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B1, 1.4(B), 1.4(D)

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PAGE 01 JAKART 02776 01 OF 04 181100Z
ACTION EAP-01

INFO	LOG-00	ACDA-08	ACDE-00	AID-00	AIT-03	AMAD-01	ACQ-01
	CA-02	CIAE-00	SMEC-00	DINT-00	DODE-00	DOEE-00	SRPP-00
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	ADS-00	NSAE-00	NSCE-00	OCS-03	OIC-02	OMB-01	OPIC-01
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	SSO-00	SS-00	STR-00	T-00	USIE-00	PMB-00	DSCC-00
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O 181057Z MAY 98
 FM AMEMBASSY JAKARTA
 TO SECSTATE WASHDC IMMEDIATE 1608
 DEPTTREAS WASHDC
 INFO AMEMBASSY BEIJING
 ASEAN COLLECTIVE
 AMEMBASSY TOKYO
 AMEMBASSY CANBERRA
 AIT TAIPEI 0708
 USMISSION GENEVA
 AMEMBASSY TOKYO
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C O N F I D E N T I A L SECTION 01 OF 04 JAKARTA 002776

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PAGE 02 JAKART 02776 01 OF 04 181100Z

UNITED STATES DEPARTMENT OF STATE
 REVIEW AUTHORITY: CHARLES E LAHIGUERA
 CLASSIFICATION: CONFIDENTIAL REASON: 1.4(B), 1.4(D)
 DECLASSIFY AFTER: 16 MAY 2020
 DATE/CASE ID: 06 DEC 2006 200503180

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CINCPAC FOR FPA TEARE

STATE FOR EAP/PIMBS, EB/OMA/ AND INR/IL

E.O. 12958: DECL: 5/18/2008

TAGS: PGOV, PHUM, SOCI, SCUL, CASC, PINR, ID

SUBJECT: TFIDO1: INDONESIA SITUATION REPORT (5/17)

1. (U) CLASSIFIED BY POLCOUNS ED MCWILLIAMS, REASON: 1.5(D).
2. (C) SUMMARY: THOUSANDS OF STUDENTS GATHERED AT THE PARLIAMENT IN JAKARTA MAY 18 TO PRESS FOR A PRESIDENTIAL RESIGNATION. THE GATHERING WAS BILLED AS A PRECURSOR TO NATION-WIDE RALLIES CULMINATING WEDNESDAY WITH WHAT STUDENTS AND OTHER FORCES IN OPPOSITION TO THE PRESIDENT CLAIM WILL BE MASSIVE DEMONSTRATIONS. THE JAKARTA PROTESTS MAY 18 (AND ELSEWHERE) APPEAR TO HAVE BEEN PEACEFUL WITH THE MILITARY COOPERATING IN THE MOVEMENT OF STUDENTS TO THE PARLIAMENT BY BUS. DEBATE CONTINUES OVER SOEHARTO'S INTENTIONS VIS-A-VIS A RE-SHUFFLED CABINET AND POSSIBLE MILITARY SHAKEUP. THIS MAY ALL BE OVER TAKEN BY EVENTS AS PRESSURE MOUNTS FOR THE PRESIDENT'S RESIGNATION. A LATE REPORT (SEPTTEL) INDICATES THE PARLIAMENT IS PREPARED TO ASK FORMALLY FOR THE PRESIDENT'S RESIGNATION (SEPTTEL). THE ARMY HAS GIVEN NO PUBLIC SIGN THAT IT IS PREPARED TO WITHDRAW SUPPORT FOR THE PRESIDENT ALTHOUGH THE ARMY FACTION IN PARLIAMENT APPEARS READY TO SUPPORT THE PARLIAMENT CALL FOR HIM TO STEP DONW. IN UNJUNG PANDANG, INDONESIA'S FOURTH LARGEST CITY, EXPATRIATES ARE TRYING TO LEAVE THE CITY BEFORE THE MASS DEMONSTRATIONS SCHEDULED FOR MAY 20. IN MEDAN, AS OF LATE MAY 18, STUDENTS WERE AGAIN GATHERING FOR DEMONSTRATIONS. OVER 20,000 STUDENTS GATHERED IN
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PAGE 03 JAKART 02776 01 OF 04 181100Z
BANDA ACEH FOR A PEACEFUL DEMONSTRATION AT THE PROVINCIAL PARLIAMENT. JAKARTA WAS QUIET MAY 18 ALTHOUGH LONG LINES AT BANKS, SKYROCKETING PRICES FOR BASIC FOODS IN SOME MARKETS AND CONTINUED TENSION INDICATED THAT THE CITY IS BY NO MEANS BACK TO BUSINESS AS USUAL. FOOD AVAILABILITY SUPPLY WAS SPOTTY IN JAKARTA WITH MANY OUTLETS STILL CLOSED. BANKS REPORTED HEAVY WITHDRAWALS TODAY WITH CUSTOMERS WITHDRAWING BOTH DOLLARS AND RUPIAH. SOEHARTO CRONY AND CHILDREN'S BANKS WERE RUSHED. BUSINESSES AND GOVERNMENT OFFICES OPENED MAY 18 BUT MOST CLOSED EARLY. THE RUPIAH HOVERED BETWEEN 12,000 AND 13,000 BUT WAS TRADING IN THE

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15,000'S AT MONEY CHANGERS. END SUMMARY

THOUSANDS HOLD PEACEFUL RALLY AT DPR

3. (U) A FREE SPEECH FORUM WAS HELD AT THE UNIVERSITY OF INDONESIA (UI) SALEMBA. FOLLOWING THE FORUM, SEVERAL THOUSAND STUDENTS LEFT BY BUS FOR THE NATIONAL PARLIAMENT (DPR). ABOUT TEN BUSES (SOME WITH PROFESSORS VISIBLE IN FRONT) WERE ALLOWED TO ENTER THE COMPLEX, AND SOME STUDENTS WERE ALLOWED TO ENTER ON FOOT. AFTER THE BUSES ENTERED, THE GATE WAS SHUT AND THE STUDENTS STILL ARRIVED AT THE GATES. POLOFFS SAW STUDENTS FROM BETWEEN TEN AND TWENTY UNIVERSITIES THERE, MANY WEARING THEIR UNIVERSITY JACKETS. ALSO PRESENT WERE AMIEN RAIS, UI ALUMNI AND REPRESENTATIVES OF SEVERAL MASS STUDENT ORGANIZATIONS, AND A GROUP OF 15 RETIRED GENERALS FROM THE GENERATION OF 1945. THERE WAS A LARGE PRESS PRESENCE. SEVERAL CARS FROM THE NATIONAL SCIENCE AND TECHNOLOGY INSTITUTE (ISTN) WITH RED CROSS SIGNS AND MEDICAL SUPPLIES WERE PRESENT TO ASSIST STUDENTS.

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PAGE 04 JAKART 02776 01 OF 04 181100Z

4. (U) THE DPR COMPLEX WAS HEAVILY GUARDED BY TROOPS FROM VARIOUS DIVISIONS OF ABRI, INCLUDING KOSTRAD CAVALRY BATTALION SEVEN AND PARACHUTE BATTALION 502. THERE WERE TWO ARMORED PERSONNEL CARRIERS AT THE GATE. HEAVILY ARMED TROOPS WERE STATIONED ALONG THE FENCE NEAR THE ENTRANCE, AND OTHERS WERE STATIONED INSIDE THE FENCE AROUND THE COMPLEX. TWO MORE APC'S WERE AT THE BACK ENTRANCE TO THE DPR.

5. (U) A STUDENT FROM ATMA JAYA TOLD POLOFF TODAY WAS A TEST TO SEE THE RESPONSE OF THE SECURITY FORCES. HE SAID "WE ARE NOT AFRAID BECAUSE WE ARE RIGHT." HE THOUGHT THAT ABRI SUPPORTED THE STUDENTS, AND MENTIONED WIRANTO'S RECENT STATEMENTS WHICH, HE CLAIMED, WERE SUPPORTIVE OF STUDENTS. A LARGE BANNER PUT UP ON THE FENCE IN THE MAIN ROAD OUTSIDE THE DPR READ, "DOWN WITH SOEHARTO, DOWN WITH PRICES." MANY STUDENTS WERE CARRYING SMALL WHITE FLAGS READING "PEACEFUL REFORMATION." THERE WERE ABOUT 1000 STUDENTS INSIDE THE COMPLEX. THE STUDENT REPRESENTATIVES WERE MET BY HARRY SABARNO OF THE ABRI FRACTION, WHO RECEIVED THEIR STATEMENT DEMANDING SOEHARTO IMMEDIATELY STEP DOWN AND

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DEMANDING A SPECIAL MPR, BUT DID NOT MAKE A STATEMENT. AS OF 1400, NEGOTIATIONS WERE ONGOING TO MEET WITH OTHER REPRESENTATIVES AND STUDENTS WERE STILL ARRIVING AT THE DPR. AS OF 1530, STUDENTS WERE NEGOTIATING FOR PERMISSION TO REMAIN ON THE COMPLEX AND SET UP TENTS. IF THE ANSWER WAS NO, THEY WANTED THE MILITARY TO SECURE THEIR RETURN TO CAMPUSES.

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PAGE 01 JAKART 02776 02 OF 04 181100Z
ACTION EAP-01

INFO	LOG-00	ACDA-08	ACDE-00	AID-00	AIT-03	AMAD-01	ACQ-01
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O 181057Z MAY 98
FM AMEMBASSY JAKARTA
TO SECSTATE WASHDC IMMEDIATE 1609
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INFO AMEMBASSY BEIJING
ASEAN COLLECTIVE
AMEMBASSY TOKYO
AMEMBASSY CANBERRA
AIT TAIPEI 0709

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PAGE 02 JAKART 02776 02 OF 04 181100Z

CINCPAC FOR FPA TEARE

STATE FOR EAP/PIMBS, EB/OMA/ AND INR/IL

E.O. 12958: DECL: 5/18/2008

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EVACUATIONS

6. (U) THE EMBASSY CRISIS CENTER PHONE BANK IS RECEIVING THREE TO FIVE CALLS PER MINUTE, FROM THE AMCIT COMMUNITY IN INDONESIA.
7. (C) THE FRENCH ARE EVACUATING PART OF THEIR EMBASSY TODAY. OVER THE WEEKEND, SIX C-130'S ARE PRE-POSITIONED IN SINGAPORE FOR USE BY THE JAPANESE. ONE HERCULES PLANE IS PRE-POSITIONED IN SINGAPORE FOR USE BY THE SOUTH KOREANS.
8. (U) A FINNAIR EVACUATION FLIGHT WITH AMCITS WILL LEAVE FOR SINGAPORE TODAY. SINGAPORE AIR HAS ADDED FLIGHTS (TWO ON MAY 17) AND REPORT THEY WILL TAKE ALL OR MOST PASSENGERS. PASSENGERS MUST MAKE ALL ARRANGEMENTS AT THE AIRPORT (NOT BY PHONE).
9. (U) THE CHARTER FOR SURABAYA IS SCHEDULED TO LEAVE LATE MAY 18. REPORTS FROM BALI INDICATE THAT MANY FOREIGNERS ARE GOING TO BALI WITH THE EXPECTATION THAT THAT ISLAND WILL BE SPARED VIOLENCE.

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PAGE 03 JAKART 02776 02 OF 04 181100Z
DEBATE OVER SOEHARTO'S INTENTIONS

10. (U) AMIEN RAIS SPOKE AT A COMMISSION SESSION AT THE HOUSE OF REPRESENTATIVES ON THE MORNING OF MAY 18. ACCORDING TO A MEMBER OF PARLIAMENT FROM THE GOLKAR FACTION WHO WAS THERE, HE REPEATED HIS CALL FOR SOEHARTO TO STEP DOWN AND THAT AT MOST SOEHARTO HAD WEEKS LEFT.

11. (C) THE PARLIAMENTARIAN TOLD POLOFFS THAT MOST OF THE MEMBERS AT THE COMMITTEE MEETING AGREED WITH RAIS'S BASIC POINT, BUT BELIEVED THAT TIME WAS NECESSARY IN ORDER TO CREATE INSTITUTIONS AND RULES TO INSURE A SMOOTH TRANSITION. THE LEGISLATOR ALSO REITERATED THE REPORTS THAT SOEHARTO WAS PREPARING TO RE-ESTABLISH THE INTERNAL SECURITY AGENCY KOPKAMTIP, THOUGH PERHAPS UNDER A DIFFERENT NAME, AND CONTENTED THAT SOEHARTO WOULD NOT BE PLANNING TO STEP DOWN IF HE WAS RESHUFFLING HIS CABINET AND CREATING THIS NEW SECURITY MECHANISM. THE PARLIAMENTARIAN SPECULATED THAT SOEHARTO MIGHT BE PLANNING TO BAN RALLIES AND DEMONSTRATIONS, BUT ACKNOWLEDGED THAT THE CRUCIAL QUESTION WAS WHETHER HE COULD SUCCEED IF HE CHOSE TO GO THAT ROUTE.

12. (C) NEVERTHELESS, [REDACTED] HAS SHARED WITH US A REPORT THAT CLAIMS THAT SOEHARTO HAS ALREADY AGREED TO RESIGN AND THAT AS OF MID-DAY MAY 18, DISCUSSIONS WERE FOCUSED ON CREATING A TRANSITION MECHANISM ACCEPTABLE TO ALL. WE HAVE NOT BEEN ABLE TO FIND CONFIRMATION FOR THIS REPORT WHICH [REDACTED] BELIEVE IS PROBABLY TRUE.

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PARSING THE ABRI ATTITUDE

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PAGE 04 JAKART 02776 02 OF 04 181100Z

13. (C)

[REDACTED] SAID THAT HE MET WITH WIRANTO ON MAY 17. (NOTE: WE HAVE HAD OTHER INDICATIONS THAT NU HAS BEEN IN CONTACT WITH WIRANTO. END NOTE) HE SAID HE TOLD WIRANTO THAT STUDENTS WANT HIM TO STAND BEHIND THE PEOPLE AND TO SUPPORT THEIR DEMANDS FOR SOEHARTO TO STEP DOWN. HE SAYS THAT WIRANTO ANSWERED THAT HE WAS NOT CONFIDENT THAT IF HE SUPPORTED EFFORTS TO PUSH SOEHARTO OUT, AND IF HE HIMSELF TOOK POWER, THAT THE SITUATION WOULD IMPROVE. THIS CONTACT [REDACTED] TOLD POLOFF THAT THEY THINK THAT IN THE CHOICE BETWEEN SUPPORTING THE PEOPLE OR THE PRESIDENT, WIRANTO IS LEANING TOWARDS THE PRESIDENT BUT HIS FINAL POSITION IS NOT YET CLEAR. BOTH SAID HE WOULD BE PUT IN CHARGE OF THE NEW VERSION OF KOPKAMTIP.

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ATMOSPHERICS

14. (U) THERE ARE LONG LINES AT BANKS ALL AROUND JAKARTA, ESPECIALLY THOSE WHICH WERE HIT IN RIOTS. PRICES HAVE JUMPED CONSIDERABLY SINCE THE RIOTING WITH PRICES FOR KEY PRODUCTS FOR THE POOR ESPECIALLY MORE EXPENSIVE. COOKING OIL IS 8000 PER LITER (5/7 PRICE 5,000), EGGS 7000 PER KG (5/7 PRICE 5,200), RICE: LOW QUALITY, 2000 PER KILO (5/7 PRICE 1200), AND TEMPE 2500

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PAGE 01
ACTION EAP-01

JAKART 02776 03 OF 04 181329Z

INFO	LOG-00	ACDA-08	ACDE-00	AID-00	AIT-03	AMAD-01	ACQ-01
	CA-02	CIAE-00	SMEC-00	DINT-00	DODE-00	DOEE-00	SRPP-00
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CONFIDENTIAL

PAGE 02 JAKART 02776 03 OF 04 181329Z

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PER PIECE (5/7 PRICE 1000).

OUTSIDE JAKARTA

15. (C) UJUNGPANDANG: A CANADIAN UN EMPLOYEE IN UJUNGPANDANG TOLD US THAT EXPATS WERE TRYING TO GET OUT OF TOWN BEFORE MAY 20, WHEN A MASSIVE DEMONSTRATION WAS PLANNED. HE SAID SEIMENS HAD CHARTERED A PLANE TO GET ITS PEOPLE OUT, AND ALL INTERNATIONAL ORGANIZATIONS WERE SENDING PEOPLE OUT. ON MAY 20, ALL LOCAL UNIVERSITIES, HIGH SCHOOL STUDENTS, WORKERS UNIONS INCLUDING FISHERMEN AND STEVEDORES, AND OTHERS WOULD GATHER AT A CENTRAL PARK FOR A RALLY. MANY PEOPLE THERE FEAR THAT WHEN GROUPS HEAD INTO TOWN AFTER THE RALLY, RIOTS COULD ERUPT. THE NEW MILITARY COMMANDER ARRIVED ON MAY 15, AND IT IS NOT CLEAR IF HE WILL BE AS ACCOMMODATING TO STUDENTS AS THE PREVIOUS COMMANDER, GUMALAR (SEEN AS A WIRANTO MAN).

16. (U) MEDAN: STUDENTS IN MEDAN HELD A DEMONSTRATION OF ABOUT 500 PEOPLE AT THE UNIVERSITY OF NORTH SUMATRA. AS OF 1530, THEY WERE BEGINNING TO BURN TIRES IN THE ROAD OUTSIDE THE GATE. THE MILITARY COMMANDER HAS SAID PUBLICLY THAT HE KNOWS ABOUT PLANS FOR MAY 20 AND HE IS READY TO KEEP MEDAN SECURE. ONE NGO SOURCE

CONFIDENTIAL

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PAGE 03 JAKART 02776 03 OF 04 181329Z
IN MEDAN SAID HE SAW A LOCAL GOLKAR AFFILIATED YOUTH GROUP (IPK, MOST KNOWN AS PREMAN, HOOLIGANS AND EXTORTIONISTS) BEING TRAINED BY THE MILITARY. OUR MEDAN FSN SAID THAT LOCAL GOLKAR AFFILIATED YOUTH GROUPS INCLUDING IPK AND PEMUDA PANCASILA WERE USED DURING THE RIOTS AS SECURITY GUARDS. 52 NGO'S WERE PLANNING TO MEET ON MAY 19 TO DISCUSS STRATEGY FOR MAY 20, WHEN THEY WOULD JOIN THE STUDENTS ON A LONG MARCH TO THE MEDAN FREEDOM FIELD.

17. (U) PADANG AND BANDA ACEH: 2000 STUDENTS IN PADANG HAVE REPORTEDLY TAKEN OVER THE PARLIAMENT BUILDING, WITH NO RESISTANCE FROM ABRI. AS OF 1600 MAY 18, UP TO 20,000 STUDENTS WERE HOLDING A PEACEFUL DEMONSTRATION AT THE DPR, ACCORDING TO A SOURCE IN BANDA ACEH.

ECONOMIC INDICATORS

18. (U) FOOD AVAILABILITY: ACCORDING TO INDONESIANS LIVING IN

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VARIOUS PARTS OF JAKARTA, FOOD SUPPLIES IN STORES AND STALLS WERE ADEQUATE THROUGH THE WEEKEND. MANY STORES/STALLS WERE CLOSED, THEY SAID, ADDING THAT IT DIDN'T MATTER IF THE OWNER WERE CHINESE-INDONESIAN OR PRIBUMI -- THEY DIDN'T OPEN BECAUSE THEY WERE AFRAID. THROUGH THE WEEKEND, IT WAS DIFFICULT TO FIND COOKING OIL, VEGETABLES, AND MILK IN SCATTERED LOCATIONS; RICE WAS GENERALLY AVAILABLE ACCORDING TO THOSE WE POLLED. CONTACTS WHO HAD BOUGHT BASIC FOODSTUFFS OVER THE WEEKEND IN MARKETS IN EAST, SOUTH, WEST, AND CENTRAL JAKARTA INDICATED THAT FOOD PRICES THROUGH THE WEEKEND REMAIN AT LAST WEEK'S HIGH LEVELS, BUT THEY REPORTED NO PRICE SPIKES. POLOFFS NOTED SIGNIFICANTLY HIGHER PRICES IN SOME AIR MARKETS HE VISITED LATE ON SUNDAY, MAY 17.

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PAGE 04 JAKART 02776 03 OF 04 181329Z

19. (U) ON MONDAY, MAY 18, GROCERY STORES WERE SEVERELY CROWDED, BUT BASIC FOODSTUFFS WERE AVAILABLE. BABY FORMULA/POWDERED MILK APPEARED TO BE SCARCE.

20. (U) OUR MINI-POLL INDICATED THAT FOODSTUFFS WERE AVAILABLE IN MARKETS AND STALLS AT WHICH OUR CONTACTS HAD SHOPPED AND THAT PRICES HAD NOT RISEN ON MONDAY, MAY 18. WE WILL CONTINUE TO TRACK FOOD AVAILABILITY AND PRICES. WE DO NOT KNOW IF TODAY'S HEAVY SHOPPING WAS PANIC BUYING. IF IT WAS OR IF IT BEGINS, THE VOLUMES WILL OVERWHELM NORMAL DISTRIBUTION CHANNELS AND SHORTAGES AND PRICE GOUGING WILL SURELY EMERGE. MORE BASICALLY, WE ARE TRYING TO ASCERTAIN IF DISTRIBUTION SYSTEMS ARE FUNCTIONING NORMALLY ENOUGH TO GET BASIC COMMODITIES TO THE RETAIL LEVEL.

21. (U) ATM'S: THERE WERE LONG LINES AT ATM MACHINES. MILITARY PERSONNEL WERE OBSERVED ENSURING THAT PEOPLE STAYED IN ORDERLY LINES AND MAINTAINING ORDER WHEN THE CASH IN THE MACHINE RAN OUT.

22. (U) BANKS: BANKS REPORTED HEAVY CASH WITHDRAWALS STARTING AT OOB. CUSTOMERS WERE WITHDRAWING BOTH DOLLARS AND RUPIAH. ONE U.S. BANK REPORTED THAT BANK INDONESIA HAD PLACED A USD 100,000 DAILY LIMIT ON THE AMOUNT OF CASH DOLLARS A BANK COULD BUY FROM THE CENTRAL BANK. ANOTHER CONFIRMED THAT DOLLARS WERE IN SHORT SUPPLY. BANKS REPORTED THAT BANK INDONESIA HAD BEEN SLOW PROVIDING CASH RUPIAH. BANK DANAMON REPORTED THAT CUSTOMER

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PAGE 01 JAKART 02776 04 OF 04 181101Z
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PAGE 02 JAKART 02776 04 OF 04 181101Z

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BUSINESS WAS FAIRLY NORMAL. A DANAMON BANK EMPLOYEE TOLD US THAT THE BANK HAD CLOSED AT 2:00 "IN ANTICIPATION" (OF TROUBLE IN THE CITY). BANK CENTRAL ASIA, OWNED BY LIEM SIOE LIONG (SUDONO SALIM) AND TWO OF SOEHARTO'S CHILDREN, WAS RUSHED TODAY, ACCORDING TO SEVERAL SOURCES.

23. (U) FUEL SUPPLIES: STATE-OWNED OIL COMPANY PERTAMINA TOLD US TODAY THAT FUEL SUPPLIES IN REFINERIES AND IN PERTAMINA DEPOTS AROUND THE COUNTRY WERE ADEQUATE FOR A MONTH. PREMIUM GASOLINE AND KEROSENE SUPPLIES ARE SUFFICIENT FOR 35 DAYS, PERTAMINA SAID. PERTAMINA CONFIRMED NEWSPAPER REPORTS THAT IT PLANS TO IMPORT MORE PRODUCT, INCLUDING HIGH OCTANE MOTOR GASOLINE COMPONENT (THIS PRODUCT'S IMPORT REQUIRED BECAUSE OF CONTINUING PROBLEMS WITH THE BALONGAN REFINERY).

24. (U) BUSINESS: MANY BUSINESSES REOPENED ON MONDAY. HOWEVER, BY EARLY AFTERNOON, WE HAD RECEIVED SEVERAL REPORTS THAT EMPLOYEES HAD BEEN SENT HOME. GOVERNMENT EMPLOYEES WERE LEAVING THEIR OFFICES EARLY AS WELL AS INDIVIDUALS' SECURITY CONCERNS MOUNTED. MANY FIRMS ARE CONSIDERING CLOSING ON WEDNESDAY, MAY 20.

CONFIDENTIAL

UNCLASSIFIED

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PAGE 03 JAKART 02776 04 OF 04 181101Z

25. (U) EXCHANGE RATE: BANKERS COMMENTED THAT THE RUPIAH DROPPED AT OOB TO THE 12,00-13,000 RANGE AND STAYED THERE MOST OF THE DAY IN VERY LIGHT TRADING. REUTERS AND TELETRAC REPORT THAT THE RUPIAH WAS TRADING AT ABOUT 12,500 AT COB. THE MARKET WAS VERY THIN AND DID NOT REFLECT THE COST ON THE STREET. DOLLARS FROM AUTHORIZED MONEY CHANGERS STARTED IN THE MID-15,000'S.

26. (U) STOCK MARKET: THE JSX CLOSED DOWN 4.2 PERCENT (17 POINTS) TO 388.9, ITS FIRST TIME BELOW 400 IN MONTHS.
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