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Holdridge Heads for Indonesia, Leaves Behind Bureaucratic Wrangle AN AP NEWS ANALYSIS, By Barry Schweid WASHINGTON

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Following one of the Reagan administration's most confusing and bruising

bureaucratic battles, John Holdridge has been named ambassador to Indonesia.

The post is an important diplomatic assignment, since Indonesia is the fifth most populous nation in the world and a major oil producer.

But some U.S. officials lament that the lengthy wrangling that led to Holdridge's appointment also has had the effect of putting on hold the career of one of the State Department's leading Asian experts, Morton I. Abramowitz.

And assuming Holdridge's nomination clears the Senate, the 58-year-old career diplomat leaves behind a big job to be filled in the State Department and the likelihood of a new debate over U.S. policy in the Far East, particularly China and Taiwan.

Whoever is named to replace Holdridge as assistant secretary of state for East Asian and Pacific Affairs probably will be sucked into the stormy debate, in which Taiwan's supporters in Congress are expected to turn the nomination hearing into a forum for attacking U.S. ties to Peking.

With Abramowitz out of the running, the administration settled on a Washington businessman, Kent Crane, for Indonesia. According to some reports, Crane was a former Central Intelligence Agency undercover agent with close ties to President Subarto.

But some State Department professionals were unhappy with the selection, and the White House dropped Crane amid growing controversy over his selection in favor of Holdridge.

Ray Cline, a former deputy director of the CIA who opposed Abramowitz, said he hopes whoever is chosen will not overemphasize the importance of ties to China.

"The idea that they are the 17th member of NATO is a crock," he said in an interview. "They're not playing our game, they are playing their own."

Cline considers Japan and the other capitalist countries in Asia vital. "We do more trading with them than with all of Europe," he said.

Several candidates for Holdridge's job at the State Department have surfaced.

They include Gaston Sigur of the National Security Council and former Asia scholar at George Washington University; Richard Armitage, deputy secretary of defense for international security affairs; and Eugene Douglas, the ambassador-at-large for refugee affairs.

Proving how topsy-turvy the bureaucracy can be, there are even reports the job will go to Abrahowitz.