

# US and World Bank threaten Indonesia over Timor

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The United States and the World Bank have both threatened Indonesia with diplomatic and financial retaliation if the Jakarta regime continues to support militia attacks on people in East Timor, in the lead-up to next month's scheduled UN-supervised ballot on autonomy or secession. The threats from Washington underscore the critical economic and strategic interests at issue in the former Portuguese colony and throughout the entire Indonesian archipelago.

Stanley Roth, the US Assistant Secretary of State for East Asian and Pacific Affairs, spent two days in Jakarta late last week before touring East Timor for three days—becoming the most senior US official to visit the island. Speaking in Jakarta after meetings with Indonesian President Habibie and other political figures, Roth warned that if the UN ballot were derailed by security problems, “that obviously will have consequences and affect relations with a number of countries around the world—including my own”.

As well as talks with Habibie, Defence Minister and armed forces chief, General Wiranto and Foreign Minister Ali Alatas, Roth met opposition leaders, including Megawati Sukarnoputri. Roth said he was now confident that she would accept the outcome of the UN ballot, a process that she stridently opposed during the June elections in Indonesia.

Roth also made a point of spending an hour with Xanana Gusmao, the jailed president of the East Timorese independence coalition, the East Timorese National Resistance Council (CNRT). Over the past two years, Roth has held several discussions with Gusmao, who aspires to lead an East Timorese administration under UN supervision.

On arrival in Dili, the East Timorese capital, the next day, Roth reiterated his warning. Accompanied by the US Ambassador to Indonesia, Stapelton Roy, Roth said: “The United States has been very clear, as have some other countries and UNAMET, in expressing concerns about militia violence and where they've gotten their support from. I think I made clear yesterday the fact that there was significant evidence that elements of the military have been supporting some of the militia groups, and that that was a large contribution to the lack of security.”

An even more blunt threat came from the World Bank. Its representative in Indonesia warned on Wednesday that the bank and international donors could cut off funds to Indonesia if the UN ballot were disrupted. “I certainly understand from a number of donors that they share a strong interest in ensuring that the UN process in Timor proceeds smoothly, and that there is a peaceful election in East Timor,” Mark Baird, World Bank country director for Indonesia, told a news conference in Jakarta.

Member countries of the Consultative Group for Indonesia are due to meet in Paris on July 27 and 28 to discuss loans for Indonesia. The World Bank said they were expected to pledge \$5.5 billion to \$6 billion to plug Indonesia's budget gap in the current financial year. “I'm sure the situation could be different if there was a change in the situation in East Timor, and I'm sure donors will be watching that very closely,” Baird said.

While Roth was still in Jakarta last Friday, UN Secretary-General Kofi Annan announced that voter registration would commence that day for the

ballot to be held on August 21 or 22. Annan, who had earlier postponed the voting, said he would again review the situation midway through the three-week registration process. This week he stepped up the pressure on Jakarta, declaring that militias were still posing a fundamental challenge to the vote.

Various other powers have raised the stake in the Timor conflict in recent days, including Portugal, Britain, Japan and Australia.

Portugal's Foreign Minister warned Indonesia not to make the ballot a farce. Senior officials from Lisbon were due to meet Indonesian representatives at the UN this Thursday to discuss the number of Portuguese and Indonesian monitors for the poll and also what would happen after the ballot. Under the UN plan, if the Indonesian autonomy scheme is rejected, East Timor will revert to Portuguese sovereignty, to be governed by a non-elected interim UN administration.

Britain sent a protest to Indonesia on Tuesday about the use of British-supplied war planes in East Timor and continuing violence by pro-Jakarta militias. The Blair government's move followed reports that a British-made Hawk jet belonging to the Indonesian air force swooped over Dili last Thursday in a show of force. The British Labour government has previously refused to halt the supply of 16 Hawk jets to the Indonesian military.

Japan, the largest single provider of aid programs in Indonesia, moved to reinforce its interests in the region. Its foreign minister, Masahiko Komura, announced a visit to Indonesia later this month, where he would raise the Timor issue with Habibie.

Not to be left behind, the Howard government in Australia said on Tuesday that Foreign Minister Alexander Downer would visit Indonesia and East Timor on July 30 and 31, becoming the first Australian minister to set foot on the island since it was invaded by Indonesia with Australia's connivance in 1975. Downer announced his trip in a speech to the Indonesian Business Forum in Melbourne.

Canberra has also prepared for possible military intervention, under the pretext of protecting Australian diplomatic staff or police serving under UN command. Unnamed military and diplomatic sources told the *Melbourne Age* this week that Australia's elite Special Air Services (SAS) was on standby in the northern Australian city of Darwin, just 600 kilometres from Dili. Moreover, the sources indicated, the SAS had already been engaged in on-ground reconnaissance in East Timor. Ironically, the sources expressed the hope that Indonesia might be favourably disposed to SAS personnel entering the island because of past joint training exercises between the SAS and Indonesia's own special forces, Kopassus.

Earlier this month, Prime Minister Howard confirmed that thousands of troops were on alert to move into East Timor, if asked by the UN. The government has completed the formation of a 3,000-strong Brigade that is on 28-day alert in Darwin, with another Brigade on the same alert in Townsville, also in northern Australia.

This Wednesday, the Indonesian regime responded by accusing

Australia of interfering in Indonesia's internal affairs and of seeking to dominate East Timor. "Australia cannot act as a godfather ... We reject Australian intervention," one of Habibie's advisers, Dewi Fortuna Anwar, told the *Jakarta Post*.

Anwar also denounced Canberra for the publication in Australian newspapers of an apparently leaked secret Indonesian report canvassing the prospect of a secessionist victory in the UN ballot. The document speaks of Indonesia losing the effort to "win the hearts of the people". It calls for greater Indonesian resources to "empower" the pro-integrationist militias, speaking of the necessity for "a new injection of strength".

The report is dated July 3 and signed by H. R. Garnadi, special assistant to General Feisel Tandjung, who is Co-ordinating Minister of Politics and Security/Internal Political Affairs and a previous armed forces chief.

It describes the militias—who have killed more than 100 people since January—as the "heroes of integration". It also forecasts a bloody payback by pro-independence Falintil guerillas if the vote goes against Indonesia. "In such a case, the Indonesian government will not be able to wash its hands of the problem, if later the integration forces are butchered." This could become the pretext for instigating a bloodbath, as the generals did in Suharto's 1965-66 coup and again following the 1975 Timor invasion.

The Indonesian regime, which is still essentially run by the military, is determined to cling to its rule and substantial business investments in East Timor. This was further demonstrated when General Wiranto and 15 other government ministers—half of Habibie's cabinet—visited the island last week, ostensibly to show their commitment to a fair ballot. Information Minister General Yunus Yosfiah warned Indonesian civil servants working in the territory that they would be sacked if they supported independence. Yosfiah, a former military commander in East Timor, was quoted by the official Antara news agency as saying: "If a civil servant from the provincial ministry is pro-independence ... that person should be terminated from the civil service."

Aid agencies report that the militia terror is worsening. They estimate that 60,000 people have been forced to flee their homes, which have often been torched or ransacked by pro-integration militias. Most are living in terrible conditions, lacking proper shelter, food, clothing, sanitation and medical services. Malaria, dysentery, TB, diarrhoea, scabies and infected sores caused by malnutrition are rife. Militias have blocked UN-backed relief convoys seeking to deliver food and medicine to refugees.

Another 11,000 refugees are in Dili, unable to return to their villages to register for the ballot. And according to one report, 9,000 refugees have disappeared after fleeing from Liquica, 40 km west of Dili. "This is a major hostage crisis," an Australian aid worker said. "They call them internally displaced persons but they are hostages to the militias. They have been told that if they vote for independence, they will be killed."

In the face of this humanitarian catastrophe, the leaders of the secessionist CNRT are urging the Timorese people to remain passive and place their faith in the Western powers and the UN. They are also becoming more open in their support for the US, Portugal and Australia, as well as the transnational corporations that control the huge oil and gas reserves off the Timorese coast.

Speaking to the National Press Club in Canberra on July 13, the CNRT vice president and foreign representative, Nobel Peace Prize laureate Jose Ramos-Horta, reiterated support for the Timor Gap Treaty signed between Indonesia and Australia in 1989 to carve up the underwater riches between them. In the event of independence, East Timor would want a stable investment and economic regime, he said. "Australian mining interests in the region shouldn't fear the change of political status of East Timor."

Horta extended his assurances to all sectors of the economy. An independent East Timor could be "relied upon to give the right signals" to investors. It would look for investment in oil, gas, agriculture and tourism. He also mooted special offers in the sphere of offshore banking, banking secrecy and flag-of-convenience shipping. "So I believe investors in

Singapore, Hong Kong or in Australia would have an interest in investing in East Timor." It would also use its status as a former Portuguese territory to gain access to European markets. Horta had previously announced the use of the Portuguese currency and, ultimately, the Euro.

In his speech, Horta said pro-independence forces in East Timor would accept autonomy within Indonesia, if that were chosen at the UN ballot, and work with the pro-integration factions to implement it. This amounts to a pledge to share office with the same militia leaders who are killing and terrorising the Timorese people. Horta also restated the CNRT's desire for a power-sharing transitional government to administer the half island under UN supervision for at least three years in the event of a vote to break away from Indonesia.

Earlier, Horta gave a press conference at the New South Wales state parliament house in Sydney, where he called for the US and the World Bank to apply sanctions against Indonesia if the UN ballot were further postponed.

There is considerable discussion among oil companies about the prospects of fully exploiting Timor's oil and gas wealth under a new government. At an oil industry conference in Darwin late last month, Robert Mollah, the Australian executive director of the Australia-Indonesia joint authority for the Timor Gap, said a feature of the past year had been widespread recognition that the Timor Sea is a major gas/condensate province. He said 27 companies had spent more than half a billion dollars on exploration and development in the zone. The major company was Phillips Petroleum of the US, followed by the Royal Dutch/Shell Group and Australia's Woodside Petroleum. By current industry estimates, the region's known oil reserves are worth \$11 billion.

It is this wealth, just a portion of the immense natural resources across Indonesia that excites the interests of the capitalist powers, the Indonesian generals and the aspiring Timorese capitalists, not the plight of the Timorese people.



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