

SIR MICHAEL PALLISER'S VISIT TO INDONESIA: 21 - 22 OCTOBER 1975

BACKGROUND BRIEF: EXTERNAL RELATIONS OF INDONESIA

1. Indonesia's foreign policy is based on the following precepts:
 - (a) anti-communism
 - (b) membership of ASEAN
 - (c) within ASEAN especially close bi-lateral relations (particularly in the defence and intelligence fields) with Singapore and Malaysia
 - (d) close friendship with the United States (but no formal defence links)
 - (e) membership of the non-aligned group of nations and of OPEC

Anti-Communism

2. The present leadership in Jakarta came to power in the wake of the abortive Communist PKI coup in 1965. They have consequently had a good deal of experience in putting down the Communist threat and this has formed a continuing and strong thread in their internal and external policies ever since. This led them to keep large numbers of Communist sympathisers in detention ever since 1965. Following the closure of the Communist Chinese Mission in Jakarta in 1966, relations with the PRC were frozen and have not been reactivated since. Despite the recent recognition of Communist China by Malaysia (in 1974) and Thailand and the Philippines (in 1975) Indonesia (and Singapore) have remained alone in ASEAN in holding out against the establishment of diplomatic relations. It is unlikely that relations will be established in the next 12 months.

3. Indonesia's reaction to the collapse of Indo-China early in 1975 has been to clamp down even further at home, and to urge their partners in ASEAN to be vigilant against the spreading Communist threat. However they have had relations with the North Vietnamese for some time and have recently recognised the PRG.

ASEAN

4. Indonesia plays a leading rôle in the Association of South

East Asian Nations (ASEAN) which brings her together with Singapore, Malaysia, Thailand and the Philippines. In this forum Indonesia is keen to instill a greater feeling of regional co-operation particularly in the defence field. She has to a certain extent been frustrated in this by the reluctance of Thailand and the Philippines to become further involved in formal defence links at a time when they are casting aside their Treaty commitments under SEATO and are re-assessing their bilateral links with the United States. Indonesia, being potentially independent economically, is less interested in strengthening the economic links of ASEAN or establishing a free trade zone as proposed by Thailand and the Philippines. As far as the UK is concerned we are keen to promote regional co-operation within ASEAN and in the context of the EEC would like to see the establishment of a corporate relationship with ASEAN. The lack of coherence of ASEAN at the moment (it still has no Secretariat although Jakarta is the designated seat of one) is a stumbling block to the fulfillment of this objective. Economically a joint study group has already been set up involving ASEAN and the European Commission. In the political field we have tabled a paper at the last Asia Group Meeting discussing the possibility of establishing some kind of political dialogue with ASEAN in the medium to long term future. (See Annex B).

Portuguese Timor

5. Indonesia's approach to foreign relations has been neatly summed up in her attitude to recent events in Portuguese Timor. She is alarmed by the prospect of an independent and economically weak and unstable Timor which could possibly provide a base for subversion against Indonesia. But she is also concerned to preserve her reputation among the non-aligned nations by not precipitately taking over the territory by brute force (which she could easily do). Suharto has also been concerned to protect his increasingly important arms supplies from the United States. He fears the reaction in the US Congress to an invasion by Indonesia. Suharto is also concerned to protect the economic development of Indonesia and therefore does not wish to add to her problems the military administration of the economically backward territory of Timor which could be most expensive. (See Annex A for a summary of events in Timor).

/British ..

British Policy on Timor

6. Ministers have agreed that HMG should stay out of the controversy concerning the future of Timor as far as possible. There is no British interest in the region. We agree with Mr Whitlam that Timor's eventual integration with Indonesia is probably the right answer in terms of regional stability. But from our own point of view this should come about in the context of self-determination for the people of Timor. Left wing critics of Indonesia in the UK have already urged the British Government to take steps to prevent the takeover of Timor by Indonesia.