

# How Australia orchestrated “regime change” in East Timor

## Part 2

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*This is the second of a three-part article on Australia's recent military intervention in East Timor. Part one was published on July 27.*

In the aftermath of “independence” in May 2002, political tensions continued to escalate between Prime Minister Alkatiri and his Fretilin-majority government on the one hand, and the anti-Fretilin forces led by President Gusmao and Foreign Minister Horta on the other. They were soon to explode in scenes that bore a remarkable similarity to the ones that erupted this year.

In an extraordinary speech on November 28, 2002, Gusmao seized on clashes between police and supporters of a shadowy organisation known as CPD-RDTL in the town of Baucau to issue a vitriolic attack on the government, including a demand for the resignation of Interior Minister Rogerio Lobato. He also renewed his call for a government of national unity and, echoing the rhetoric of the various opposition parties, declaimed: “The party of government has been placing itself above national interests and the interests of the people and its intention to seize power in all its forms is clear.” Alkatiri emphatically rejected Gusmao’s demands, declaring “our government was formed for five years, not six months.”

Just days later, on December 3–4, rioting erupted in Dili. While it originated in a student protest against heavy-handed police methods, the initial demonstration was quickly subsumed into riots by gangs of unemployed youth, egged on by anti-Fretilin opposition groups. In the subsequent investigations, witnesses testified to seeing agitators directing the mob towards prominent symbols of the government. Alkatiri’s house, and those of two of his relatives, were burnt to the ground and the Dili mosque (Alkatiri has a Muslim background) was also attacked. Two people were killed and more than 20 injured in clashes with police before a curfew was imposed.

There is no doubt that the country’s deepening economic and social crisis helped spark the riots. But Fretilin’s opponents also played a role. Lobato accused the CPD-RDTL of “an orchestrated manoeuvre to topple the government.” CPD-RDTL, which included disgruntled guerrilla fighters in its ranks, claimed to be the genuine Fretilin. But it was also associated with figures who had connections to the pro-Indonesian militia, which had ransacked the country in 1999.

Significantly, Mario Carrascalao, a major coffee plantation landowner, who had served as governor under the Indonesian junta and headed the Partido Social Democrata (PSD), a UDT breakaway, issued a warning of civil war: “We were united against the Indonesians, now we are divided. That is the responsibility of those who are in power and the dangers are great if we don’t recognise

where this could be leading,” he said.

The investigations failed to uncover who was responsible for the rioting. There was no question, however, that Carrascalao’s PSD and Democratic Party, the Catholic Church, disenchanted Falantil fighters and Dili youth gangs were all deeply opposed to the government. Neither Fretilin nor its opponents had any solution to the deep social crisis plaguing the country—the legacy of economic backwardness produced by centuries of Portuguese and Indonesian rule. But the opposition parties were able to appeal to the growing sense among ordinary people that “independence” had failed to bring jobs, education and an improvement in living standards. In fact, following the departure of many well-paid UN officials in the wake of the declaration of independence, Dili’s artificially inflated economy nosedived.

The 2002 riots also raised questions about the role played by Australian troops and police, who were criticised for their failure to act. In another recent article entitled “East Timor: A New Cold War,” journalist Keady observed: “Just after the 2002 unrest, I interviewed local witnesses as well as the head of the UN and Australian forces about complaints that they did nothing to stop the chaos. After much investigation, I was told that a UN representative ‘unofficially’ went to the office to ask Prime Minister Alkatiri to resign, an interesting response to civil disturbance and one that makes a mockery of the UN pretence of apolitical humanitarian efforts.”

There was no doubt where the Howard government’s sympathies lay. In December 2002, East Timorese officials complained to the media that Australian Foreign Minister Alexander Downer had been “abusive and aggressive” in negotiations with Alkatiri over Timor Sea oil and gas. Downer voiced particular objections to advice obtained by the Dili government from UN adviser Peter Galbraith to the effect that it had a strong legal case for a far larger share of the energy resources.

On December 9, 2002, in words that directly foreshadowed the recent denunciations of Alkatiri, the *Australian Financial Review* published an article entitled “Gusmao must take control” declaring: “There is widespread disillusion at the performance of Alkatiri and his clique of old Fretilin leftists, who have learned nothing and forgotten nothing since their days in Mozambique’s failed socialist state more than 30 years ago.” The article concluded that, on the contrary, the president [Gusmao] was “a national hero, a modest and decent man” who “should be more than a national figurehead in these critical circumstances”.

Australia’s involvement in Dili’s power struggle was transparent. In May 2003, an article in the Australian-based *Bulletin* magazine

commented: “Fascinating too, is the diplomatic struggle between Lisbon and Canberra for influence in East Timor. Neither side say they are in a battle, but it’s clear each have their own agendas. In shades of the former Soviet Union, Portuguese government radio blares out from speakers across the main square as the families of old colonial government officials count their \$US300 monthly pensions sent from Lisbon. Where Australia’s fortress-like embassy is halfway to the airport for an easier getaway if things turn ugly again, Portugal’s is next door to the government offices, where Alkatiri and his clique are said to lead the anti-Australian lobby.”

While the European Union backed Portugal’s bid for supremacy, Canberra relied on Washington, which was also actively involved in Dili politics. In an article entitled “Taming the ‘Banana Republic: The United States in East Timor’”, Ben Moxham, a research associate with Focus on the Global South, a research and advocacy organization based in Bangkok, Thailand, pointed out that the US-based organizations, the National Endowment for Democracy, the International Republic Institute (IRI) and the National Democratic Institute were engaged in “democracy promotion” programs in East Timor. These organisations were all directly involved in fomenting the pro-US “colour revolutions” in Eastern Europe and Central Asia. “The [Republican Party-aligned] IRI, in particular, has been training the country’s fledgling political parties in the tricks of the trade. Through circumstances both deliberate and coincidental, they have ended up helping only the Washington-friendly opposition. While IRI sees itself as ‘life support’ for the country’s opposition, the ruling party, Fretilin, sees it as interfering,” Moxham wrote.

In 2003, tensions over international meddling erupted when the government proposed an immigration bill that barred foreign citizens from engaging in political activities. The legislation was bitterly criticised by opposition parties and various Non-Government Organisations. It became the subject of a legal battle and was eventually vetoed by President Gusmao. Moxham wrote: “Many saw it [the legislation] as a direct response to IRI activities. Fretilin even threatened to deport IRI staff under the law after IRI sponsored an opinion poll that Fretilin felt was deliberately worded to undermine them. An interview with IRI for this article yielded nothing but ‘off the record’ comments, but it’s safe to say that they view Fretilin through the paranoid haze of Cold War goggles.”

The activities of Washington and its Australian ally in East Timor were part of the inter-imperialist rivalries that erupted in the 1990s following the collapse of the Soviet Union. By 2002, the struggle for supremacy in Dili was taking place as the Bush administration was ratcheting up its broader international offensive under the banner of the “global war on terrorism”. Not surprisingly, in the lead up to the US-led invasion of Iraq in March 2003, the political factions in East Timor lined up with their international backers. Fretilin echoed the positions of France and Germany, which were publicly insisting that the UN weapons inspectors be given more time, while in February 2003, Horta penned a scurrilous piece in the *New York Times* arguing that the imminent war would bring peace and democracy to the Iraqi people.

The Howard government joined the illegal invasion of Iraq to secure Australian interests in the Middle East and to win Washington’s backing for its ambitions in the Asian Pacific region. In July 2003, just four months after the “coalition of the willing” invaded Iraq, Canberra followed suit with its own “pre-emptive” military intervention. Howard seized on the social and political crisis in the Solomon Islands to declare it a “failed state” and bullied the government into

permitting the landing of more than 2,000 troops and police—predominately Australian—and allowing Australian officials to take over the main levers of state power for the next decade. At the same time, Australia used the Solomons intervention to threaten and intimidate other small Pacific Island states, insisting on norms of “good governance” and inserting Australian bureaucrats into top positions in Fiji, Papua New Guinea and Nauru.

In East Timor, however, unlike the other Pacific countries, the Howard government faced determined opposition. It responded by waging a barely-disguised subterranean political war, in alliance with Washington, and through its political proxies in the anti-government opposition, against Alkatiri and his Fretilin backers. Hostility to Fretilin intensified after Alkatiri refused to accept loans from the World Bank and Asian Development Bank and turned, instead, to China, Cuba and Brazil for investment, financial aid and other forms of assistance.

While its Australian opponents continually refer to Fretilin as “Marxist”, none of the measures it has implemented has anything to do with Marxism or socialism. An unnamed diplomat recently described the Dili government as “the best bunch of neo-liberals” that could be wished for. The real target of US and Australian hostility has been Fretilin’s relations with their strategic and economic rivals, with Washington particularly concerned about the growth of China’s influence.

In September 2003, a “Dateline” program entitled “Timor’s President Under Siege”, aired on Australian SBS television, again highlighted the growing animosity towards Alkatiri. Joao Saldanha, head of the US-oriented East Timor Study Group, complained: “We are trying to isolate East Timor from the rest of the world. We are a small country. I don’t think we can afford to do that ... There is a shift in this government. There’s some attention, not much going to Australia, to the US, to Japan, but I think it is going to China.” Foreign Minister Horta criticised Alkatiri for rejecting World Bank loans, saying: “I would move faster to enter into these matters which are a potential for investors, privileges, so that they beginning [sic] investing, you know.”

Fretilin’s opponents offered the false panacea of market reforms. It gathered together under the anti-Fretilin umbrella former Falintil fighters, disgruntled at the government’s failure to provide due recognition for their past services, unemployed youth with no prospect of a job or a future, officials formerly employed under the Indonesian junta and villagers lacking even the most basic health and education services. Alkatiri’s “Muslim” background and Fretilin’s insistence on making Portuguese the national language, provided further grist for the opposition’s mill. In his end-of-year address in December 2003, Gusmao once again openly criticised the Fretilin government. This time, he made a bid for additional powers, calling for the establishment of two presidential consultative bodies, the Council of State and the Superior Council for Defence and Security.

*To be continued*



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