

Indonesia issues an "independence" ultimatum on East Timor

Mike Head
3 February 1999

Under economic and political pressure from the Western powers to reach a settlement with the East Timorese leadership, the Habibie regime in Indonesia last week announced an abrupt shift in policy on its 23-year occupation of the former Portuguese colony. Following a cabinet meeting on political and security issues, two key ministers long associated with the annexation of East Timor held a media conference at the Presidential Palace in Jakarta to announce that Indonesia might suddenly pull out of the territory.

Information Minister General Yosfiah Yunus and Foreign Minister Ali Alatas declared that Indonesia would offer the eastern half of Timor a "regional autonomy plus" package, in return for international recognition of Indonesian sovereignty over the enclave. If that were rejected, Indonesia would quickly withdraw.

Neither minister gave any details of the autonomy package, or who would decide on its acceptance. Alatas simply emphasised that if the package failed, the government would propose to the People's Consultative Assembly (MPR)--due to be elected in June--that East Timor "be released from Indonesia". He firmly ruled out the position of the East Timorese leadership--a decade or so of limited autonomy followed by a referendum with three options: independence, continued Indonesian rule, or reversion to Portugal.

"After 22 years, they still don't understand that Indonesia went in there not to get something but to give," Alatas said. "We only went there to help, but if they still can't understand that, let's not muck around for another five or ten years. We'll pull out now." Alatas was later quoted as saying: "Why should we give them all the freedom they want under autonomy at our expense for five or ten years, after which they will turn around and say 'Goodbye'?"

Jakarta simultaneously announced that captured former resistance leader Xanana Gusmao--jailed for 20 years in 1992--will be moved into a form of house arrest. Gusmao is the president of the East Timorese government-in-exile, the National Council of Timorese Resistance (CNRT).

In the East Timorese capital of Dili, people reportedly celebrated and embraced in the streets when the televised announcements came through. Also welcoming Jakarta's shift, although with some trepidation, were the dual winners of the 1996 Nobel Peace Prize--Bishop Belo of the Roman Catholic church and José Ramos Horta, the CNRT's vice-president.

Under the guise of offering secession, the Indonesian regime is attempting to cling on to the province by raising the prospect of a swift and destabilising withdrawal of Indonesian personnel and funding. In effect, it is calling the bluff of the Western powers and the East Timorese leaders who have opposed Indonesian rule. Alatas' message contained a thinly-veiled threat: if pushed to end its

occupation, Jakarta will rapidly abandon the territory and leave it in the hands of armed pro-Indonesian gangs.

This threat is backed up by the equipping of an estimated 7,000 Indonesian supporters with automatic weapons, forming a paramilitary force called Ratih. The Indonesian armed forces chiefs, led by Defence Minister General Wiranto, have also sanctioned stepped-up activity by military death squads. Since November military and paramilitary forces have murdered more than 100 people.

Just in the past two weeks, some 4,000 victims of this renewed terror campaign have fled to Dili from smaller towns and villages such as Alas, Turiscai, Maliana, Liquica and Maubara. This week, 6,000 people were sheltering near a church in the southern town of Suai. Two days after Alatas' statement, Indonesian-armed thugs fired rifles in the air to disperse an independence demonstration in Dili.

The military used similar methods in 1974-75 to justify and carry through its initial invasion. The Suharto junta armed elements who opposed plans by Fretilin, a secessionist movement, to declare independence as the Portuguese authorities rapidly withdrew following the fall of the Caetano dictatorship in Lisbon in April 1974. These pro-Indonesian forces, augmented by Indonesian troops in disguise, fomented fighting that gave Jakarta the pretext of intervening to halt a so-called civil war.

Washington and Canberra gave the green light to the December 1975 invasion, in order to prevent a potentially volatile situation arising in the wake of Portugal's sudden departure. Both regarded the Suharto regime as a bastion of stability in the region. However, the attitude of the US has since changed markedly. From orchestrating Suharto's 1965 military coup, Washington came to regard his regime's nepotism and cronyism as a barrier to global exploitation of the Indonesian archipelago's resources and cheap labour.

Reflecting this shift, 22 months ago the United Nations, which has continued all along to recognise Portugal as the legitimate ruler of East Timor, appointed an envoy, Jamsheed Marker, to hammer out an agreement between Indonesia and Portugal. Marker has set a deadline of this weekend, to finalise plans for "wide-ranging autonomy" leading ultimately to some form of vote by the East Timorese people.

Portugal, backed by the European Union, has in recent years renewed its claims over East Timor. In particular, it went to the International Court of Justice to challenge the legality of the Timor Gap oil treaty signed in 1989 between Indonesia and Australia, carving up the oil and natural gas fields that lie beneath the sea between Timor and north-western Australia.

In order to draw the CNRT leaders into the UN plans, Marker has held numerous meetings with Gusmao in Jakarta's Cipinang prison. Many others have done so as well, most notably, Stanley Roth, the US

Assistant Secretary of State for East Asia and Pacific Affairs. Roth has visited the jailed leader five times in the past year. Gusmao has also met at least three US Congressmen, as well as South African President Nelson Mandela. He has conferred several times with the Australian Ambassador in Jakarta and held talks with a senior executive of BHP, the Australian company that heads an oil and gas-drilling consortium in the Timor Sea.

Responding to the European and American machinations, the Howard government in Australia last month unveiled a shift in its stance. Foreign Minister Alexander Downer revealed that Prime Minister Howard had written to Habibie urging his government to grant autonomy to East Timor, to be followed, perhaps 15 years later, by an undefined "act of self-determination". Over the past 23 years, Australia has been the only Western power to legally recognise Indonesian sovereignty over East Timor. That recognition was a prerequisite for signing the Timor Gap Treaty. Canberra's move away from that policy has left the Indonesian regime isolated.

Alatas bitterly referred to this Australian about-face in last week's announcement. Indonesia's Finance Minister Ginandjar Kartasasmita expressed similar sentiments when he told the World Economic Forum in Davos, Switzerland last weekend that East Timor was "very, very expensive not only in terms of money and materials" but also politically because it meant Indonesia had been "harassed and patronised morally" in the international community.

Jakarta's reaction is rooted in several factors. In the short-term, East Timor is a financial burden. Apart from the cost of maintaining several thousand troops in the territory, the province depends on Indonesia for some 60 percent of the money currently spent on education, health and other essential public services. Another 30 percent comes from Western aid donors. After 400 years of Portuguese rule, followed by 23 years of Indonesian military occupation, East Timor is one of the poorest regions of Southeast Asia, with income levels one-third lower than the average across Indonesia.

In the medium to long-term, however, the Timor Sea, a relatively shallow 20,000-square-kilometre area between the island and Australia, holds out the prospect of an oil and natural gas bonanza. At present it hosts the \$A136 million Elang-Kakatua oilfield development. Owned by a consortium that includes BHP, Santos, Petroz and Indonesia's Inpex, it generates \$12.5 million annually in royalty payments to the Indonesian and Australian governments.

The Elang-Kakatua field may only last four years but a much larger \$2.4 billion Bayu-Undan gas-concentrate development has been approved to come on stream by 2002. If that happens, the annual royalty payments will rise to about \$300 million. In addition, the nearby Sunrise-Troubadour fields are yet to be developed. These reserves lie in the Timor Gap Treaty's Zone of Co-operation Area (Area A). Another two zones under that treaty have not been extensively explored--Area B, controlled exclusively by Canberra, and Area C, run by Jakarta.

Last year, the known oil and gas reserves in the treaty zone were estimated to be worth \$19 billion, although that figure may have since been affected by the fall in world oil prices.

There are wider implications for Indonesian ruling circles. If East Timor secedes, it may encourage similar breakaways in West Papua (Irian Jaya), Ambon, Sulawesi, Borneo and Aceh. Two Indonesian opposition figures, Megawati Sukarnoputri of the Indonesian Democratic Party and Abdurrahman Wahid of the Nahdlatul Ulama Muslim organisation have condemned the Habibie government for

opening the question of secession. "East Timor's integration into Indonesia is constitutionally and politically legal," Megawati said.

No less than the military, these opposition figures represent sections of Indonesian capital, which are anxious to retain control over the 3,000-island archipelago. Grave concerns have also been expressed in the Australian media about the possible "Balkanisation" of Indonesia. Apart from strategic and military considerations, some of the biggest names in Australian business have more than \$10 billion invested in Indonesia, including mining projects on outlying islands in partnership with Indonesian firms.

Gusmao and Horta, who head the CNRT together with former East Timorese governor Mario Carrascalao, have responded to the Indonesian ultimatum by more openly seeking support from the Australian and New Zealand governments, assuring them that a state run by the CNRT would protect their strategic and business interests. "No one need fear East Timor" was the headline of an article written by Horta for the *Australian Financial Review*. "An independent East Timor will lean on Australia and New Zealand for economic aid, technical assistance, education, trade, investment, tourism and even security," he stated. The reference to "security" raises the possibility of an Australian military presence on the island. Horta vowed that East Timor would be "one of Australia's best friends in the region" and would protect the investments of the oil companies.

What would be the economic and political life of any such East Timorese mini-state? Horta gave some further indications in his article. "I have had very encouraging discussions with wealthy businessmen from Hong Kong and Taiwan in recent months regarding future investments and trade," he wrote. Such investments would proceed on only one basis--that a higher rate of profit was assured than could be obtained in China and Taiwan, where authoritarian regimes enforce low wages.

Horta added a guarantee that the East Timorese leaders would "prevail on the more radical elements". In other words, the chief function of a CNRT government would be to police the profit requirements of multinational companies, suppressing any popular dissent. In doing so, such a government would depend on the financial, political and military support of Australia and other capitalist powers.



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