

NYK2/WASH DEC 5 1967

[Dec. 5, 1967]

TO: SID JAMES, WASHINGTON
FM: ALAN MARTIN

DRAFT VICE PRESIDENT'S SPEECH BUSINESS COUNCIL

WHEN SPEAKING OF, OR HEARING ABOUT, THIS NATION'S GLOBAL AFFAIRS AND RESPONSIBILITIES, I WONDER IF WE HAVE NOT GROWN SO ACCUSTOMED TO TERMS AND PHRASES LIKE "URGENT COMMITMENT", "CRITICAL NECESSITY", "VITAL INTERESTS"; WORDS LIKE "CRISIS" AND "CONTAINMENT" AND "INVOLVEMENT" -- THAT THEY HAVE NOT LOST SOME OF THEIR ORIGINAL POWER TO EXCITE OUR CONCERN.

SO MUCH IN THE WORLD TODAY SEEMS TO BE VITAL OR CRITICAL OR URGENT.

OVEREXPOSED TO ANXIETY, WE ARE PERHAPS BUILDING A DANGEROUS IMMUNITY TO FAR-OFF NEWS THAT COULD BECOME FAR-REACHING. I MENTION THIS BECAUSE I WANT TO ADDRESS MYSELF TO THE UNITED STATES' CRUCIAL INVOLVEMENT IN SOUTHEAST ASIA -- AS I HAVE MANY TIMES BEFORE. BUT I WANT THE WORDS AND THOUGHTS TO REACH YOU AS FORCEFULLY AS THEY ARE INTENDED. YOU WILL HEAR BOTH THE WORDS "CRITICAL" AND "URGENT". THEY ARE SPOKEN IN DEAD EARNEST. AND IF SOME OF WHAT I HAVE TO SAY SOUNDS REPETITIVE, IT IS BECAUSE IT CANNOT BE SAID ENOUGH, NOR HEARD TOO OFTEN.

THE WORLD'S FUTURE WELL-BEING, AND OUR CONTINUED PATH OF PROGRESS IN IT, DEPENDS MORE AND MORE ON INVOLVEMENTS AND OUTCOMES IN THAT ONE PORTION OF OUR GLOBE WE CALL SOUTHEAST ASIA. NOWHERE ARE THE STAKES HIGHER. NO OTHER AREA HOLDS FOR US SUCH PROMISE -- AND SUCH PERILS. NO OTHER AREA SO PAINFULLY OCCUPIES OUR ATTENTION AT THIS MOMENT. IT IS NOT OF VIETNAM THAT I WISH TO SPEAK, ALTHOUGH OUR PHYSICAL AND MORAL COMMITMENTS THERE -- AND SACRIFICES -- ARE CLEAR EVIDENCE OF THE DEPTH OF OUR CONVICTION THAT SOUTHEAST ASIA IS VITAL. IT IS ANOTHER NATION WITHIN THAT HEMISPHERE WHOSE STRATEGIC IMPORTANCE TO US CANNOT BE OVEREMPHASIZED, AND WHOSE OPPORTUNITY FOR RECOVERY CANNOT BE OVERLOOKED -- THE ISLAND NATION OF INDONESIA.

HERE IS A NATION WHOSE SIZE ALONE WOULD GIVE IT SIGNIFICANCE. IF AN OUTLINE OF THE U.S. WAS PLACED OVER THE AREA IN WHICH INDONESIA LIES, IT WOULD FILL THE VAST SPACE BETWEEN VIETNAM AND AUSTRALIA -- AND YET WOULD BARELY ~~COVER~~ THE 3,000-MILE STRETCH OF LARGE AND SMALL ISLANDS THAT MAKE UP THIS IMPORTANT COUNTRY.

ITS POPULATION IS 110 MILLION -- MAKING IT THE FIFTH MOST POPULOUS NATION IN THE WORLD, AND REPRESENTING HALF THE TOTAL POPULATION OF SOUTHEAST ASIA ITSELF.

ITS NATURAL WEALTH IS UNCOUNTED -- IT IS RICH IN OIL, MINERALS, AND FORESTS. WHAT RICHES LIE IN AND UNDER THE SEA IS UQUALLY UNKNOWN.

THIS IS THE ASIAN NATION THAT TWO YEARS AGO, OF ITS OWN STRENGTH AND WILL, NOT ONLY CHANGED ITS GOVERNMENT, BUT ITS POLITICAL DIRECTION -- RADICALLY AND UNEXPECTEDLY. THE GREAT CRESCENT OF ISLANDS THAT WAS ONCE VIRTUALLY A PAKING SATELLITE HAS BECOME A VIGOROUS FOE OF RED CHINA.

I DON'T DOUBT THAT OUR FIRM POSITION IN VIETNAM ENCOURAGED THIS CHANGE, AND CONTINUES TO GIVE HEART TO THE NEW POLITICAL ORDER IN INDONESIA. IF THE FULCRUM OF WORLD SECURITY HAS IN FACT BECOME SOUTHEAST ASIA, AS I BELIEVE IT HAS, THEN THE FULCRUM OF STABILITY IN SOUTHEAST ASIA MUST SURELY BE INDONESIA. BUT INDONESIA NEEDS MORE THAN ASSURANCE OF OUR PRESENCE IN VIETNAM...MORE THAN THE FINANCIAL AID WE HAVE BEEN ABLE TO GIVE THEM...MORE THAN THE ASSISTANCE WE HAVE BEEN ABLE TO PROVIDE IN RE-SCHEDULING THEIR LOANS.

I DON'T NEED TO DWELL ON THE FORMIDABLE FINANCIAL PROBLEMS AND THE SHATTERED ECONOMY FROM WHICH INDONESIA IS TRYING TO RECOVER. I'M SURE YOU ARE FAMILIAR WITH THEIR NIGHTMARE STRUGGLE AGAINST INFLATION, AND THEIR ATTEMPTS TO DEAL WITH THEIR EXTERNAL DEBT. WHILE POLITICALLY STABLE, SUHARTO'S GOVERNMENT IS WELL AWARE THAT STABILITY CAN ONLY BE ASSURED BY A HEALTHY ECONOMY. AND FURTHER, THAT A HEALTHY ECONOMY CANNOT BEGIN TO BE REALIZED WITHOUT THE HELP OF FOREIGN INVESTMENT.

THE CRISIS IS REAL, AND THE NEED IS URGENT. THE

OUTCOME IS ALSO OF VITAL CONCERN TO THE UNITED STATES GOVERNMENT.

I AM TOLD THAT THE CHINESE WORD FOR "CRISIS", WHEN WRITTEN, IS MADE BY COMBINING THE TWO CHARACTERS THAT REPRESENT THE WORDS "DANGER" AND "OPPORTUNITY". IT'S AN INTERESTING CONCEPT OF THE WORD CRISIS, AND IT DOES RELATE TO INDONESIA'S PRESENT POSITION. THE DANGER IS THAT THE PRESENT GOVERNMENT -- AN ABLE ONE -- WILL NOT SURVIVE, AND THE COMMUNISTS WILL REGAIN CONTROL. THE OPPORTUNITY IS TO SHARE IN THE RICH DEVELOPMENT OF THE COUNTRY, INCREASING ITS STABILITY, AND THEREBY STRENGTHENING THE WHOLE OF SOUTHEAST ASIA.

JUST ABOUT A MONTH AGO, AT THE INVITATION OF TIME INC.'S PRESIDENT JAMES LINEN, TOP INDONESIAN OFFICIALS MET IN GENEVA WITH 86 PROMINENT INTERNATIONAL BUSINESSMEN TO DISCUSS SUCH AN OPPORTUNITY FOR PRIVATE ENTERPRISE IN INDONESIA. THE TWO DAY CONFERENCE CONFIRMED BOTH THE EAGERNESS OF THE INDONESIAN GOVERNMENT TO ENCOURAGE PRIVATE INDUSTRY, AND THE OPPORTUNITIES THAT DID EXIST THERE FOR EVERY FORM OF BUSINESS FROM AGRICULTURE TO BANKING.

WHAT MADE THIS A MEANINGFUL DIALOG WAS THE CANDOR AND SINCERITY OF THE INDONESIAN ECONOMISTS AND OFFICIALS, WHO WERE FRANK TO ADMIT THE STATE OF THEIR COUNTRY'S ROADS, RAILWAYS, HARBORS AND PLANT FACILITIES, AND OFTEN THEIR OWN LACK OF KNOWLEDGE OF SPECIFIC REQUIREMENTS OF AN INDUSTRY. THE BUSINESSMEN WERE EQUALLY FRANK, AS YOU CAN IMAGINE, IN STRESSING THE NEED IN MANY AREAS FOR GREATER CONCESSIONS THAN THE INDONESIANS HAD PROPOSED.

THE POINT OF ALL OF THIS IS THAT A BEGINNING HAS BEEN MADE BETWEEN PRIVATE ENTERPRISE AND A DEVELOPING COUNTRY TO WORK TOGETHER FOR THEIR MUTUAL INTEREST AND PROFIT -- WITH FAR-REACHING EFFECTS.

AND THIS IS A THEME THAT I WOULD LIKE TO PURSUE.

WE, AS YOUR GOVERNMENT, HAVE COMMITMENTS AND RESPONSIBILITIES ON A LARGE SCALE -- TO CONTAIN AGGRESSION, TO BUILD A REGION OF SECURITY, ORDER, AND PROGRESS; TO SEEK PEACE, TO

PRESERVE MANKIND FROM NUCLEAR WARFARE. WE DO THESE VARIOUS THINGS WITH STATESMEN OR SOLDIERS, WITH DIPLOMATS AND CIVIL SERVANTS, WITH DOLLARS IN THE FORM OF AID.

IN SOUTHEAST ASIA WE EMPLOY ALL OF THESE. INDONESIA, THE LARGEST COUNTRY WITHIN SOUTHEAST ASIA, AND POSSIBLY ~~ITS MOST~~ IMPORTANT, NEEDS NONE (UNDERLINED) OF THESE MORE URGENTLY THAN IT NEEDS THE CAPITOL AND KNOW-HOW OF PRIVATE ENTERPRISE. AND THEY WILL MAKE MANY CONCESSIONS, REMOVE MANY OBSTACLES, TO GET IT. IT'S A MATTER OF SURVIVAL.

I THINK THE CHALLENGE LIES RIGHT HERE, TO BEGIN A NEW ERA AND A NEW PHILOSOPHY OF THE AMERICAN PRESENCE ABROAD. AN OPPORTUNITY TO SOUND THE SAME ANTHEM -- BUT WITH A NEW INSTRUMENT. THE AMERICAN BUSINESSMAN. HE HAS AN INSTINCT FOR ORDER, A GENIUS FOR MAKING THINGS MOVE. WE WHO BELIEVE SO STRONGLY IN FREE ENTERPRISE SHOULD PUT IT TO WORK WHERE IT WILL NOT ONLY DO WELL -- BU DO GOOD.

THE CRISIS IN INDONESIA OFFERS AN ENORMOUS CHALLENGE, AND PRECIOUS LITTLE ^{time} IT OFFERS RISKS. IT OFFERS OBSTACLES.

BUT I THINK I MAY SAFELY SAY THAT IN YOUR LIFETIME YOU HAVE NEVER HAD, AND NEVER AGAIN WILL HAVE, AN OPPORTUNITY TO CONTRIBUTE SO MUCH -- TO GAIN SO MUCH -- TO SO PROFOUNDLY AFFECT THE COURSE OF A NATION, AND QUITE POSSIBLY, THE COURSE OF HISTORY.

PRIVATE INDUSTRY HAS A TRADITION OF TAKING RISKS, OF REMOVING OBSTACLES. DON'T EXERCISE CAUTION AT THE EXPENSE OF VISION. FOR ALL OF ITS PROBLEMS, INDONESIA ITS POTENTIALLY ONE OF THE RICHEST COUNTRIES IN ASIA. FEW, RICH OR NOT, HAVE SO URGENTLY SOUGHT FOREIGN INVESTORS, AND FEW HAVE SO SINCERELY OFFERED TO MAKE MEANINGFUL CONCESSIONS.

SOME OF YOU, I AM SURE, HAVE HAD FIRST HAND KNOWLEDGE OF THE PLIGHT OF INDONESIA, AND KNOW THE KIND OF DECISION THAT WOULD OCCASION ANY MAJOR INVESTMENT THERE. NECESSARILY IT WOULD BE A SELFISH ONE -- BUT ONE THAT IS IN THE NATIONAL INTEREST AS WELL. ~~It~~ ^{It} WOULD BE A BOLD ONE -- MADE BY ONE MAN AT THE TOP, AND OUT OF SOME INBORN INSTINCT OF THE PIONEER.

IN THE BUSINESS WORLD TODAY THERE ARE FEW TRUE BUSINESS FRONTIERS OTHER THAN TECHNOLOGICAL ONES. BUT IF THE

ENTREPRENEURIAL SPIRIT SO PREVELANT IN OUR COUNTRY
DURING ITS(UNDERLINED) GREAT EMERGENCE STILL EXISTS, IT
PROBABLY WOULD BE FOUND AMONG THE HUNDRED MEN IN THIS ROOM.

PERHAPS NOTHING I CAN SAY HERE TODAY WILL CONVINCE YOU
~~TO ENTER~~ INTO A MAJOR INVESTMENT IN INDONESIA. BUT I HOPE
THAT SOME OF MY CONVICTION OF ITS IMPORTANCE WILL MOVE
YOU TO EXPLORE EVERY AVENUE AND POSSIBLE REASON FOR SUCH
INVESTMENT.

I CANNOT AT THIS TIME PLEDGE ANY NEW U.S. GOVERNMENT
INCENTIVES FOR INDONESIAN INVESTMENT. WHAT I DO PLEDGE IS
MY INFLUENCE AND MY UNCEASING EFFORT TO PROMOTE WITHIN OUR
GOVERNMENT AN ATTITUDE OF FAVOR TOWARD THOSE AMERICAN
INDUSTRIES WHO SHARE IN INDONESIA'S DEVELOPMENT.

AS I SAID BEFORE, THE STAKES IN SOUTHEAST ASIA ARE
HIGH. A STABLE AND PROSPEROUS INDONESIA IS ASSURANCE OF A
STABLE SOUTHEAST ASIA. I ASK YOUR HELP AS CITIZENS AND
BUSINESSMEN TO BRING THIS REWARDING DAY ABOUT.

FOR THE SECURITY AND WELL BEING OF ALL NATIONS, WE
CANNOT HOPE FOR MORE, NOR DREAM OF LESS.

EP/10:53A

CCN PAGE 3 FIFTH LINE FROM END PAGE:
AS WELL. IT WOULD BE A BOLD ONE ETC..
R NYK 2/10:55A/MM





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