

JANUARY 1977

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The Military Situation in East Timor

Ten thousand elite Indonesian troops invaded the former Portuguese colony of East Timor on December 7, 1975, ten days after the popular nationalist administration of the FRETILIN party had unilaterally proclaimed the Democratic Republic of East Timor a nation with 1/200 the population of Indonesia. Operation Komodo, as the original takeover plan was named by the Indonesian government, envisioned victory in a matter of days; a year later the nationalist resistance had fought thirty to forty thousand occupying Indonesian troops to a stalemate. Even after a five month dry period when the military advantage lay with the invading forces, troops of the Democratic Republic continued to control the bulk of the territory, inflict heavy casualties on the Indonesians, and maintain the loyalty of most of the population despite Indonesia's alternating policies of terror and amnesty.¹

1. For background on the Timor conflict see any of the following:
Helen Hill, *The Timor Story* (Australian Union of Students, Melbourne).
Decolonization, (United Nations) No. 7 August, 1976.
J.S. Dunn, *The Timor Story* (Legislative Research Service, Parliament of Australia, July, 1976).
Richard W. Franke, *East Timor: The Hidden War*, East Timor Defense Committee, New York, July, 1976). For a short summary see "Conflict in Timor", *Pacific Research*, November-December, 1975.

Because Indonesian armed forces blockaded East Timor as part of their invasion, it has been difficult to ascertain what is actually going on there. The Indonesians claim to have consolidated control of the Island. FRETILIN, through its only links with the outside world — its radio broadcasts — claims to have liberated the entire republic, except a few towns. Upon close examination and comparison with the increasing amount of independent data, the FRETILIN position appears much closer to the truth. Most establishment press reports have originated in Indonesia. Articles in publications such as the *Far Eastern Economic Review* and *New York Times* have carried Jakarta datelines. This is because all foreigners, except a few Australians and several captured Portuguese soldiers, were evacuated from East Timor on the eve of the Indonesian invasion by mainly Australian planes. The Indonesians have allowed very few foreign journalists to travel to East Timor since the invasion, and they have been carefully watched.

FRETILIN releases printed by sympathizers in Australia and the West, as well as by Communist news services, are based on the broadcasts of Radio Maubere. Since early 1976, Radio Maubere has broadcast three times a week in four languages: Portuguese, Tetum (the Timorese lingua franca), English, and Indonesian. These broadcasts are monitored by FRETILIN supporters in

Australia and, until recently by Telecom, the Australian international communications service, which passed on Radio Maubere messages as "unauthenticated".²

There are also independent reports: correspondence from Indonesia and the confidential findings of an Indonesian relief mission.

Finally, there are admissions by Indonesian government sources and inconsistencies in some reports which can be used to evaluate the respective claims.

D.R.E.T. LIVES

Though Indonesian diplomats have repeatedly claimed that their government has consolidated control over East Timor, President Suharto himself made an extraordinary admission in his August 26, 1976 statement:

... the FRETILIN movement is still possessed of strength in areas of the Portuguese colony... for this reason, Indonesia must try to convince members of the movement to join the government as soon as possible...³

Both the continued radio broadcasts of FRETILIN and the large presence of Indonesian troops are testimony to continued resistance.

2. The *Timor Information Service* (Melbourne) regularly prints all public messages from Radio Maubere.

How strong is FRETILIN today? What are its prospects for success in the long run? How is the Timor conflict affecting Indonesia? It is impossible to answer these questions with certainty, but upon careful examination of the military situation one can safely conclude that the war for Timor will continue for some time, with the Indonesians suffering continuing casualties in a vain attempt to annex the Republic.

THE SETTING

As in any war, the geography of Timor is an important factor.

Timor is of relatively recent geological formation. The Portuguese territory is extremely mountainous with the highest peak, Tata Mai Lau, reaching a height of almost 10,000 feet. Several other peaks are in excess of 9,000 feet. Coastal plains exist on the south coast and in pockets on the north coast, where they are intersected by rugged mountain outcrops. There is also a plain averaging 500 metres in altitude in the eastern part of the island. Most of Timor experiences two distinct seasons — a dry season which lasts from May until October, when practically no rainfall occurs, and a wet monsoon season between October and the end of April. The effects of these climatic conditions on the vegetation have led to the island sometimes being called "the green and brown land". Timor has few permanent rivers. In the dry season most streams are reduced to a trickle, but when the heavy rains fall in the mountains they become raging torrents.⁴

The bulk of the population lives a subsistence existence in the mountainous areas away from the few roads built by the Portuguese. Only a small percentage of the population lives in the larger towns of Dili and Baucau. The roads along which the Indonesian forces have advanced are passable only in the dry season and are non-existent in many parts of the territory. The flurry of Portuguese road-building activity in recent years had little impact:

Most of the road and bridge construction projects undertaken in the past ten years failed to survive the ravages of the extreme monsoon conditions, while until late 1974

there were no helicopters to break down the isolation of the remote parts of the rugged mountain zones.⁵

Thus, the geography of East Timor makes it difficult for an invading army — be it the Japanese during World War II or the Indonesians today — to control much territory. It is a land well suited to guerilla warfare.

CONTROL OF TERRITORY

Indonesian forces occupy the central portions of Dili, Baucau, and some larger villages on the road system. Their control is tenuous, much like American control was in Vietnam: FRETILIN frequently mounts attacks on the towns; travel between them is risky; and they are unsafe at night.⁶

During the 1976 dry season Indonesian troops captured most of the villages along the road system, but did not consolidate control of the surrounding territory. Between October and April, however, rains made it difficult for the Indonesians to re-supply and reinforce their garrisons. FRETILIN claims to have retaken — often after fierce fighting — the villages of Zumalai, Letefoho, Soibada, Barique, Fato, Berliu, Ossu, Vatolari, Venilale, Tutuala, Turiscosi and Lospalos, Laclubar, Alas, Quelicai and Vemassee. An independent relief mission, whose report was smuggled out of Indonesia by Australian intelligence and leaked to the Australian press, confirmed that FRETILIN controls 85% of the countryside while the Indonesians control territory including only 20% of the population.⁷

The military force of the Democratic Republic of East Timor

(FALINTIL, the East Timorese Liberation Army) is based on the former Portuguese army in the territory. From the beginning of the Indonesian incursion in the border regions in September, 1975, FRETILIN forces demonstrated an impressive capacity to resist well-equipped Indonesian elite troops. Australian journalist Michael Richardson described the army in December, 1975:

At the time of the UDT's (the right-wing political party) short-lived putsch in August there were about 2,500 full-time Timorese regulars in the Army led by about 150 Timorese sergeants, some of whom were veterans of the Portuguese colonial wars in Africa, and a handful of lieutenants. Behind this first-line army there were 7,000 part-time militia men and 20,000 reservists, each with up to 36 months training.⁸

After the UDT coup, the great bulk of the army swung behind FRETILIN and was decisive in forcing the UDT and APODETI (pro-Indonesian) leaders from the country.

The size of the army — at least those under arms today — is not clear. Several observers, including Portuguese authorities, confirm FRETILIN's claim to be extremely well supplied with weapons from the Portuguese NATO arsenal. Richardson described a FALINTIL unit operating in the border area just before the full-scale invasion:

(It is) very well armed with standard equipment from Portuguese military stocks, including G-3 automatic rifles, German-made Mausers, 60 and 81 mm. mortars, various makes of light machine gun, hand grenades, bazooka rocket launchers, mines, and some 75 mm. mountain guns.⁹

The D.R.E.T. Defense Minister, Rogerio Lobato, told Richardson that ammunition and fuel stocks adequate for twelve months had been cached all over the country in preparation for the expected Indonesian invasion. FRETILIN also claims to have captured significant stocks of Indonesian arms, chiefly American-made, and sufficient ammunition to make these weapons usable. Indonesian sources, on the other hand, claim to have captured approximately 11,000 of the 13,000 small arms they

8. Michael Richardson, "Fretilin Ready for a Long War of Resistance", *The Age*, December, 1975.

9. Richardson, "Hunger Campaign in East Timor", *The Age*, September 20, 1976.

3. *The Age* (Melbourne), August 26, 1976.

4. Dunn, *The Timor Story*, p.1.

6. The Portuguese paper *O Dia* (November 7-8, 1976) reported a surprise attack on Dili, in which FRETILIN troops destroyed three Indonesian tanks. *The Sydney Morning Herald* reported a FRETILIN mortar attack on Baucau, which forced the Indonesians to cancel a visit of journalists, diplomats, and an Indonesian cabinet minister.

A recent Indonesian report confirmed that one of the 16 AV-10 Bronco ground-attack aircraft that Indonesia recently obtained, has been destroyed in action in Timor, though allegedly not because of D.R.E.T. attacks. (*The Age*, 2.2.77).

7. *The Age*, November 19, 1976. The authors of the relief report are not named. However, at about the same time, the President of the Indonesian Council of Churches, General Simatupang, and Catholic leader Frans Sede reportedly returned to Jakarta from Timor, weeping at what they had seen.



The first picture of Indonesian naval presence off Timor. The destroyer *Monginsidi* on left, the patrol boat BC704 foreground, and the destroyer *Nuku* — an old Soviet ship — on the right. The ships are off Atapupu, on the north coast of Indonesian Timor, 14 km from the East Timor border — Courtesy: Michael Richardson of the Age.

estimate came from the Portuguese, but most observers, including Richardson, discount this report.

After more than a year of fighting, FRETILIN appears still to field a substantial fighting force. Though Jakarta officials officially admit that FALINTIL has only 600 to 800 men, Indonesian intelligence reportedly places the figure at up to 5,000.¹⁰ D.R.E.T. Foreign Minister, Jose Ramos Horta claimed on August 30 that the army consisted of 15,000 regulars, 30,000 militia, 1,000 in the women's army (women have been engaged in combat since border confrontations began), and 1,000 in the youth army.¹¹

A well-informed Australian observer, J.S. Dunn, believes that many fighters were told to go home after the original Indonesian assault had been blunted, rather than remain as a burden on limited food supplies. He suggests:

Nevertheless, the departure of those weak in stamina and resolve will have left FRETILIN with a well-trained and experienced hard core of first class guerilla fighters.¹²

Most likely, FALINTIL troops move in and out of the fighting, carrying on other activities such as food production, health care, and education.

As in other guerilla wars, the key to FRETILIN's success lies not in its fighting force, but in its popular support. Well before the Indonesian invasion, FRETILIN was the most popular of East Timor's political parties. Not only was FRETILIN strongly nationalistic, but it carried out educational and social programs in rural areas.

The brutality and unfamiliarity of the Indonesian, chiefly Javanese, invaders drove most of the remaining Timorese to FRETILIN's side. The leaked relief mission report stated:

Five thousand people welcomed the Indonesian troops at the town of Amaru, but now there are only 1000 people in Amaru.¹³

The rest have joined FRETILIN in the mountains. Meanwhile, 20,000 out of Dili's 30,000 people have registered for evacuation to Portugal.¹⁴

FRETILIN claims to have won support even from Timorese who fled to West Timor when it first took control. FALINTIL forces, it asserts, liberated thousands of Timorese from prison-like refugee camps in West Timor in November, 1976. The refugees, claims FRETILIN, joined with FRETILIN in the forests.¹⁵

There is no independent confirmation of the refugee story, but many of FRETILIN's former political opponents now back the D.R.E.T. against Indonesia. Jose Martins, leader of the small K.O.T.A. party denounced Indonesia in April, 1976. In December, 1975, the Indonesians had paraded him — and other East Timorese — before the U.N. to justify intervention under

10. See Peter Monkton, *AM* (Radio Program transcript), Australian Broadcasting Corporation, September 20, 1976, and *Sydney Morning Herald*.

11. Letter to UN Secretary-General Waldheim, August 30, 1976.

12. Dunn, *Timor Story*, p.78.

13. *The Age*, November 19, 1976.

14. *ibid.*

15. Statement by D.R.E.T. Foreign Minister, Jose Ramos Horta.

coercion.¹⁶

INDONESIAN FORCES

There are about thirty to forty thousand Indonesian troops on Timor. In April, 1976, Australian Intelligence put the figure at 32,000 in East Timor and another 10,000 in reserve in West Timor, part of Indonesia.¹⁷ By far the most detailed non-FRETILIN source, one which is reliable, is a letter from an Indonesian politician opposed to the war:

After Dili was occupied by the Indonesian troops, reinforcements were sent non-stop to East Timor. Now I've heard that there are already 35 thousand troops there. A big proportion from all the elite/commando troops have been sent to Timor, like the red berets (RPKAD), orange berets (Kopsatgas), violet berets (Korps Marinir/KKO), plus troops from Java (especially from West Java (Siliwangi) and East Java (Brawijaya), troops from Central Java (Diponegoro) mostly got dispensation not to be sent to Timor, because they are Suharto's troops), Sumatra, and Sulawesi.¹⁸

These predominantly elite, largely Javanese troops are better paid and better trained than Indonesian regulars.

Though the Indonesians tried to use old Soviet-made weapons in the early stages of border warfare, the invading forces used more modern American equipment. The author of the Jakarta letter stressed that war machinery, such as tanks and armoured vehicles, were rushed to Timor. To transport and supply the expeditionary force, Indonesia impressed a large portion of its "civilian" air fleet, including Pertamina aircraft. The army employs many helicopters in East Timor, which fits in with reports of an extreme shortage of choppers for relief work in West Irian following a recent earthquake. FRETILIN claims to have downed five helicopters.¹⁹

16. See KOTA party internal document, "Intervention of the Republic of Indonesia in the Life of Portuguese Timor: Report for the Study of the Situation of the Ex-Colony", March 23, 1976, released by Martins in New York when he wrote to the UN Secretary-General in April.

17. Testimony of Australian Member of Parliament Ken Fry before the UN Security Council, April 1, 1976.

18. Letter published in *Timor Information Service*, May 6, 1976, p.2.

19. *Canberra Times*, September 21, 1976.

Supporting the Army, the Indonesians have bombarded Timorese cities and FRETILIN positions from the sea and air. One FRETILIN broadcast mentioned six Indonesian ships — out of a navy of 86 ships — participating in one North coast bombardment.

More important, Indonesian ships and supporting aircraft have blockaded Timor since the December invasion. Not only have they cut FRETILIN international communications and travel to the outside world, they have prevented

an official U.N. observer from visiting FRETILIN zones, and — with the assent of the Australian government — prevented (by threatening) two Australian relief missions from delivering non-military supplies to FRETILIN.

Maintaining and supplying such a large expeditionary force is costly. An Australian newspaper estimated that Indonesia had spent \$80 million (above normal military costs) on the war before September, 1976, and FRETILIN sources claimed that the Indonesians had spent

The total size of the Indonesian Army (TNI) is between 220,000 and 250,000. At any one time up to 42,000 have been reliably reported to be stationed in the Timor zone in the past year. According to a number of reliable reports, virtually all serious fighting is conducted by elite units, which constitute a fraction of TNI's total, but which are also said to be the only militarily useful units. The ordinary battalions are apparently inadequate for assault work as required in East Timor.

TNI is essentially organised around divisions from the main provinces of Indonesia. In Java, the most populous region, there are three territorial divisions, Siliwangi (West Java), Diponegoro (Central Java) and Brawijaya (East Java).

Of the perhaps 10 battalions of each division, two or three are made up of members of the territorial division for airborne or ranger training. The essential criterion of selection is the capacity to undergo tough paratroop training. All elite units in these paratroop or ranger units receive substantially higher pay and food provisions (and one of the causes of low troop morale in East Timor has been that corruption has siphoned this extra benefits off before they reach the troops).

KKO = MARINES. The marines are located primarily in bases around Java, though there are some elsewhere. Their total strength is thought to be between 5-7,000 and they have been heavily used in

the East Timor war. Mostly they are drawn from Central and East Java, with strong *abangan* ties (i.e. less Islamic Javanese). Politically, in the past they have had strong pro-Sukarno leanings. According to a FRETILIN report, after a large number of KKO soldiers defected to FRETILIN, they attacked troops from the RPKAD.

RPKAD — KORPS PARA KOMANDO. This unit, only a regiment in size, is in military terms, the elite of the elite. It is always the best trained, receives the most up-to-date equipment, and good provisioning. Recruits are inducted annually by taking the biggest and most physically fit men from the main territorial units. (Most recruits stay only for a short time, often only a year, until they reach a fairly low age limit, or can't keep up with the demanding level of physical fitness required).

KOSTRAD — ARMY STRATEGIC COMMAND. The RPKAD is both tactically and administratively responsible to KOSTRAD. All other elite units are under the administrative command of their territorial divisions, but under KOSTRAD command for tactical purposes.

It is KOSTRAD's control over these units that has given it a crucial part in the war in East Timor. One of the first Indonesian soldiers captured by FRETILIN troops in the border crossings of September 1975, gave his unit as KOSTRAD.

over \$100 million by that date.²⁰

FIGHTING

FALINTIL avoids large-scale frontal confrontations with the superior firepower of the Indonesians. Instead, it focuses on supply lines and occasional raids. Nevertheless, it reports that there has been heavy fighting for several villages, with territory changing hands several times. The villages of Tutuala, Uatolari, and Ossu, on different parts of the island, have been scenes of fierce conflict. Indonesians landed amphibious reinforcements near Bobanaro and Suai, in the border region, in July, 1976.

Massive bombardment has caused the burning of whole villages and heavy civilian casualties. The Indonesian relief mission report estimated 60,000 Timorese dead — a figure confirmed both by FRETILIN and pro-Indonesian Timorese. There is no indication how many may die should continuing warfare deplete Timorese food supplies — as happened during World War II. The Indonesian relief report mentions looting, rape, and other disorderly conduct by Indonesian forces. Soldiers from the Brawijaya division were reportedly withdrawn in January 1976 for exceptional brutality during the early occupation.²¹



FRETILIN troops on the way to the front, Ba Bai River, September 1975. On far left is FALINTIL border zone Commander Fernando Carmo, killed in Dili during the Indonesian landing of December 7, 1975. At centre is Central Committee member and youth movement leader Goinxet Bernadine Bonaparte, who was also killed the same day. — Courtesy Jill Jolliffe.

It is impossible to develop an accurate toll of FALINTIL casualties, but it is known that FRETILIN has no western medicine and minimal western medical training, although traditional medicines and training are used extensively. There is probably a high death rate among injured fighters.

Reports of "unacceptably high" Indonesian casualties are probably the strongest evidence of continued harsh fighting and Indonesian difficulties in East Timor. FRETILIN and Australian sources suggest that Indonesian dead, wounded, and missing totalled 10,000 by the middle of the 1976 dry season.²² Hospitals in Jakarta, Surabaya, and Denpasar have been overflowing with casualties from Timor. The Jakarta letter commented:

One woman told him of a 'bizarre execution' soon after the fall of Dili. According to the woman 59 Chinese and Timorese were lined up and shot one by one while the large crowd that gathered was instructed to count each of the dead aloud. The same eye witness also reported the killing of 27 women believed to be Fretilyn sympathizers. She said the women were shot after being separated from their babies, who were thrown crying into a truck. *The Age*, 14.1.77.

22. *National Times* (Australia), September 27–October 2, 1976; *The Australian*, September 20, 1976.

Actually it is no secret any more in Indonesia. Especially in Jakarta, where the Army hospital (RS Gatot Subroto) and the Air Force hospital at Halim airbase is overflowed with war victims. And what makes it more tragic is that the families — even their wives — are not allowed to visit their husbands in the hospital. At the same time, news that many Indonesian soldiers were killed by the Timorese is just trickling down in Jakarta and whole Java. So knowing that your husband, son, or father has to go to Timor is nearly as shocking as a death trial penalty. So, when I saw troops coming back from Timor last month (red berets), I was not surprised to see them so delightful, released, talkative, because they have escaped from Hell.²³

One traveller to a small West Javanese village reports that the villagers were horrified that two sons of the village were brought home dead from the war, but were not buried with military honours.

Demoralized by heavy casualties and the military stalemate, the unmotivated Indonesian troops have become dis-

23. *Timor Information Service*, May 6, 1976, p.3.

20. *The Australian*, "Indonesia Closes Timor Waters", September 20, 1976; Jose Ramos Horta, letter to Kurt Waldheim, August 30, 1976.

21. *The Age*, February 14, 1976, reported from Jakarta: "Most of the 'excesses are thought to have occurred close to the initial attack, when Indonesian troops were ordered to brook no resistance. The Indonesian military leadership is reported to be shocked at the behaviour of some units whose discipline broke down seriously and who went far beyond the 'get tough' order. Late last month certain units, understood to mainly be from the East Java Brawijaya division, were pulled out of East Timor because of their acts. *The Northern Territory Times* (Darwin, Australia) published copies of letters from East Timorese in Dili to relatives in Australia, which gave accounts of indiscriminate killings, on the scale of the Japanese invasion of World War II. J.S. Dunn (*The Timor Story*) also gives a full account of Indonesian atrocities in the early stages of the invasion.

Interviews with eye witnesses (mainly former U.D.T. supporters) among Timorese refugees in Portugal have confirmed Fretilyn claims of widespread atrocities committed by Indonesian troops. The interviews are conducted by the former Australian Consul in Dili, J.S. Dunn:

affected. There are reports of refusals to fight and even defections. *The Guardian* (London) cites an Indonesian Army officer, who reported "cases of troops refusing to go on patrol and helicopter teams refusing to leave their bases". *The Times* (London) also reported "growl indiscipline in Army units" 24 East Timorese members of the Indonesian U.N. delegation in October, 1976 reported that several Indonesian commanders had negotiated local "stand-to" agreements with FALINTIL.

These same sources confirmed two FRETILIN claims of greater dissension: First, on July 2, the D.R.E.T. asserted that 100 K.K.O. elite marines had defected to FRETILIN. Though the K.K.O. is known as a body which harbors lingering pro-Sukarno sentiment, this is no mean feat, since FALINTIL and K.K.O. troops do not speak the same language. Second, in October the D.R.E.T. claimed, "five Indonesian Army units revolted in Dili, refused to fight, and asked for return to Indonesia."²⁵ The pro-Indonesian sources claimed that these defections included some from the R.P.K.A.D., the elite of the elite.

INTERNATIONAL SCENE

Despite Indonesia's massive advantages of population and resources, it had relied heavily on outside support for its intervention. Either through grant aid or military sales, the U.S. has delivered roughly \$200 million worth of military equipment and supplies to Indonesia since 1966, in addition to training large numbers of Indonesian troops and officers.²⁶

Since President Ford and Secretary of State Kissinger were in Jakarta just twelve months before the December, 1975 invasion, there is no doubt that the U.S. approved Indonesian action. The U.S. has not objected to the use of U.S. arms in the conflict, and in fact, a State Department spokesman stated in the early days of the fighting:

In terms of the bilateral relations between the U.S. and Indonesia, we are more or less condoning the incursion into East Timor.²⁷

There is no doubt that U.S. military leaders are disappointed in the performance of their Indonesian proteges, but there has been no indication of American plans to slow the increase in military aid

to Indonesia. Groups are lobbying to cut aid to Indonesia — because of both Timor and Indonesian's miserable human rights record — but there are no prospects for early success.

In Australia, Labor, student, and religious aid organizations have been among the strongest supporters of FRETILIN, but the Australian governments of Gough Whitlam (A.L.P.) and conservative "Liberal" Malcolm Fraser have taken concrete actions against FRETILIN while uttering symbolic objections to the Indonesian invasion.

Australian maritime, stevedoring, and postal workers imposed lengthy bans on shipments to Indonesia. The Australian Council of Trade Unions sent a high level delegation to Jakarta to protest both the invasion and the killing of five Australian T.V. journalists. Members of parliament have expressed opposition to the Indonesian invasion. And unions and religious aid organizations organized two unsuccessful attempts to send food and military supplies to FRETILIN during 1976.

Though the Whitlam government made statements which the Indonesians interpreted as encouragement for the invasion, Australia has never diplomatically backed the Indonesian action. In December, 1975, Australia voted at the U.N. to condemn the invasion. When Indonesia staged meetings and ceremonies on Timor in 1976, to formalize integration, Australian diplomats — along with most of the diplomatic community — were pointedly absent. To this date, Australia official policy is for withdrawal of Indonesian troops and self-determination for the Timorese, under U.N. auspices.

These diplomatic stands appear to be little more than a sop to pro-FRETILIN groups in Australia, for the Australian government — particularly the Fraser administration, which has been in power since the period of the invasion — has repeatedly provided concrete support to the Indonesians. The Australian government has harassed FRETILIN and its Australian supporters. It froze FRETILIN bank accounts and seized, on more than one occasion, North Australian radio transmitters communicating with the D.R.E.T. It has stopped the official Telecom listening service from reporting FRETILIN radio messages. And it refused to let Australian private relief vessels attempt to sail through the Indonesian blockade.

In October, 1976, when Fraser visited Jakarta, he agreed to route

Australian relief money through the Indonesian Red Cross, instead of the International Red Cross. He also agreed to discuss with Indonesia the reunification of families of East Timorese refugees in Australia. And most important, he committed Australia to working out — with Indonesia — the coastal boundaries between Australia and Portugal. Australia is willing to negotiate with Indonesia because it knows it can get an advantageous division.²⁸

These actions, combined with Australia's continued harassment of FRETILIN backers, amount to de facto recognition of Indonesian rule. This is how Indonesia, in the person of Suharto's spokesman, General Sudharmono, took the agreements, and Fraser has done relatively little to discount that impression.

DIPLOMATIC SUPPORT

With the U.S. backing Indonesia, and Australian supporters neutralized by the actions of the Australian government, FRETILIN has been amassing support elsewhere. With support from Communist countries and most of the Third World, FRETILIN has won passage of two U.N. General Assembly reunions condemning Indonesia, the first in December, 1975, the second in November, 1976. The Security Council has also passed two similar resolutions, with no voted opposition.

FRETILIN's international backers — notably former Portuguese colonies in Africa — won a major diplomatic victory for FRETILIN when the Non-Aligned Nations Conference, meeting in Sri Lanka in August, 1976, passed a motion criticizing Indonesia's Timor intervention. Given the romanticism often attached to Third World, nonaligned nations, this may not surprise some people. But Indonesia is a key member of the group. *The Guardian* (London) actually predicted FRETILIN failure:

The attempt is bound to fail, for its success would lead to Indonesia, founding member and the second most populous state in the movement, walking out.²⁹

Only 11 of the 85 representatives opposed the Mozambican amendment backing FRETILIN.

Such diplomatic support means little by itself, but it has created an international climate where it may be possible

24. *Guardian*, 1976; *Times* (London) August 18, 1976.

25. *Radio Maubere*, October 8, 1976.

26.

27. *The Australian*, January 22, 1976.

28. *The Age*, 11 October, 1976; *Australian*, 12 October, 1976.

29. *The Guardian*, August 16, 1976.

for some of FRETILIN's closest foreign allies to lend more material support. Mozambique, China, Cambodia, and Vietnam are all willing and capable of sending supplies to FRETILIN. However, the first two are preoccupied and unlikely to attempt to break the Indonesian blockade. Running the blockade would be relatively easy for Cambodia or Vietnam — they have the ships and the Indonesian Navy is not very competent, but presently Vietnam seems to be developing relations with Indonesia. The Khmer Rouge, however, remember that Indonesia helped train the troops of the Lon Nol regime. Should the Cambodians attempt to supply FRETILIN, it could generate a major international incident. Presumably at this point FRETILIN's minimal needs do not justify the risk of international confrontation, but eventually outside support may be needed to end the stalemate.

HOW LONG CAN INDONESIA LAST? INDONESIAN INSTABILITY

While foreign help may not immediately be available to hasten the D.R.E.T. victory, Indonesia's internal problems may. The Timor debacle, coming close on the Pertamina bankruptcy and the continuing and deepening financial scandals of the regime including

the Hughes Aircraft affair, has weakened the Suharto regime.

It is difficult to see what is good about the situation for Indonesia. The war is costly, it has caused many casualties, demoralised the military and weakened Indonesia's international standing. As the project of a small number of officers close to Suharto, rather than the HANKAM ministry of defence structure, it has aroused suspicion and led to a series of attempts to shift the blame for failure. The HANKAM Assistant for Operations (Sudharmono), the person immediately responsible for the prosecution of the war, was recently sacked. There is no question of a secret war any more. In January 1976, the independent publisher B.M. Diah criticized the war in *Merdeka* and was warned off by the government. Today there is much criticism of the war in private, and some discussion in the press.

Suharto may be losing his grip on the country. It may be difficult to supplant him so long as he has strong American backing, but the U.S. is disappointed with the prosecution of the Timor war, and with Pertamina's condition. Should the U.S. determine that another leader would serve U.S. interests better than Soeharto, then the internal factional forces presently jostling would

drive him out.

A new regime, though unlikely to be any more attractive in general terms, would have to face the issue of Timor quickly. It is likely that, if some suitable face-saving formula can be found, that troops would be withdrawn under a formula guaranteeing Timorese sovereignty. The alternative of turning deeper into the quagmire is extremely hard to imagine.

In any case, even without immediate victory, FRETILIN appears certain to survive. Some form of occupation may continue for many years; FRETILIN representatives certainly think in terms of protracted war. The success of the resistance of this tiny progressive nation against a dictatorship two hundred times its size may provide the example which shakes Indonesian military rule elsewhere. The invasion has encouraged rather than weakened the resolve of other separatist movements; it has strengthened the anti-imperialist orientation of FRETILIN, and forged profound bonds of solidarity with Asian and African revolutionary governments.

Richard Tanter

The Devaluation Disaster

The decision of the Fraser Government to devalue the Australian dollar by 17.5% on 15 December 1976 must rank as one of the worst economic decisions made by a Government in Australia's post world war history.

There was confusion surrounding the reasons for the devaluation, disillusionment over the magnitude of the devaluation, uncertainty of the employment effects of the decision and astonishment that the Government would take such action in the face of its proclama-

tion that reducing inflation was their number one economic priority.

The Reason for Devaluation

The official explanation put forward by the Treasurer was "that the Government had been forced to devalue because of the deterioration that had occurred over recent years in Australia's underlying external situation as a result of the higher increase in wage costs than in our major trading partners and the continuing loss of reserves."

This attempt by Lynch to link the devaluation decision to wage costs completely ignored the fact that the most changeable element of our Balance of Payments was not the value of goods exported and imported (which would be affected by wage levels) but the movement of capital into and out of Australia. The massive outflow of private capital from Australia was the real reason for devaluation. (1) That pressures on Australia's exchange rate in the months preceding devaluation were closely linked to the actions of the international speculator and not to the lack of competitiveness of Australian produced goods is borne out by the fact that the value of Australia's exports exceeded our imports and we had a Balance of Trade Surplus in 1975/76 of \$1,468m.

Australia has traditionally relied on the excess of inflow of private capital over outflow (i.e. net private capital inflow) to bolster our balance of payments. However in the five months to November 1976 there was an extraor-