

barrier, so it is sensible to go easy on him. At a time when 300 trade protectionist bills are queuing up in congress. Mr Reagan is going to find it hard to defend his friend. America's trade deficit with Japan is running at \$40 billion a year. In America Japan is being accused of being unfair, immoral and racist. Japan's foreign ministry has begun to worry aloud that the punitive nature of some of the bills and language could cause an anti-American backlash in Japan.

The Japan-America alliance will of course survive all this. Nevertheless, there could be a reaction against America even inside the Liberal Democratic party. The strongest pro-Americans in the party are the oldest hands. They supported Mr Nakasone's prime ministership partly because they felt he was likely to repair the relationship with America. If that again breaks down, the reason for such support will disappear. The younger generation is more lukewarm. Of the candidates to succeed Mr Nakasone, only Mr Shintaro Abe is clearly pro-American. Both Mr Noboru Takeshita and Mr Kiichi Miyazawa are less enthusiastic.

Indonesia

The 20-year itch

FROM OUR SOUTH-EAST ASIA CORRESPONDENT

President Suharto of Indonesia has been a self-effacing ruler since he came to power 20 years ago, avoiding the bravura of his predecessor, Sukarno, who brought civil war and economic ruin to the country. He is now becoming less shy. His current trip to Turkey, Rumania and Hungary, and next month's visit to Italy, are of the unremarkable, hand-shaking variety. But they express his desire to be regarded as a leader of the non-aligned third world.

In Rome, he is due to address the United Nations Food and Agriculture Organisation on how his country has become more than self-sufficient in rice after being, in 1980, the world's biggest rice importer. The trip to eastern Europe, his first to countries of the Soviet block, appears to be a neutralistic tilt away from the United States. Since the downfall of Sukarno in a communist-inspired insurrection in 1965, Indonesia has regarded Russia with suspicion and has frozen relations with China.

In April last year, the Indonesian foreign minister, Mr Mochtar, made the first visit to Russia by a high-ranking Indonesian official for 10 years, and since then there has been a succession of official visitors from eastern Europe to Indonesia. Mr Suharto refuses to have diplomatic ties with China until China ends its support for the Indonesian Communist party, but he has

reopened the official trade links which were cut 20 years ago. Indonesia has been appointed by fellow-members of the Association of South East Asian Nations (Asean) as the group's intermediary with Vietnam to try to get Vietnam to leave Kampuchea. It was partly thanks to diplomatic pressure from Indonesia that Vietnam became more co-operative in returning the remains of American servicemen missing since the Vietnam war.

President Suharto might have played a more active international role earlier but for widespread criticism of Indonesia's annexation of the former Portuguese territory of East Timor in 1975. This now seems to be a dead issue in the United Nations and last month Australia announced that it recognised Indonesian sovereignty over the territory. Yet, earlier this month, Indonesia lost the chance of leading the non-aligned movement for the next few years (it will go to Zimbabwe's Mr Mugabe), in part because of a row over East Timor at a meeting of the movement's members in Angola, another former Portuguese colony.

At home Mr Suharto has managed to keep his 13,000-island state unified. He is sometimes receptive to new ideas: a satellite beams television pictures throughout the archipelago. He has kept Indonesia's oil-exporting economy on an even keel despite falling oil prices. But there is not much prospect of a civilian government coming to power in the world's fifth most populous nation. The 350,000-strong armed services are the backbone of the administration. It has been drummed into the soldiers by Mr Suharto, a former general, that the army should "for ever" perform a dual role as a socio-political agent of development as well as the conventional military force.

The next president is likely to be drawn from the armed forces. But, at 64, Mr



Suharto makes friends slowly

Suharto shows no sign of wanting to step down at, or before, the next presidential election, due in 1988. His style of leadership has become more regal as his authority has grown, and Javanese kings have never been known to retire.

Peru

Take that, and that

FROM A CORRESPONDENT IN LIMA

Peru's 36-year-old President Alan Garcia inherited a depressed economy, flourishing corruption and drug trafficking, a guerrilla war and a population that had given up expecting any better. In contrast to his weak predecessor, Mr Fernando Belaunde, Mr Garcia has, since becoming president seven weeks ago, taken some decisions to try to sort out this mess. On September 16th he sacked the country's top general after seven civilians had been killed by soldiers. Next day he sacked two generals said to have been involved in another massacre. Earlier he had got eight other generals and 118 colonels to retire. He has also carried out a purge of the police force.

The new president's commitment to spend no more than 10% of export earnings—about \$320m a year—on servicing the country's \$14-billion foreign debt sounds radical: but the country was in fact paying less under Mr Belaunde. Although the new man raised some eyebrows by refusing to go to the International Monetary Fund, creditors are encouraged by his austerity measures and are ready to start negotiating.

Mr Garcia has halved to 13 the number of Mirage fighters to be bought from France. He has imposed a price freeze, and cut the price of some foods and medicines and of cement—essential to the migrant squatters trying to build homes in the slums surrounding Lima, the capital. Local businessmen are pleased that something is at last being done to slow inflation, which has been running at more than 200%.

It will be more difficult to revive the economy. Unemployment is high. Many companies, to stay afloat, market their products through the army of illegal traders on the streets of Lima, thus avoiding taxes. Mr Garcia is looking elsewhere for tax revenue. He has rescinded the contracts of three foreign oil companies and ordered that they be renegotiated within 90 days.

Corruption is widespread in Peru, as a result of the booming cocaine trade. But Mr Garcia is trying to tackle this too. The police purge was one step to remove protection from the drug bosses. And, last month, American narcotics agents



The journalists got a less gracious welcome

that the family of President Suharto has amassed a fortune of as much as \$3 billion through corrupt business dealings. The president's wife, Tien, the paper said, is known as Mrs Tien Per Cent. Indonesia promptly banned all Australian journalists from the country, whomever they work for and whatever their job. The two Aussies in the Reagan entourage work for an Australian radio station, but they are based in Washington. The Indonesians also took a side-swipe at any newspapers which referred to the story, which seems to be why the *New York Times* reporter was ousted.

Mr Reagan's aides were dismayed by the Indonesian dismissal of their pleas for the Australian journalists, who were travelling under American protection. But the Indonesian government has never made any secret of its dislike for foreign journalists, who annoyingly turn over stones to discover uncomfortable facts. It is difficult for a journalist to get a visa to write about Indonesia. If one is issued, it is usually for a short duration. After 20 years of power, Mr Suharto is even less receptive to criticism than he used to be.

The Asian "winds of freedom" that Mr Reagan has referred to seem to have bypassed Indonesia. Its soldier-politicians seized the Portuguese colony of East Timor despite United Nations objections. Its Melanesian neighbour, Papua New Guinea, is upset by the rough handling of Melanesians in Irian Jaya, which Indonesia is resettling with families from overcrowded Java.

Australia, with a population of only 15m, has long cocked a wary eye on the giant (population at least 160m) on its doorstep. Over the past few years it has adopted a propitiatory attitude towards

Indonesia. Last year it recognised Indonesia's sovereignty over East Timor. It discourages New Guinea, which it formerly administered, from supporting the guerrillas who seek independence for Irian Jaya. This week's events are unlikely to change Australia's policy. The normally outspoken Australian prime minister, Mr Bob Hawke, merely called the ban on the journalists "capricious".

Indonesia

The Tien Per Cent solution

Not all Indonesians are as appealing as the dancing girls who greeted President Reagan when he arrived in Bali on April 29th. Far-from-lovely security men detained, and then expelled, two Australian journalists who had accompanied Mr Reagan from the United States. On the same day a *New York Times* reporter already in Indonesia was also expelled.

The Indonesians are smarting over an allegation last month in an Australian newspaper, the *Sydney Morning Herald*,