

MEMORANDUM

1346-X

NATIONAL SECURITY COUNCIL

TOP SECRET/SENSITIVE/EYES ONLYACTION

March 4, 1975

MEMORANDUM FOR:

SECRETARY KISSINGER

FROM:

W. R. SMYSE

SUBJECT:

Policy Regarding Possible Indonesian
Military Action against Portuguese
Timor

We have received some unsettling reports that Indonesia may choose to incorporate Portuguese Timor by force, which could impact on our relations with Indonesia.

There are many uncertainties regarding developments. Our best information at present is as follows:

-- The Portuguese Government wants to leave Timor, and has developed plans to transfer sovereignty over a long period of time. Those plans, according to some sources, include collaboration with Indonesia in such a way that Indonesia would have good prospects of assuming sovereignty as Portugal completes its withdrawal. Unfortunately, however, there are also occasional reports from Lisbon that the Portuguese regime intends to pull out more quickly and will, in the process, turn Timor over to an independent regime that would not want to accept Indonesian sovereignty.

-- The Indonesian Government fears that a hasty Portuguese pullout will leave a weakened Timor subject to the Left Wing instincts of a few leaders of the independence movement, leaders whom the Indonesians fear to be influenced by Peking. This fear is increased by the fact that the Chinese community, while numbering only about 6,000 out of 600,000, dominates the economy.

-- President Suharto has developed programs to increase Indonesian influence in Timor through low-key political operations. These programs have not been very successful. Because of that, there has been mounting pressure in Indonesia for direct military action. We have some Indonesian reports indicating that preparations for such action are proceeding, and there is one report that

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Suharto has ordered incorporation of Portuguese Timor into Indonesia by no later than August, 1975, by force if necessary. Portuguese officials have told us they will not resist any Indonesian use of force.

-- However, Indonesia has publicly denied that it would use force to seize Timor, though it has left itself some room for such justification as self-defense or humanitarian grounds (e. g., potential chaos).

-- Australian attitudes are ambivalent. Prime Minister Whitlam told Suharto privately last year that he believed a merger with Indonesia is the only possible course for Timor. But there is strong public opposition to any possible Indonesian use of force. A recent article by a prominent Australian journalist, apparently inspired by some Australian Government sources, warned that Indonesia's use of force in Timor could create major problems in Indonesian-Australian relations.

-- Against this background, President Suharto is planning a trip around the world in June and July of this year. It would seem to make little sense for him to direct a military takeover of Timor before he embarks on such a trip since he would be confronted with at least some demonstrations almost everywhere. He is also aware of our probable Congressional reaction.

The State Department has been uncertain about the best policy to follow. Ambassador Newsom has recommended a general policy of silence. He has argued that we have considerable interests in Indonesia and none in Timor. If we try to dissuade Indonesia from what Suharto may regard as a necessary use of force, major difficulties in our relations could result. With some encouragement from us, Bill Gleysteen at State is convening a meeting next week to review what might happen and what we can do.

The dilemma is simple: If we try to stop the Indonesians, we risk hurting our relationships no matter what the Indonesians do. If we do not try to stop them, we are in good shape if they do nothing, but we may be in worse shape if they go ahead and there is a major Congressional reaction. Congress may demand that we cut off aid to Indonesia as we did to Turkey, though there is obviously less domestic interest in the fate of Timor than in the fate of Cyprus.

In the meantime, State has been trying to encourage the Australians and the Portuguese to say something to Indonesia. In particular, it has encouraged the Australians to tell Indonesia that Portugal's

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