

# Will Indonesia be next Asian domino to fall to State Dept. subversion?

by Sophie Tanapura

President Reagan will travel to Bali, Indonesia, at the end of April, on his way to the seven-nation summit in Tokyo, to consult with the six heads of state of the Association of Southeast Nations (ASEAN). In November 1983, Reagan, on advice from his State Department advisers, canceled a scheduled trip to Indonesia, Thailand, and the Philippines—the signal for a U.S. policy of “malign neglect” toward these countries that reached its malevolent peak with the Feb. 25 overthrow of the Philippines government.

Now the international press is depicting Indonesia as the next Southeast Asian domino to fall to the forces of “democracy.” But unlike John Foster Dulles’s domino theory of the 1950s and 1960s, the subversives of the 1980s are getting most of their aid, not from extremist Chinese communists, but the extremists in striped pants at the American State Department and their New York-based financial colleagues.

The appointment of Paul Wolfowitz as ambassador to Indonesia, fresh from his post as assistant secretary of state for far eastern and pacific affairs where he directed the destabilization of the Philippines, leaves little doubt that Indonesia will not be spared the Marcos treatment. The Australian *Sydney Morning Herald*, in an article also carried in the *New York Times* and *Washington Post*, wrote April 10 that “corruption is the Achilles heel” of the regime of President Suharto, claiming that Suharto has bestowed great wealth and company assets to his wife, family, and close friends and associates.

The Indonesia government has no illusions that “destabilization” is the real content of such articles. Minister of Science and Technology Dr. B. J. Habibie canceled an upcoming visit to Australia, in protest of the *Sydney Herald* article. Australian Foreign Minister Bill Hayden replied that his government is not responsible for what the Australian press says, but this had no credibility in Jakarta, where relations with the Australian government have been historically cool and where it is understood that such articles reflect operations of the Australian intelligence services.

Aside from the British-Socialist International, Indonesia is also facing increasing threats of destabilization from Islamic extremist networks linked to Khomeini’s Iran. On Jan. 2, several Iranian diplomats were expelled from Indonesia on

charges of illegal activities related to supporting Islamic extremists. More interestingly, sources report that Paul Wolfowitz, in his many trips to Indonesia over the past two years, has established “good contacts” with the full spectrum of Islamic leaders, including those who favor the transformation of the secular state of Indonesia into an Islamic theocracy modeled on Iran.

The destabilization efforts also reach into the military. This year retired General Dharsono was convicted and sentenced to 10 years in prison for his role in the September 1984 Tanjung Priok Islamic riots.

The collapse of oil prices from \$26 to \$12 a barrel, combined with the international monetary crisis, has had a far more devastating effect on Indonesia. With 70% of its foreign-exchange earnings derived from oil exports, Indonesia has suffered staggering income losses. President Suharto, conscious of the crucial role of economic development for the well-being of Indonesia and stability of his government, has been forced to cut development spending by 22%. Nearly one-third of the total government budget is going to repayments on debt, which has increased by 18.7% in the last year.

## What’s at stake in Indonesia?

Following a strict policy of non-alignment, Indonesia does not play host to any U.S. military bases but remains, nonetheless, one of America’s most important allies and friends in Asia. Lying as a great bridge between the Pacific and Indian Oceans, Indonesia forms an archipelago of over 13,000 islands. Stretching from east to west for 3,300 miles, Indonesia commands the Malacca, Sunda, and Lombok Straits through which all east-west traffic in the Pacific must pass. With its population of over 160 million, Indonesia is the fifth-largest nation in the world. Its eastern islands were an important field of battle for Gen. Douglas MacArthur’s liberation of the Philippines and the defeat of Japan. Its resources of oil, timber, spices, and minerals made it the coveted colonial possession of the Netherlands for nearly 300 years, and in 1941 those same resources were the prize that drew the Japanese imperial army and navy into war. These same economic and strategic attributes make it also a potential coveted prize for the Soviet Union.

Its most important resource for the United States, however, is its leadership's deep commitment to industrial development on the model of Japan and the United States. This commitment is strengthened by a fierce nationalism born of the fact that its leaders fought and won a long and bitter revolution at the close of World War II to gain their country's independence from their Dutch colonizers in 1949. It is also strengthened by the knowledge that despite its long colonial experience, Indonesia, particularly the densely populated island of Java, had been the seat of an empire and culture which in the 15th century commanded much of the South China Sea and stretched across the Indian Ocean to as far as Madagascar on the east coast of Africa.

The nearly two decades of President Suharto's rule has brought about impressive 7-9% rates of real economic growth. Following decades as one of the largest rice importers on the international market, Indonesia is now rice self-sufficient. Bulog, the government foodstuffs logistics board, has built up a 1.5 billion-ton reserve, thanks to President Suharto's decision to establish an Indonesian fertilizer industry while maintaining low input and credit prices for Indonesia's farmers.

### State Department targets Suharto

President Suharto's and his circle's commitment to industrialization and its many strategic and economic attributes has made it a target of the International Monetary Fund, the international financial community, and the Eastern Establishment policy circles of the United States. Their control of Indonesia's \$27 billion foreign debt as well as oil, the country's major resource and foreign-exchange earner, is their chief concern.

Wolfowitz has been chosen as point man for the State Department's plan to pressure and manipulate Indonesia through direct political intervention. The forces to be used against President Suharto include:

- *Fundamentalist Islamic networks.* These groups receive direct support from Iran and Libya. They have gained considerable strength in the cities, where unemployment is now high. The government has attempted to channel Islamic dissidence with its own Islamic organizations, which last year were forced to pledge allegiance to the government ideology, Pancasila, which acknowledges the existence of one God and otherwise affirms Indonesia's existence as a secular state. However, the collapse of the economy in the last two years has produced an undercurrent of despair, feeding the rise of Islamic fundamentalism.

- *Key individuals linked to the old Indonesian Socialist Party* and the Socialist International and others who were the footmen for various destabilizations in the 1950s and 1960s directed from the offices of Averell Harriman, McGeorge Bundy, and the coterie of American policymakers responsible for the disasters of the Vietnam War. Many of these Indonesia dissenters, which include retired high-ranking mil-

itary officers, have gathered in what is called the "Petition of 50" group. It is so named after a petition and report submitted to President Suharto's government claiming that the government itself was responsible for an Islamic riot at the port of Tanjung Priok in September of 1984. H. R. Dharsono, a retired general and former secretary general of ASEAN, was sentenced to 10 years imprisonment last January along with Muslim preacher A. M. Fatwa, who was sentenced to 18 years imprisonment, for their role in hurling such charges at the government.

Paul Wolfowitz has traveled to Indonesia many times in the past, and according to sources, maintains excellent contacts with Islamic circles as well as the "Petition of 50" group. His graduation from Cornell University's Southeast Asia program in 1965 would have put him in contact with the Ford Foundation-backed Cornell Indonesia Project. This is not insignificant for Wolfowitz's role now, considering that the program is led by George Kahin, a McGeorge Bundy associate who became a leading anti-Vietnam War activist. Kahin and his Communist Party-linked protégé, Prof. Benedict Anderson, are responsible for the most sophisticated and thorough profiling of Indonesia's leadership. Both men are considered *persona non grata* in Indonesia.

Contributing to this destabilization is the perceived withdrawal of the United States from its commitments in the Pacific basin with the Philippines debacle. The U.S. orchestrated coup against President Marcos and the fast-paced disintegration of the Aquino government has exposed U.S. unreliability as an ally. This fact propels Indonesia to come to an accommodation with the Soviet Union and the People's Republic of China. The Soviet Union is currently developing large naval and air-force facilities in Vietnam and Cambodia, bringing Soviet military capabilities into the South China Sea. These capabilities are impossible for an underdeveloped country such as Indonesia to counter.

The People's Republic of China presents a potential strategic problem. China exercises a lot of influence over the overseas Chinese community of Southeast Asia, which holds a commanding influence over the local economies. Foreign Minister Mochter Kusumaatmadja recently told a seminar of Indonesia officials that he hoped the United States could restrain China from fulfilling its "negative ambitions" in Southeast Asia. Referring to the 1965 Indonesian Communist Party coup attempt which is said to have been backed by China, the foreign minister said: "We are concerned about what China could do after it achieved its modernization goals, because Indonesia has had a bad experience with the People's Republic of China." Out of concern for China's and the Soviet Union's potentially destabilizing role in the region, Indonesia has moved diplomatically to solve the Kampuchea conflict, by opening closer links with Vietnam. Both Foreign Minister Mochtar and Gen. Benny Murdani, the armed forces chief and close adviser to President Suharto, have visited Hanoi in the past year.