends to be wary. The U.S. will make no concessions nor base anything on trust but will be prepared to take any reciprocal action to reduce tensions.

10. Suharto asked Secretary to advise further on possibilities for settling Vietnam problem. Secretary said he thought possibilities for negotiated settlement were good but question was when it might take place. There are different theories about whether it is more likely to occur before or after our elections.

11. Suharto noted that in US-PRC communiqué there was reference to Bandung principles and noninterference in internal affairs of others. He also noted contradiction between this and PRC's announced support for "oppressed peoples" and for "wars of national liberation". Secretary noted that Chinese emphasized they don't want their troops outside their borders but U.S. recognizes their support for subversion

will continue and for this reason we have to be sure that independent nations are strengthened not only militarily but economically. Secretary expressed pleasure at Indonesian economic progress and in support U.S. able to give this worthy Indonesian objective.

12. Suharto wondered whether there was possibility that Vietnam would emerge as communist country something like Yugoslavia. Secretary said he thought South Vietnam growing stronger and has good chance to survive as independent entity. They were fighting well on ground where there were no longer U.S. combat troops. All Vietnamese refugees go south not north, which gives some indication of where they feel most comfortable. North Vietnam had charged that Government South Vietnam were puppets. Once U.S. troops departed they couldn't make that argument. We think if there were ceasefire now South Vietnam would be able to stand and there would be a political contest over time to see who would prevail. Our judgment is that people of South Vietnam would not support communists, Secretary said.

13. Suharto said that within framework U.S. attempts to reduce tensions and reach settlement with communists, Indonesia sought to strengthen its resilience against subversion. His visits to Australia, New Zealand and Japan have been in that context. Secretary said we had been pleased with Indonesian initiatives and with success of Suharto's visits. In our talks with Australians and New Zealanders we had said we would cooperate in any way we could in support and in context Indonesian independence and nonalignment.³

14. Before turning to subject of Moscow Summit Secretary said we had been impressed with Chinese friendliness toward Americans and had impression that Chinese trust Americans more than they do Russians. Chinese know we will continue our alliances and support our friends but don't look upon U.S. as threat to them as much as they do Soviets.

15. Secretary said there were two reasons Soviets were anxious that President make trip to Moscow: (A) concern over improvement of our relations with PRC (although Soviets did not say so) and (B) economic matters. In this latter connection, major security problems on Chinese/Soviet border as well as on Soviet western frontier had caused big economic drain. Build up of nuclear power was very costly, and no matter how much money Soviets spend, they know U.S. would not let them get ahead. Output of U.S. economy twice that of Soviets, therefore Soviets had embarked on detente in Europe to reduce cost and

³ In a separate meeting with Malik on June 30 Secretary Rogers discussed developments in and observations about Australia, Japan, and the Philippines. Their conversation was reported in telegram 3331 from Belgrade, July 8. (Ibid., Conference Files, 1966–72: Lot 70 D 387, Box 526)

tensions there and to enable them to focus on Chinese problem. That they were anxious to improve relations with U.S. was borne out by their going ahead with summit despite U.S. mining of Haiphong and bombing North Vietnam. Soviets also feel need for more consumer goods. They need better production facilities, technology and credit.

16. Secretary said Soviets turned out whole upper echelon of government for talks. As many as twelve members of Politburo were present at one time and this was unprecedented. There was elaborate entertainment. President Nixon addressed Russian people on TV before which his scheduled appearance was advertised and Soviet people were urged to listen.

17. Seven separate agreements were signed in Moscow. It was worked out so that Brezhnev, Podgorny and Kosygin all signed some of them. These included agreements on health, environment, cooperation in space, prevention of incidents at sea (first agreement between two military establishments since World War II). Most important was the SALT agreement providing for freeze on offensive and defensive weapons. Each side is permitted two ABM sites to defend capitals and one ICBM site each. Without going into details Secretary said both U.S. and USSR know that neither side can strike other without being destroyed by other. If Soviets decide to strike first there is nothing they could do to prevent U.S. from destroying Soviet Union and same thing is true other way around. Thus, unless governments run by crazy people the threat of nuclear exchange is ruled out except by misunderstanding or accidental launch. Procedures have been worked out designed to avoid either of these eventualities. Secretary said we think result of visit will be better relations with USSR at least for a while. We expect that this will result in more exchanges of scientists and others and additional agreements. European Security Conference was discussed and if it can be well prepared it should help reduce tensions in Europe.

18. Secretary said he had talked about trade with Kosygin who did all the talking in the economic field. We expect over time to work out problems in the economic field. Complication, however, is that USSR has debt to U.S. and this makes it difficult to extend the credit USSR seeks for its trade with U.S.

19. Secretary said Soviets indicated willingness to help with negotiated settlement on Vietnam. Subsequently Podgorny has gone to Hanoi to present some of the things U.S. talked to Soviets about.

20. Secretary stressed again there were no secret agreements and nothing discussed with Soviets that would affect nations in this part of the world.

21. Secretary gave Suharto some atmospherics of Soviet leadership. Although Brezhnev clearly dominates others, one has impression Politburo works together. Brezhnev cultivated others in public. In meet-

ings he did the talking. Kosygin was less active except on economic issues.

22. On Middle East problems there was not much discussed. Secretary had talked to Podgorny, Gromyko and Kuznetsov and was satisfied Soviets will not promote outbreak of hostilities and want cease-fire to continue.

23. Suharto expressed concern that because of U.S. and British withdrawals, vacuums would develop into which Soviets would move and that because of Soviet/PRC tensions subversion would increase. Secretary said we would be careful to withdraw in way that would not create vacuum. Secretary noted that in both communiqué in Peking and in statement of principles in Moscow, statement was included about noninterference in affairs other countries. If PRC and Soviets did this, U.S. could talk to them about violation of these principles. It is also possible that because of the conflicts between them they would be less occupied in subverting others. In any event, this was the time for others to strengthen themselves, as Indonesia was doing.

24. Suharto commented that Indonesian relations with PRC had not been normalized because PRC continued to interfere in Indonesian affairs with slander and support for Indonesian Communist Party (PKI). Secretary asked whether their attacks on Indonesia had not been somewhat reduced lately. Suharto said they were relatively less but continued. Secretary commented that we, too, hope for continued improvement in our relations with PRC.

25. Noting that U.S. doing all it could to encourage American investors, Secretary inquired about Indonesia's attitude toward foreign investment. Suharto said there was no change. He went on to say that Indonesia had to protect and reserve for domestic capital those fields where Indonesians had capability. Secretary expressed understanding. He said it important that whatever done in this field it be successful. U.S. did not want to encourage any foreign investment that would become an irritant. It was important to work out rules before rather than after private foreign entrepreneur invested. Suharto said that basic principles, including foreign investment law, unchanged but that Indonesia would have to insure that investments were not detrimental to Indonesia and were really in Indonesia's interest.

26. Secretary mentioned MAP program and regretted that it had been reduced slightly in past year. He said we had asked for more this year and he was sure that President Nixon would work out some way, over long run, to do what we had said we would do and which we both agreed we should do.

27. Secretary was pressed by time to leave at this point. Suharto expressed his thanks and sent best regards to President Nixon.

332. Memorandum From John H. Holdridge of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, November 21, 1972.

SUBJECT

Your Meeting with President Suharto and Foreign Minister Malik

For your meeting with President Suharto and Foreign Minister Malik,² the following background information and suggested talking points may be useful:

U.S.-Indonesian Relations in General

These are very good. The Indonesians are grateful for the military and economic help which we have given them, and believe that we can be relied upon to continue this help. They would like increased military assistance, but have accepted the fact that Congressional cuts have imposed some restrictions. They welcome American investment in Indonesia. They do not wish to see a precipitate U.S. withdrawal from Asia. They are anxious to develop Asian regional military cooperation as the U.S. military role diminishes, and would like our help to this end. The President and President Suharto have established a warm personal bond between them.

—You may wish to express the President's highest personal regards to President Suharto. He has sent a message thanking President Suharto for the warm election congratulations the latter transmitted via the special channel.³

—The U.S. will continue to do what it can to assist Indonesia in its developmental programs and in its efforts to improve regional cooperation.

Rice to Indonesia

Suharto recently wrote the President asking for 150 thousand tons of PL 480 rice prior to March 1973 (when the Indonesian elections occur) in order to preserve political stability.⁴ We did not have the rice,

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Kissinger Office Files, Box 101, Backchannel Messages 1970, Indonesia, HAK/Sumitro [1 of 2]. Secret; Sensitive; Entirely out of system. Sent for information.

² No record of this meeting has been found.

³ Not found.

⁴ Telegram 171337 to Jakarta, September 20, described the delivery, substance, and discussion of Suharto's letter to President Nixon. (National Archives, RG 59, Central Files 1970-73, INCO RICE INDON) In an October 6 memorandum to Kissinger, Eliot advised

or so we thought then, and arranged to provide Indonesia with extra PL 480 cotton which could be sold and hence provide funds to purchase the rice commercially from countries such as Pakistan or Thailand.⁵ The President responded to Suharto to this effect. When informed of this, Suharto still asked for some actual shipments of rice if possible. We have now turned up an additional 50 thousand tons of rice—which will be provided under AID development loans—of which Indonesia has already been informed.⁶ We have, through these efforts, gone extremely far in meeting Suharto's needs.

—You may also want to sound out Suharto's reaction to the cotton-for-rice deal, and see if he is satisfied.

U.S. Contributions to the Inter-Governmental Group for Indonesia (IGGI)

In Suharto's letter to the President, he also asked for assurances that we would continue to provide one-third of the annual IGGI contributions to Indonesian economic development. The President's reply in effect agreed; he said that we would keep this very much in mind and would contribute at a rate no less than we had in preceding years. At OMB's request, this response was left somewhat fuzzy to hedge against a large increase over Indonesia's request for last year. The Indonesians have now asked for \$750 million, only 3% over that of last year, and we anticipate no trouble in providing a one-third share.

—You may want to state that, based on the Indonesian request for \$750 million, we foresee no problem in providing one-third of this sum.

—The President believes that Indonesia under Suharto's leadership is doing a remarkable job of carrying out economic development; our contribution is money well spent.

Indonesian MAP

We are now operating on a CRA of \$588.8 million for MAP worldwide, down from our request of \$819.7 million. All country programs have been cut, and Indonesia's now stands at \$18 million (the same as for FY 72). However, we expect to be able to locate at least \$5 million extra from "reimbursements/recoupments" and we hope it will be possible to move the Indonesian MAP back to around the \$25 million level

that the Department recommend that "the Department of Agriculture take immediate action to begin shipments in October of the 100,000 tons of rice already promised Indonesia, in addition to other scheduled shipments." (Ibid.)

⁵ Telegram 17355 and 17436 from Bangkok, December 9 and 12, respectively, reported the Embassy's successful efforts to elicit the Thai Government's promise to ship 250,000 tons of rice to Indonesia over the following 4 months. (Ibid., INCO RICE 17 INDON-THAI)

⁶ Telegram 211789 to Brussels, November 21, reported this development. (Ibid., POL 7 INDON)

which the President has directed. If the ceasefire in SEA is effective, it may be possible to go higher, but we do not yet know by how much. Defense is considering a supplemental for Southeast Asia. (Note: Suharto may raise the question of U.S. help in financing the Indonesian ICCS contingent in Vietnam.)

—Congressional cuts on the worldwide MAP appropriation have been heavy, but we are doing everything we can to maintain the Indonesian MAP at least at the existing levels. If we can raise it somewhat, we will do so.

Indonesian Diplomatic Relations with the PRC

Foreign Minister Malik has said it is only a question of time before Indonesia reestablishes diplomatic relations with the PRC. However, the Indonesians do not want to move precipitately, and will hold off until after elections next March. They have apparently slowed down Malaysia's drive to establish relations with Peking in order to move in concert with Malaysia. The Generals remain leary of relations with the PRC, and will watch developments closely.

—(If Suharto asks.) The U.S. has no objections to Indonesia reestablishing diplomatic relations with Peking. We believe each country must make this decision on the basis of its own estimates of its national interest and its own political circumstances.

The Nixon Doctrine

The Indonesians still appear apprehensive that the U.S. will pull out of Asia entirely. This in part accounts for their interest in regional military and economic cooperation, as noted above.

—You may wish to stress the fact that the Nixon Doctrine is not a formula for an American withdrawal, but rather a means for assuring our continued presence, our capability to meet commitments, and our ability to play a useful balancing role.

—We welcome Indonesia's efforts to facilitate regional military and economic cooperation, and regard these efforts as contributory to our own efforts to preserve peace and stability. We will assist Indonesia's programs when we can, and when our help is useful.