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FM AMEMBASSY JAKARTA
TO SECSTATE WASHDC PRIORITY 1454

S E C R E T SECTION 1 OF 3 JAKARTA 12521

EXDIS DECAPTIONED

E.O. 11652: GDS
TAGS: PEPR, ID
SUBJECT: AMBASSADOR'S VISIT TO EAST TIMOR: GOI POLICY AND
POSSIBLE U.S. RESPONSE

REF: (A) JAKARTA 12189, (B) JAKARTA 12293, (C) JAKARTA 12301

1. IN THE REFERENCED TELEGRAMS I REPORTED MY GENERAL
VIEWS OF EAST TIMOR BASED ON MY SEPTEMBER 6-8 GUIDED
TOUR, TOGETHER WITH NINE OTHER AMBASSADORS, AND ALSO THE
COMMENTS OF THE LOCAL MILITARY COMMANDER AND OF A FORMER
DISSIDENT RECENTLY CAPTURED BY THE INDONESIANS. THIS
FINAL MESSAGE, WHICH I HAVE DELAYED IN ORDER TO CHECK
CERTAIN POINTS WITH OTHER GOI OFFICIALS, COVERS THE
BASIC GOI APPROACH TO THE EAST TIMOR PROBLEM, AS DESCRIBED
BY THE INDONESIAN FOREIGN MINISTER AND LOCAL OFFICIALS,
AND INTERNATIONAL RELIEF ACTIVITIES.

2. ON THE BASIS OF OFFICIAL BRIEFINGS AND PRIVATE
CONVERSATIONS IN THE PROVINCE, I SEE THE BASIC GOI
APPROACH TO EAST TIMOR CONSISTING OF THE FOLLOWING FOUR
ELEMENTS:

3. FIRST, ENDING THE REBELLION AS QUICKLY AS POSSIBLE
BUT EMPHASIZING MINIMAL USE OF FORCE. GENERAL DADING'S

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COMMENTS ALONG THESE LINES ARE REPORTED REF C.
 FOREIGN MINISTER MOCHTAR TOLD ME INDONESIA COULD ACCELERATE
 ITS MILITARY OPERATIONS BUT THIS WOULD "LEAVE SCARS".
 THE PRESENT TACTIC OF EMPHASIZING PERSUASION RATHER THAN
 ARMED ATTACK MAY, HE SAID, TAKE LONGER BUT IS BEST.
 "THESE ARE OUR PEOPLE. WE MUST WIN THEM OVER TO OUR SIDE."
 MAJOR EFFORTS ARE BEING PUT ON TRYING TO ATTRACT PEOPLE
 DOWN FROM THE HILLS BY MEGAPHONES AND LEAFLET DROPS.
 THE LOCAL HOME GUARD (HANSIP), COMPOSED ALMOST ENTIRELY
 OF EAST TIMORESE, IS PLAYING A KEY ROLE IN THIS EFFORT.
 IT IS SIGNIFICANT THAT BOTH DO AAMARAL AND ARSENIO HORTA
 WERE PICKED UP BY HANSIP ELEMENTS RATHER THAN BY THE
 INDONESIAN ARMY.

4. THE MILITARY SITUATION IN THE AREA WE VISITED WAS
 TOTALLY SECURE. WE WERE PERMITTED TO MOVE FREELY IN DILI
 AND OTHER AREAS WE VISITED. FEW MILITARY PERSONNEL WERE
 IN EVIDENCE. [REDACTED] SAID THIS IS IN
 MARKED CONTRAST TO THE SITUATION DURING HIS EARLIER VISIT
 IN JANUARY OF THIS YEAR. AT THAT TIME, HIS MOVEMENTS WERE
 CAREFULLY MONITORED AND RESTRICTED AND MILITARY PERSONNEL
 WERE CONSPICUOUS. SIMILARLY, HE SAID THE LARGE AIRSTRIP
 AT BAUCAU WAS OBVIOUSLY IN HEAVY USE EARLY THIS YEAR. WHEN
 WE FLEW DIRECTLY OVER THE STRIP ON SEPTEMBER 7, IT WAS
 TOTALLY DESERTED.

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5. EVIDENCE OF THE MILITARY DE-ESCALATION, GENERAL
 DADING TOLD US HE IS BEING TRANSFERRED TO BALI IN
 NOVEMBER TO HEAD THE EASTERN AREA MILITARY COMMAND. THE
 EAST TIMOR GARRISON WILL THEN BECOME A KOREM (SUB-AREA
 COMMAND) AS IN MOST OTHER OUTER-ISLAND PROVINCES AND
 WILL BE HEADED BY A COLONEL. ALL OF MY FELLOW AMBASSADORS,
 WITH SOME SLIGHT VARIATIONS TO PROVE THEIR INDEPENDENCE AS
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AMBASSADORS, FEEL THAT THERE HAS BEEN A MAJOR MILITARY
 DE-ESCALATION AND REDUCTION IN TROOP LEVELS. I AGREE
 THAT THE LEVEL OF MILITARY ACTIVITY IS GREATLY REDUCED,
 BUT I AM NOT YET CONVINCED THAT THERE HAS BEEN A MAJOR
 REDUCTION IN INDONESIA'S MILITARY STRENGTH IN THE PROVINCE.
 THIS MAY, HOWEVER, BE UNDERWAY AS THE MILITARY SITUATION
 EASES. WHATEVER THE ACTUAL DETAILS, THE TRENDS ARE IN
 THE RIGHT DIRECTION, AND I AM ENCOURAGED THAT TOP

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INDONESIANS HAVE GONE ON RECORD SUPPORTING A TACTIC OF MODERATION. I AGREE WITH MY DIPLOMATIC COLLEAGUES THAT FRETILIN IS FINISHED AS A SIGNIFICANT MILITARY FORCE -- THOUGH IT MAY WELL CONTINUE TO CREATE PROBLEMS IN ISOLATED AREAS -- AND THAT THE MAJOR EFFORT NOW SHOULD INCREASINGLY TURN TO THE REALLY SERIOUS HUMANITARIAN AND ECONOMIC PROBLEMS OF THE PROVINCE.

6. SECONDLY, THE INDONESIANS ARE MAKING SIGNIFICANT EFFORTS TO USE LOCAL PERSONNEL TO THE MAXIMUM EXTENT POSSIBLE. HANSIP, WHICH AS NOTED EARLIER, IS PLAYING A KEY ROLE INCONVINCING PEOPLE TO COME DOWN FROM THE HILLS, IS COMPOSED ALMOST ENTIRELY OF EAST TIMORESE. THERE ARE ALSO TWO BATTALIONS OF EAST TIMORESE IN THE ARMY. OF 4,400 CIVILIAN EMPLOYEES IN THE PROVINCE, ONLY ABOUT 100 ARE FROM OUTSIDE THE PROVINCE. THE PROBLEM NOW, IN THIS DESPERATELY POOR AREA WITH A RATE OF ILLITERACY OF WELL OVER 90 PERCENT, IS TO FIND OR QUICKLY TRAIN QUALIFIED LOCAL PERSONNEL. THERE IS NO UNIVERSITY OR TEACHERS' TRAINING SCHOOL IN THE PROVINCE. THERE USED TO BE ONE HIGH SCHOOL IN DILI RUN BY THE CATHOLIC CHURCH FOR CHILDREN OF THE ELITE BUT THIS CLOSED FOR LACK OF TEACHERS. THE HIGHEST EDUCATION AVAILABLE NOW IS AT THE SMP (JUNIOR HIGH SCHOOL) LEVEL. TO MEET THE URGENT NEED FOR TRAINED PERSONNEL, EAST TIMORESE HAVE BEEN SENT TO SCHOOLS IN OTHER AREAS OF INDONESIA. AS THESE PEOPLE RETURN (AND THIS PROCESS IS ALREADY UNDERWAY) LOCAL OFFICIALS HOPE TO STRENGTHEN THE EDUCATIONAL SYSTEM AND TO REOPEN THE HIGH SCHOOL.

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7. THIRDLY, INDONESIA WANTS TO AVOID ACTIONS WHICH WOULD CREATE A PERMANENT GROUP OF REFUGEES. IN A TALK WITH ME, MOCHTAR REFERRED TO THE PALESTINIANS AND SAID THE GOI DID NOT WANT TO "INSTITUTIONALIZE" THE PROBLEM OR CREATE A CLASS OF PEOPLE PERMANENTLY DEPENDENT ON WELFARE.

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AS A RESULT, THE GOI TRIES TO RESETTLE PEOPLE QUICKLY WHEN THEY ACCEPT THE AMNESTY. NORMALLY THOSE WHO COME OVER TO THE INDONESIAN SIDE STAY IN RELOCATION AREAS FOR THREE MONTHS, BUT EVEN DURING THIS TIME THEY ARE EXPECTED, WITH LOCAL HELP, TO BUILD A THATCHED HOUSE (THIS IS TO AVOID THE NEED FOR REFUGEE CAMPS). AT THE END OF THAT TIME THEY ARE PERMANENTLY RESETTLED IN THEIR HOME VILLAGES OR ELSEWHERE.

8. THE 200 REFUGEES WE SAW IN REMEXIO HO HAD JUST COME DOWN FROM THE HILLS THE PREVIOUS DAY WERE IN A PITIFUL STATE. THE CHILDREN HAD BLOATED STOMACHS, AND ACCORDING TO THE HEAD OF THE LOCAL RED CROSS, MANY ADULTS SUFFERED FROM MALARIA, MALNUTRITION, AND DYSENTERY. THERE WERE ALSO SOME CASES OF TB. THESE REFUGEES WERE BEING GIVEN CLOTHING AND FOOD IN A SHOW OBVIOUSLY SET UP FOR OUR BENEFIT, BUT WE HAVE NO REASON TO BELIEVE THIS IS NOT THE USUAL PROCEDURE. DEPUTY GOVERNOR FRANCISCO XAVIER LOPES DA CRUZ, AN INTELLIGENT AND ARTICULATE EAST TIMORESE, SAID THERE IS ADEQUATE FOOD AND MEDICINE TO MEET THEIR NEEDS. THE MILITARY COMMANDER AGREED. HOWEVER, BOTH THE DEPUTY GOVERNOR AND THE MILITARY COMMANDER SAID TRANSPORT OF SUPPLIES COULD BE A PROBLEM, ESPECIALLY IN THE RAINY SEASON. DA CRUZ EXPRESSED CONFIDENCE THAT THE PROVINCIAL AUTHORITIES, WITH GOOD HELP FROM THE GOI AND THE INDONESIAN RED CROSS,

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CAN HANDLE THE PROBLEM. HE WOULD NONETHELESS WELCOME OUTSIDE HUMANITARIAN HELP BUT STRESSED THAT THIS MUST BE CHANNLED THROUGH THE CENTRAL GOVERNMENT. HE SAID THERE ARE NOW SOME 20,000 REFUGEES IN THE TRANSITIONAL

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AREAS BUT PERMANENT RESETTLEMENT IS AT PRESENT GOING WELL.

9. FOURTHLY, INDONESIA IS LAUNCHING PROGRAMS TO DEVELOP THIS POOREST OF THE POOR PROVINCES. THE DEPUTY GOVERNOR SAID THE GOI ALLOCATED 12 BILLION RUPIAHS (\$29 MILLION) FOR DEVELOPMENT DURING 1976-78. NOT ALL OF THIS HAS BEEN USED. AN ADDITIONAL 10 BILLION RUPIAHS (\$24.2 MILLION) IS INCLUDED IN HE 1978-79 BUDGET. DA CRUZ EXPECTS EAST TIMOR TO FIGURE PROMINENTLY IN THE THIRD FIVE YEAR PLAN NOW IN THE FINAL STAGES OF PREPARATION. HE STRESSED THAT THE MAJOR PROBLEMS ARE DEVELOPMENT OF INFRASTRUCTURE AND TRAINING OF PEOPLE. NO ONE COULD DISAGREE. WHEN THE PORTUGUESE LEFT, THE PROVINCE HAD LESS THAN 1200 MILES OF ROADS, OF WHICH ONLY 15 WERE PAVED. MANY OF THESE ALREADY POOR ROADS ARE NOW IMPASSABLE. GOI DEVELOPMENTAL PROGRAMS STRESS AGRICULTURE AND REHABILITATION, FLOOD CONTROL, IRRIGATION AND EDUCATION. ASKED ABOUT EXPORTABLE CROPS, LOCAL OFFICIALS MENTION COFFEE (PRODUCTION IS REPORTEDLY DOWN FROM 5,000 TONS TO 600 OR 700) AND SANDALWOOD (NOT AVAILABLE IN LARGE ENOUGH QUANTITIES TO MAKE EXPORT WORTHWHILE.)

10. EAST TIMORE REPORTEDLY NEEDS 60,000 TONS OF RICE ANNUALLY; IT PRODUCES 20,000. IT NEEDS 40,000 TONS OF MAIZE; WE WERE TOLD THAT IT PRODUCES 15,000. INCREASED FOOD PRODUCTION MUST BE A HIGH PRIORITY OBJECTIVE. THE MALIANA IRRIGATION PROJECT, AN AMBITIOUS SCHEME WHICH OVER TWO YEARS IS ESTIMATED TO COST 6 BILLION RUPIAHS (\$14.5 MILLION), IS PROGRAMMED TO ADD AN ADDITIONAL 10,000 HECTARES OF CROP LAND PER YEAR (INCLUDING DOUBLE

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AND TRIPLE CROPPING). IT IS HOPED THIS WILL MEET THE ENTIRE RICE NEEDS OF THE PROVINCE.

11. RELATED TO THIS, I LEARNED THAT IN A MEETING YESTERDAY MORNING WITH PARTICIPANTS IN THE SRI-SPONSORED INVESTMENT SEMINAR, PRESIDENT SUHARTO SAID IN ANSWER TO A QUESTION THAT INDONESIA WILL GIVE HIGH PRIORITY TO THE ECONOMIC DEVELOPMENT OF EAST TIMOR. HE OBSERVED THAT THE GOI FULLY APPRECIATES THAT CONDITIONS IN TIMOR ARE VERY BAD AND THAT THERE IS A GREAT LACK OF CAPITAL AND OF FACILITIES TO MEET BASIC NEEDS AND EDUCATION OF THE PEOPLE. HE NOTED THAT THE PORTUGUESE EXPERIENCE HAD BEEN

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BAD AND THAT THE GOI WILL TAKE INTO ACCOUNT THE VERY POOR CONDITIONS IN TIMOR AND GIVE HIGH PRIORITY TO HELPING THE ISLAND. IN THE FIRST INSTANCE, HE SAID, THE GOI WILL CONCENTRATE ON EDUCATION AND AGRICULTURE.

12. DURING MY TRIP I RAISED WITH FOREIGN MINISTER MOCHTAR ONCE AGAIN THE DESIRABILITY OF LETTING FOREIGN VOLUNTARY AGENCIES OPERATE IN THE PROVINCE TO HELP THE PEOPLE AND SHOW IT IS OPEN AND ACCESSIBLE LIKE THE REST OF INDONESIA. WHILE NOT REJECTING THIS SUGGESTION OUT OF HAND, MOCHTAR RAISED QUESTIONS. HE SAID THE ICRC COULD NOT BE ADMITTED INTO EAST TIMOR AS THINGS NOW STAND BECAUSE IT IS INCLUDED IN THE FRETILIN UN RESOLUTION. THE ICRC HAS, AS A RESULT BECOME "POLITICIZED". I SUGGESTED INDONESIA BEAT FRETILIN TO THE PUNCH BY INITIATING CONTACT WITH THE ICRC WITH REGARD TO VISITS TO AND ASSISTANCE IN EAST TIMOR. HE WAS NOT ENTHUSIASTIC BUT AFTER FURTHER DISCUSSION SAID MAYBE THE ICRC COULD COME IN IF IT CLEARLY STATED ITS PRESENCE WAS IN NO WAY RELATED TO THE FRETILIN RESOLUTION. THIS MAY BE WORTH EXPLORING FURTHER. MOCHTAR ALSO RAISED QUESTIONS ABOUT PRIVATE RELIGIOUS GROUPS; SOME, HE SAID, ARE "RADICAL" (MUSLIMS) AND OTHERS MIGHT ADD TO RELIGIOUS FRICTIONS (PRESUMABLY CRS). HE FELT OUTSIDE AID COULD BEST BE CHANNELED THROUGH

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THE GOI OR THE INDONESIAN RED CROSS (IRC). THE SOUTH KOREAN AMBASSADOR PLEDGED A SMALL DONATION THROUGH THE IRC IMMEDIATELY ON HIS RETURN TO JAKARTA, AND THE AUSTRALIAN AMBASSADORS TELLS ME AUSTRALIA HAS ALREADY CHANNELED \$330,000 IN ASSISTANCE THROUGH THIS ORGANIZATION BUT FINDS THINGS MOVE EXTREMELY SLOWLY. THE IRC SEEMS

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TO BE DOING GOOD WORK IN THE PROVINCE BUT I HAVE THE
IMPRESSION IT COULD EASILY BOG DOWN IF ADDITIONAL LARGE
NUMBERS OF PEOPLE COME DOWN FROM THE HILLS.

13. SEVERAL OTHER GOVERNMENTS HAVE OR PROBABLY WILL
PROVIDE RELIEF ASSISTANCE THROUGH THE IRC. AS NOTED EARLIER,
SOUTH KOREA HAS ALREADY DONE SO. THE CANADIAN AMBASSADOR
TELLS ME HE HAS RECOMMENDED TO OTTAWA THAT HIS GOVERNMENT
APPROVE THE GRANT OF HUMANITARIAN AID TO THE PROVINCE,
PROBABLY THROUGH THE IRC, AND THAT IT BEGIN PLANNING TO
EXTEND SOME DEVELOPMENT PROJECTS TO EAST TIMOR. MY
AUSTRALIAN AND, TO A LESSER EXTENT, NEW ZEALAND COLLEAGUES
SAY STRONG PUBLIC PRESSURES ARE BUILDING UP TO HELP THE
REFUGEES AS A RESULT OF PRESS STORIES ABOUT THEIR PLIGHT.
TODAY THE AUSTRALIAN CABINET IS TO ANNOUNCE IN PARLIAMENT
A GRANT OF APPROXIMATELY \$A 200,000 TO THE INDONESIA RED
CROSS, WHICH UNLIKE EARLIER GRANTS, WILL BE IN KIND INSTEAD
OF CASH. IN AGREEING TO THIS DONATION, THE INDONESIANS
INDICATED A PREFERENCE FOR TRUCKS TO CARRY RELIEF SUPPLIES,
OUR AUSTRALIAN COLLEAGUE TELLS US.

14. ALL MY COLLEAGUES AGREE THAT TO THE GREATEST POSSIBLE
EXTENT THE INDONESIANS WILL WANT TO GIVE THE APPEARANCE
OF DOING THE JOB THEMSELVES. HAVING WON CONTROL OF THE
BULK OF THE POPULATION, THEY WILL NOT WANT TO IMPLY THAT
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THEY HAVE TO CALL IN FOREIGN PERSONNEL TO MEET THEIR BASIC
NEEDS. THIS WOULD NOT NECESSARILY RULE OUT VISITS BY
FOREIGNERS BUT FOR A TIME AT LEAST THE GOI WILL PROBABLY
INSIST THAT IT BE INDONESIANS WHO ARE IN DIRECT CONTACT
WITH TIMORESE AID RECIPIENTS.

15. SINCE MOCHTAR HAS, UNTIL RECENTLY AT LEAST, BEEN ON

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THE SIDELINES AS FAR AS EAST TIMOR IS CONCERNED, I MET WITH GENERAL MURDANI ON SEPTEMBER 13 TO GO OVER THE GROUND AGAIN ON PERMISSION FOR A PRIVATE VOLUNTARY ORGANIZATION TO OPERATE IN EAST TIMOR INCLUDING AT LEAST PERIODIC VISITS BY ITS PERSONNEL. HE SEES PROBLEMS WITH THE ICRC BECAUSE OF THE WIDESPREAD INDONESIAN BELIEF THAT IT EARLIER PLAYED POLITICS IN EAST TIMOR. MURDANI CONTINUES TO BELIEVE GETTING CRS INTO THE PROVINCE IS THE BEST BET. AS THE DEPARTMENT IS WELL AWARE, MURDANI HAS FOR MANY MONTHS SAID THE MAJOR OBSTACLE TO ADMITTING CRS WAS THE PRESENT GOVERNOR. THE INCUMBENT WILL, ACCORDING TO MURDANI, BE OFFICIALLY REPLACED ON SEPTEMBER 19 BY A PERSON MURDANI BELIEVES WILL BE MORE COOPERATIVE. MURDANI WILL ATTEND THE INSTALLATION CEREMONY AND PROMISED TO GIVE ME A FURTHER ASSESSMENT ON HIS RETURN. MURDANI REAFFIRMED THAT HE HAD MADE A COMMITMENT TO ME AND TO AMBASSADOR NEWSOM TO SECURE APPROVAL FOR CRS AND/OR OTHER PVO'S TO OPERATE IN EAST TIMOR. HE SAID HE WILL DO EVERYTHING POSSIBLE TO CARRY OUT THAT COMMITMENT. HE LEFT MY HOUSE ENROUTE TO SEE FOREIGN MINISTER MOCHTAR. 16. IN PLANNING THE U.S. RESPONSE TO THE EAST TIMOR SITUATION, I BELIEVE IT BEST TO SEPARATE POSSIBLE EFFORTS INTO THREE CATEGORIES, THOSE RESPONDING TO THE IMMEDIATE NEEDS CREATED BY THE LARGE INFLUX OF REFUGEES, THOSE PROVIDING FOR A SUSTAINED, INSTITUTIONALIZED RELIEF EFFORT AND THOSE AIMED AT REHABILITATION AND DEVELOPMENT.

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A. SINCE THERE IS A GENUINE NEED FOR IMMEDIATE RELIEF AND SINCE WE MAY SOON BE SEEN BY THE INDONESIANS AND OTHERS TO BE LAGGING BEHIND OTHER COUNTRIES IN PARTICIPATING IN THIS EFFORT, I BELIEVE WE MIGHT NOW CONSIDER THE POSSIBILITY OF PROVIDING THE INDONESIAN RED CROSS A DONATION FROM DISASTER RELIEF FUNDS. I WOULD NOT, HOWEVER, WISH TO APPROACH THE INDONESIANS REGARDING SUCH A DONATION UNTIL I HAVE RECEIVED A BETTER INDICATION OF WHETHER LONG TERM RELIEF ASSISTANCE CAN BE CHANNLED THROUGH AN INTERNATIONAL RELIEF ORGANIZATION SUCH AS THE CRS. WE DO NOT WISH IN ANY WAY TO INDICATE THAT THE IRC IS AN ACCEPTABLE VEHICLE FOR CONTINUING RELIEF EFFORTS. WE SHOULD ALSO NOT RULE OUT THE POSSIBILITY THAT DISASTER RELIEF FUNDS DESIGNATED SPECIFICALLY FOR THE REFUGEES MAY NOT BE ACCEPTABLE TO THE GOI. PERHAPS THERE ARE OTHER FUNDS, OF WHICH WE ARE

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UNAWARE, WHICH COULD BE USED FOR THIS PURPOSE.

B. OUR PRIMARY GOAL SHOULD REMAIN THE INTRODUCTION OF AN INTERNATIONAL RELIEF AGENCY SUCH AS CRS THROUGH WHICH WE CAN CHANNEL COMMODITIES ON A CONTINUING BASIS. IF THE RELIGIOUS NATURE OF THE CRS PROVES A HANDICAP, WE SHOULD ATTEMPT TO WORK OUT ARRANGEMENTS FOR CARE. MOCHTAR'S COMMENTS MAY ALSO OFFER US A SMALL OPENING FOR INTRODUCING THE ICRC SHOULD THERE BE SOME MEANS OF THE ICRC'S DISASSOCIATING ITSELF FROM THE FRETILIN RESOLUTION, BUT WE IMAGINE MURDANI'S VIEWS WEIGHT MORE HEAVILY THAN MOCHTAR'S ON THIS QUESTION.

C. IN THE MEANTIME, WE SHOULD ATTEMPT TO PERSUADE THE GOI TO INTRODUCE INTO TIMOR REHABILITATION AND DEVELOPMENT PROGRAMS WHICH WE ARE INDIRECTLY SUPPORTING SUCH AS RURAL WORKS (PADAT KARYA) AND SIMPLE (SEDERHANA) IRRIGATION PROJECTS. FUNDING FOR SUCH PROJECTS WOULD, OF COURSE, REQUIRE ON-SITE INSPECTION BY U.S. AID PERSONNEL EARLY IN THE COURSE OF CONSTRUCTION AND UPON
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COMPLETION. I HAVE ALREADY INFORMALLY BROACHED THIS POSSIBILITY WITH MURDANI.

17. WOULD APPRECIATE DEPARTMENT'S COMMENTS.
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