(C) Summary. In a December 13 introductory call by the
Minister Sudarsono said he had recently met with President

Sudarsono noted that in a 1997 trip to

Turning to TNI reform, Sudarsono said that although

Over the longer term, the TNI's budget must be incr

The GOI, he said, was seeking a "legally

and perhaps some representation by the United

Sudarsono conceded that the Indonesian judicial

system could not meet international standards of credibility

on human rights issues due to administrative, logistical, and

financial shortcomings. These had resulted in bad verdicts

in human rights cases in East Timor and Aceh. Moreover,

witnesses were often uncooperative due to their fear of

judges and prosecutors. Sudarsono noted that any intended

inquiry into East Timor would face vociferous opposition in

parliament (DPR). Ambassador suggested that a UN role on the

commission would be appropriate, given the promise by

Indonesia to the UN that it would maintain the security of

East Timor Accountability

End summary.

%2. (C) Minister Sudarsono noted that in a 1997 trip to

Washington, he had given a speech at Georgetown University

titled "Managing the Strained U.S.-Indonesian Bilateral Relationsh

Pascoe replied that in general, Washington perceptions of

Indonesia were straightforward: the U.S. recognizes the

importance of a stable and prosperous Indonesia to the

Southeast Asia, and the significance of Indonesia as a large

and successful Islamic democracy. However, the U.S. has two

requirements for normalized military-to-military relations:

accountability for the East Timor human rights violations in

1999, and transparency in the military budget. Ambassador

noted that it was difficult to provide assistance to an

organization whose real budget and needs are unknown.

East Timor Accountability

End summary.

%3. (C) Sudarsono said he had recently met with President

Yudhoyono and Foreign Minister Wirajuda to discuss East Timor

accountability. The GOI, he said, was seeking a "legally

sound and practically feasible" approach to the problem, and

is now considering forming a bi-national human rights

reconciliation commission with members of the East Timor

government and perhaps some representation by the United

Nations. Sudarsono conceded that the Indonesian judicial

system could not meet international standards of credibility

on human rights issues due to administrative, logistical, and

financial shortcomings. These had resulted in bad verdicts

in human rights cases in East Timor and Aceh. Moreover,

witnesses were often uncooperative due to their fear of

judges and prosecutors. Sudarsono noted that any intended

inquiry into East Timor would face vociferous opposition in

parliament (DPR). Ambassador suggested that a UN role on the

commission would be appropriate, given the promise by

Indonesia to the UN that it would maintain the security of

the 1999 referendum. He said he understood that any

commission had to be pitched to the DPR as helping Indonesia

overcome its own concerns about 1999.

TNI Transparency

%4. (C) Turning to TNI reform, Sudarsono said that although

the new military law foresaw a five-year period for bringing

all military revenues on-budget, he thought that eight years

was a more practical timeframe. He said that the GOI had

taken a comparative approach to the issue, looking at how

China, Thailand, the Philippines, India, and Pakistan had

dealt with the matter. Sudarsono said he hoped to secure

"fast-track" authority from the Ministry of Finance to

convert larger TNI-owned businesses into "semi-state-owned

enterprises" with the government as a partial shareholder.

Over the longer term, the TNI's budget must be increased to

make up for the resulting shortfalls in revenues. Ambassador
Pascoe noted that presenting a credible plan for military budget transparency and beginning its implementation would be very helpful in assuaging concerns about the TNI's budget process.

5. (C) Procurement, Sudarsono said, was another challenge. Unlike in the past, there are now many in the military with the ability to make procurement deals, creating "a room with many doors." Many up-and-coming younger officers now were eager to take advantage of these lucrative opportunities. He was working to bring this process under control.

Civilian Control Over the Military
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6. (C) Sudarsono turned to the challenge of consolidating civilian control over the military. Indonesia had a successful election, but is still in the process of transition to democracy. The civilian government would have to put its house in order before it could establish supremacy over the military. Although he had a "road map" to complete this over a three to four year period, the task might require fifteen years, he said. It was difficult, he noted, to "add substance to the notion of democratic accountability." Resistance on the part of the Army was particularly stiff, he said. Dealing with the other services, he said, was somewhat easier. Part of the problem, Sudarsono noted, was that both the Minister of Defense and the Commander of the Armed Forces sat in the Cabinet on an equal legal basis. Moreover, while the President had direct authority over deployment, the Minister's authority was confined to "coordinating control" over budgetary, strategic, and logistical matters. He said he was working with his friends in the DPR to amend the recently passed TNI law to strengthen civilian control.

Comment
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7. (C) Sudarsono candidly outlined the challenges he faces in consolidating civilian control over the military and bringing its revenues on budget. In both instances, he freely acknowledged the formidable hurdles posed by ingrained institutional culture and generational attitudes, and conceded that the time frames designated in the TNI bill might not be adequate. On East Timor accountability, we are encouraged by Sudarsono's willingness to break from the oft-heard official insistence on purely national or bilateral mechanisms and his implicit acknowledgement that the GOI must seek a new way to meet international standards of accountability. This was in contrast to the Coordinating Minister for Policy, Legal and Security Affairs later the same day (septel). End comment.

PASCOE