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TO IMMEDIATE F.C.O. TELNO. 315 OF 25TH AUGUST 1975,

pa. July 27/8

AND TO IMMEDIATE MODUK (DI2 - DIG-FOB).

INFO PRIORITY WASHINGTON, UKMIS ⁽¹¹⁾ NEW YORK, LISBON AND CANBERRA.
 MY TELNO 313 (NOT TO ALL : PORTUGUESE TIMOR.

1. IN MY ABSENCE ON TOUR STUART HAS DISCUSSED SITUATION FURTHER WITH AMERICAN AND AUSTRALIAN AMBASSADORS. THE INDONESIANS HAVE PROMISED THE AUSTRALIANS AS A CONCESSION, TWO HOURS NOTICE IF THEY INTERVENE. ACCORDING TO U.S. LIAISON STAFF, THE INDONESIANS ARE NOW READY TO LAUNCH AN INVASION AT VERY SHORT NOTICE IF THEY CHOOSE TO, USING THEIR OWN C130S FOR THE FIRST WAVE AND, PROBABLY, PERTAMINA AIRCRAFT FOR THE SECOND. HOWEVER, THE FACT THAT THERE IS NOW FIGHTING IN TIMOR AND THAT THE INDONESIANS WOULD PROBABLY HAVE TO OVERCOME ARMED RESISTANCE FROM BOTH UDT AND FRETILIN, WOULD MAKE INTERVENTION LESS EASY THAN A WEEK OR TWO BACK.

2. THE AUSTRALIAN PRIME MINISTER'S ⁽⁶¹⁾ RESPONSE TO THE INDONESIAN APPROACH (MY TELEGRAM 298, NOT TO WASHINGTON), HAS BEEN VERY CAUTIOUS. THE AUSTRALIAN AMBASSADOR UNDERSTANDS THAT THE INDONESIANS LAST WEEK ASKED THE PORTUGUESE GOVERNMENT TO INVITE INDONESIA (AS DISTINCT FROM THE INTERNATIONAL COMMUNITY) TO INTERVENE TO RESTORE ORDER. APPARENTLY NO REPLY HAS BEEN RECEIVED FROM LISBON. BOTH AMBASSADORS UNDERSTAND THAT THE PORTUGUESE APPROACH TO THE U.N. IS ALSO BEING RECEIVED VERY CAUTIOUSLY BY THE SECRETARY-GENERAL. THE AUSTRALIANS PREFER TO WAIT TO SEE HOW THESE SEPARATE APPROACHES WORK OUT BEFORE DECIDING ON ANY POSITIVE LINE OF THEIR OWN. THE AUSTRALIAN ASKED IF WE COULD GET ANY NEWS IN LISBON AND NEW YORK. IT WOULD HELP OUR EXCHANGES WITH HIM, WHICH HAVE SO FARE BEEN ONE-SIDED, IF WE COULD OBLIGE.

3. MEANWHILE PRESIDENT SOEHARTO LAST WEEK APPRENTLY TWICE VETOED INTERVENTION, AGAINST THE RECOMMENDATION OF THE HAWKS IN HIS ARMY AND SECURITY SERVICE. THE PRESIDENT IS STILL WORRIED BOTH ABOUT THE PRINCIPLE OF INTERVENTION AND ABOUT ITS APPEARANCE. BUT THE AMBASSADORIAL CONSENSUS WAS THAT, IF THE PORTUGUESE GOVERNMENT ASKED SPECIFICALLY FOR INDONESIAN INTERVENTION, THEY WOULD INVADE AT ONCE, DELAY WAS DANGEROUS TO THEM. IF THE SITUATION IN TIMOR DETERIORATED FURTHER IT WOULD BE MORE DIFFICULT TO RESTORE ORDER. CONVERSELY IF EITHER FRETILIN OR UDT WERE SEEN TO HAVE COME OUT ON TOP, IT WOULD BE MORE DIFFICULT TO JUSTIFY INTERVENTION. THE AUSTRALIAN REPORTS FROM THE SHIP THE MACDILI, WHICH HAS BEEN IN DILI, IS THAT THE SITUATION IN THE STREETS IS A BIT CALMER. THIS MAY INDICATE THE LATTER.

4. THE U.S. AMBASSADOR DOUBTED WHETHER THE PORTUGUESE WOULD ISSUE A POSITIVE INVITATION TO INDONESIA. HIS INFORMATION

FROM LISBON WAS OF SUGGESTIONS THAT THE INDONESIANS HAD PROMPTED THE UDT TO START THE DISTURBANCES. IF THE PORTUGUESE LEFT WINGERS REGARDED THE WHOLE EPISODE AS AN INDONESIAN PLOT TO PUT DOWN THE LEFT WING FRETILIN, THEY WOULD NOT BE LIKELY TO GIVE COVER FOR AN INDONESIAN INVASION.

APPEARANCES WERE ALSO IMPORTANT TO THE AMERICANS. ON INSTRUCTIONS HE HAD TOLD THE INDONESIAN GOVERNMENT THAT THEY MUST DECIDE FOR THEMSELVES ON THEIR BEST COURSE, AND THAT THE AMERICAN REACTION WOULD HAVE TO DEPEND ON THE CIRCUMSTANCES. HE HAD TAKEN THE INDONESIANS THROUGH THE U.S. LAW WHICH LED TO THE SUSPENSION OF ARMS SUPPLIES TO TURKEY : AND IN ANSWER TO THEIR DIRECT QUESTION WHETHER INTERVENTION WOULD LEAD TO A SIMILAR SUSPENSION FOR INDONESIA HE HAD REPLIED THAT HE WAS MERELY POINTING OUT THE DIFFICULTY FOR CONGRESS.

5. THIS AMERICAN RESPONSE WILL HAVE BEEN IMPORTANT TO THE INDONESIANS, WHO ARE SO DEPENDENT ON U.S. ARMS. THE U.S. AMBASSADOR'S GUESS TO US WAS THAT CONGRESS WOULD SWALLOW INTERVENTION PROVIDED THAT IT WAS QUICK, HAS A COLOUR OF A POLICE ACTION AND PARTICULARLY IF THE /PORTUGUESE

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PORTUGUESE ASKED FOR IT ; BUT THAT IF IT WAS LONG DRAWN OUT AND COULD BE MADE TO LOOK LIKE AGGRESSION, SUSPENSION WAS VERY POSSIBLE. FOR THE SAME REASON IT WOULD BE IMPORTANT THAT ANY ACTION SHOULD HAVE AS INTERNATIONAL A CHARACTER AS POSSIBLE. HE HOPED IN PARTICULAR THAT AUSTRALIA WOULD NOT REFUSE TO TAKE PART IN ANYTHING LIKE AN OBSERVER MISSION.

6. OUR OWN ASSESSMENT, WITHOUT, IN ACCORDANCE WITH YOUR INSTRUCTIONS, HAVING CONTACTED INDONESIAN SOURCES, IS THAT, IN THE LIGHT OF THESE REACTIONS, THE PRESIDENT'S CAUTION AND THE IMPORTANCE OF APPEARANCES WILL PROBABLY CONTINUE TO MAKE HIM HESITATE, UNLESS THERE IS A SUBSTANTIAL CHANGE IN THE SITUATION IN TIMOR OR UNLESS HE COULD MAKE IT APPEAR THAT HE HAS BEEN ASKED TO INTERVENE.

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