

CDS

CDSN = CFS235 MCN = 96215/13683 TOR = 962151017

OTTCZYUW RUEKJCS4591 2151017-~~CCCC~~-RUEALGX.

ZNY ~~CCCCC~~

DTG

021012Z AUG 96

FROM

(b)(3):10 USC 424

CONTROLS

~~CONFIDENTIAL~~ SECTION 01 OF 05 (b)(3):10 USC 424
(b)(3):10 USC 424,(b)(3):50 USC 403-1(i),(b)(6)

/***** THIS IS A COMBINED MESSAGE *****/

BODY

1. (U) THIS IS AN UPDATED VERSION OF THE MATERIAL PROVIDED TO (b)(3):50 USC 403-1(i) RECENTY VISITS.

- ~~CONFIDENTIAL~~
- TEAR LINE

- CONFIDENTIAL (b)(3):50 USC 403-1(i)
SUBJECT: SCENE SETTER FOR (b)(3):50 USC 403-1(i) VISIT TO INDONESIA (U)

1. (U) (b)(3):10 USC 424 WELCOMES THE VISIT OF (b)(6) (b)(6) TO INDONESIA AND PROVIDES THE FOLLOWING INFORMATION AS A SCENE SETTER AND OVERVIEW AS WE SEE IT FROM JAKARTA.

2. ~~(C)~~ INDONESIA IS A REPUBLIC WITH A STRONG CENTRAL GOVERNMENT. THE NATION HAS KNOWN ONLY TWO PRESIDENTS IN ITS FIFTY YEARS OF INDEPENDENCE, SUKARNO (1945-1967) AND SOEHARTO (1967-PRESENT).

3. ~~(C)~~ POLITICAL SUCCESSION. PRESIDENT SOEHARTO IS NOW 74 YEARS OLD AND WILL HAVE BEEN THE DEFACTO HEAD OF STATE FOR 30 YEARS WHEN HIS CURRENT TERM EXPIRES IN 1998. WHILE HE HAS SERIOUS MEDICAL CONDITIONS, HE APPARENTLY REMAINS SUFFICIENTLY ROBUST TO PLAY GOLF FREQUENTLY, GIVE LENGTHY SPEECHES IN SWELTERING OPEN AIR CONDITIONS, AND TAKE STATE TRIPS AROUND THE GLOBE. HE APPEARS VIGOROUS ON THE OCCASIONS WE HAVE SEEN HIM AND WE SEE NO REASON HE WILL NOT BE ABLE TO FINISH HIS TERM. IT IS NOW WIDELY ASSUMED HE INTENDS TO RUN AGAIN; OUR VIEW IS THAT HE WILL UNLESS

HIS HEALTH DETERIORATES DRAMATICALLY.

4. (U) NATIONAL DEVELOPMENT. THE DEVELOPMENT OF THE COUNTRY'S ECONOMY AND POPULATION IN A STABLE, ORDERLY AND RATIONAL WAY IS THE PARAMOUNT GOAL OF THE GOVERNMENT AND THE MILITARY/POLICE. KEEPING HUNDREDS OF DIVERSE ETHNIC, RELIGIOUS AND LINGUISTIC GROUPS UNIFIED WHILST MOVING TOWARDS A MORE DECENTRALIZED POLITY IS A MAJOR CHALLENGE FOR INDONESIAN DECISION-MAKERS. IN ECONOMIC TERMS, **INDONESIA** HAS ACHIEVED AN UNPARALLELED 28 YEARS OF GNP GROWTH AT 6-8 PER CENT PER ANNUM. THE GOI REALIZES THAT ECONOMIC PROGRESS REQUIRES BETTER AND MORE COMPREHENSIVE EDUCATION, AND HAVE INCREASED GOVERNMENT FUNDED UNIVERSAL EDUCATION FROM 6 TO 9 YEARS. BETTER EDUCATION, HOWEVER, HAS INCREASED THE DEMAND FOR GREATER PARTICIPATION IN GOVERNMENT AND DECENTRALIZATION OF DECISION MAKING, ESPECIALLY TO THE OUTER ISLANDS. A PILOT PROGRAM TO DECENTRALIZE DEVELOPMENTAL DECISIONS TO THE KABUPATEN (COUNTY EQUIVALENT) LEVEL, WITH BLOCK GRANT FUNDING FOR PROGRAMS HAS BEGUN IN 26 TEST SITES.

5. (U) INTERNATIONAL RELATIONS. **INDONESIA** HAS BECOME A MAJOR FORCE IN A NUMBER OF INTERNATIONAL FORA INCLUDING THE U.N. SECURITY COUNCIL, OPEC, THE NON-ALIGNED MOVEMENT, ASEAN, APEC, AND OTHERS. AS THE DOMINANT PLAYER IN SOUTH EAST ASIA, **INDONESIA** SUPPORTS ASEAN AND HAS TAKEN A LEADING ROLE IN TRYING TO PEACEFULLY RESOLVE THE SPRATLYS DISPUTE. **INDONESIA** MAINTAINS GOOD RELATIONS WITH VIETNAM, THE ONLY OTHER ASIAN NATION TO WIN INDEPENDENCE THROUGH ARMED REVOLUTION. **INDONESIA** HELPED BROKER THE CAMBODIAN PEACE ACCORDS AND SENT THE LARGEST CONTINGENT OF PEACEKEEPERS TO CAMBODIA, WHERE THEY PERFORMED COMMENDABLY. MORE RECENTLY THE INDONESIANS HAVE BEEN HELPFUL IN BUILDING SUPPORT FOR CTBT.

6. ~~(C)~~ SECURITY CONSIDERATIONS. INDONESIAN STRATEGIC THINKERS OFFICIALLY DO NOT SEE AN IMMEDIATE EXTERNAL MILITARY THREAT. ALL CLOSE NEIGHBORS ARE BOTH FRIENDLY AND MILITARILY WEAK. THE INDONESIANS ARE WARY OF THE PRC AND ITS PERCEIVED EXPANSIONIST AIMS. THESE CONCERNS WERE HEIGHTENED BY THE MISCHIEF REEF EPISODE, CHINESE VAGUENESS IN DEFINING TERRITORIAL WATERS THAT MAY OVERLAP INDONESIAN CLAIMS, AND RECENT CHINESE MILITARY MANEUVERS NEAR TAIWAN. THE INDONESIAN ARMED FORCES HAVE GOOD MILITARY-TO-MILITARY RELATIONS WITH ALL ITS NEIGHBORS. IN DECEMBER **INDONESIA** SIGNED ITS FIRST EVER, FORMAL BILATERAL DEFENSE ARRANGEMENT

