

INDONESIA

crisis



people

by Anthony Arnove

revolt

ONLY WEEKS before Indonesia's President Suharto was forced to resign in the face of massive protests, the editor of a weekly magazine was arrested for depicting the man who has ruled the country with an iron fist for 32 years as a king.

The March 6 issue of *D&R* magazine portrayed Suharto as the King of Spades, with the caption: "President in the midst of crisis."

"The graphic implied that Suharto was king, and that he would remain in power no matter how things were turned," noted three human rights observers reporting on the popular challenge to the Suharto regime.¹

But by May 21, Suharto had been knocked off his throne. The ruler of the world's fourth most populous nation—a country called "by far the greatest prize in the southeast Asian area"² by President Richard Nixon—could no longer maintain his authority.

"Our Kind of Guy"

Suharto was a child of U.S. imperialism. He came into power in part through the machinations of the U.S. government and remained in power to preserve "stability" and profits in a region of strategic importance to the United States.

The weapons Suharto's army used to suppress Indonesian trade unionists and to crush independence movements in the region—and the training his soldiers received in methods of crowd control and torture—came primarily from Washington, D.C.

Although the Clinton administration sought to distance itself publicly from the Suharto regime when it began to seem that he could no longer fulfill his role without mass opposition, the administration continued the bipartisan government policy of backing his authoritarian rule.

When Suharto made a "state visit" to the Clinton White House in October 1995, he was received like a hero.

[When] the aging, military-backed leader of Indonesia, and a man who also knows a good deal about how to keep dissenters under control... arrived at the White House on Friday for a "private" visit with the President, the Cabinet room was jammed with top officials ready to welcome him.

Vice President Gore was there, along with Secretary of State Warren Christopher; the Chairman of the Joint Chiefs of Staff, Gen. John Shalikashvili; Commerce Secretary Ronald H. Brown; the United States trade representative, Mickey Kantor; the national security adviser, Anthony Lake, and many others.

"There wasn't an empty chair in the room," one participant said.

The reason was clear:

Suharto... is sitting on the ultimate emerging market: some 13,000 islands, a population of 193 million [now 205 million] and an economy growing at more than 7 percent a year. The country remains wildly corrupt and Mr. Suharto's family controls leading businesses that competitors in Jakarta would be unwise to challenge... Suharto... has been savvy in keeping Washington happy. He has deregulated the economy, opened Indonesia to foreign investors and kept the Japanese, Indonesia's largest supplier of foreign aid, from grabbing more than a quarter of the market for goods imported into the country.

So Mr. Clinton made the requisite complaints about Indonesia's repressive tactics in East Timor, where anti-Government protests continue, and moved right on to business, getting Mr. Suharto's support for market-opening progress during the annual Asian Pacific Economic Cooperation meeting in Osaka in mid-November.

"He's our kind of guy," a senior Administration official who

deals often on Asian policy, said.... “The message of his visit was clear: this is the kind of relationship we want to have with China.”³

The Roots of U.S. Involvement

Until World War II, Indonesia, then known as the Netherlands East Indies, was part of the Dutch empire. During the war, Sukarno headed up a Japanese-imposed puppet regime. After Japan’s defeat, Sukarno led a nationalist movement against the Dutch and declared the independence of Indonesia in 1945.

However, it wasn’t until 1949, after a bloody fight in which the Netherlands sought to reassert control over its colony, that the country’s formal independence was officially recognized—though the Dutch would hold the resource-rich West Papua until several years later. (The region was incorporated into Indonesia in 1969 and is now called Irian Jaya by the Indonesian government.)

Sukarno became a leader of the third-worldist Non-Aligned Movement—supposedly independent from the two major camps in the Cold War conflict, the United States and the Soviet Union, but often, in practice, leaning toward one or the other for aid and military support. In the eyes of the U.S. government, non-alignment meant support for the “communist camp.”

To the Eisenhower cold warriors, report historians Audrey and George Kahin, “The pursuit of a neutralist policy was regarded as...likely only to benefit the Sino-Soviet bloc.... [I]n the context of the cold war, those who would not stand with the United States were viewed as standing against it.”⁴

“In mid-1957 President Eisenhower, Secretary of State John Foster Dulles, and CIA Director Allen Dulles had become deeply worried that the Indonesian government... and especially its president, Sukarno, were under growing Communist influence and drifting dangerously to the left.”⁵

Indonesia had the world’s largest non-governing Communist Party. By 1965, the Indonesian Communist Party, the PKI, had a membership of 3 million and it was affiliated with peasant and popular groups of nearly 10 million.⁶ Only the Soviet Union and China had larger parties and the U.S. government was determined not to let another country “fall” to the Communists, as China had in 1949, when the Communist Party under Mao Zedong took power.

The Destruction of the PKI

When the PKI gained 16.4 percent of the vote in national elections in 1955, Sukarno attempted to co-opt the growing movement by bringing it into a coalition government with three other parties.

Sukarno argued that the PKI “would be more controllable inside the government than outside.”⁷ Kahin and Kahin explain:

Having the PKI represented in government would oblige them to share responsibility [for the government’s programs] and block them from benefiting as the main channel for the public’s discontent.... Controlling by far the largest and best organized of Indonesia’s labor organizations (the Central All-Indonesian Workers’ Organization [SOBSI]), the PKI was in a position through strikes alone to inflict considerable damage on the country’s fragile economy.⁸

Sukarno was prepared to go much further to suppress the Communists, however, if the strategy of incorporation didn’t work. Sukarno told U.S. Ambassador Hugh S. Cumming, Jr. that “if at any time the PKI departed from their Indonesian nationalism, he would crush them as he did at Madiun,”⁹ a reference to Sukarno’s violent suppression of a disastrous PKI

uprising in central Java in 1948.

But the United States wasn’t taking any chances on Sukarno. When a group of army officers attempted a coup in October 1965, Indonesian military leaders—under the direction of Gen. Suharto, the head of the Indonesian army’s Strategic Reserve (KOSTRAD)—blamed it on the Communists and, with U.S. backing, embarked on a bloody civil war against the PKI and the left.

In the next two years, as many as one million Indonesians were slaughtered, according to Amnesty International.¹⁰ One of the world’s largest labor movements had its leadership systematically destroyed.¹¹ Ian Birchall describes the massacre in *Workers Against the Monolith: The Communist Parties Since 1943*:

The top leadership of the Party were all executed.... But the army also set out to destroy the base of the CP in the villages.... The technique adopted by the army was to go into a village and compel the headman to give the names of all the CP members and sympathizers, round them up, and then inform the virulently anti-Communist Christian and Muslim mobs when they were to be released. As they came out of jail they were cut to pieces.¹²

U.S. officials gave Indonesian officers a list of 5,000 members of the PKI who were systematically captured or killed, and then crossed off the list. The lists “included the names of provincial, city, and other PKI committee members, and leaders of the mass organizations, such as the PKI national labor federation, [and] women’s and youth groups.”¹³

“American input went beyond mere approbation and encouragement.... [T]he United States quickly fulfilled the [Indonesian] army’s request, relayed...on November 6, 1965, for weapons ‘to arm Muslim and nationalist youth in central Java for use against the PKI’ in the context of an overall army policy ‘to eliminate the PKI.’”¹⁴

As Kahin and Kahin note, “the PKI was indeed eliminated—root and branch—and even before the process of its liquidation was completed Sukarno had been obligated to yield power to Suharto.”¹⁵

Suharto Consolidates

Suharto became a darling of the U.S., hailed as a “moderate” and a great leader, particularly as he opened Indonesia to profit-making ventures by Western oil, copper, tin, timber, and rubber companies.



Birth of a new labor movement

"THE RISING anger of Indonesia's workers," the *Sydney Morning Herald* reported on July 4, "and the inability of the system to deal with it are raising fears that labor unrest will become a flashpoint as the Indonesian economy continues to deteriorate."

They have reason to worry. In the weeks since Suharto was forced out of office, there has been an upsurge of workers' strikes and demonstrations in Indonesia. Workers who would have been afraid to fight have now found confidence to demand better wages and conditions. The greatest concentration of strike activity has been in the industrial belt that rings Jakarta and around the industrial and port city of Surabaya, the second largest city in Indonesia.

A report from ASIET News on June 24 gives a flavor of what is going on:

Tens of thousands of Indonesian workers have joined strikes and protests against the military-backed regime and the policies of crippling economic austerity imposed at the dictates of the IMF and the U.S. government.

In Surabaya, the country's second largest city, 10,000 shoe factory workers tore down tree branches and built roadblocks on the second day of protests demanding pay increases. The workers marched to the regional parliament building. Soldiers lined the city's downtown streets but made no attempt to interfere with the protest.

Surabaya has been paralyzed by a strike of dock workers at its port, Tanjung Perak. The 6,000 workers walked out on June 17 demanding that their basic wage be increased from 7,000 *rupiah* an hour to 15,000 (about U.S. \$1 an hour at current exchange rates).

Major strikes have broken out in the factory belt surrounding Jakarta, the capital city. In Karawang, 2,500 workers from P.T. Texmaco Perkasa Engenering walked out demanding a wage raise, and improvements in overtime work and better food provisions.

Most of the 1,500 workers at the P.T. Kukdong factory were also on strike. Their demands included a reduction in the taxes taken from their wage packets, more holiday money, and money for food and transportation.

Another strike hit the P.T. Standang Mutiara Era Mulia factory, where most of the 1,200 workers walked out ... June 22. They demanded a 30 percent wage increase, payment for overtime work and better food provisions.

At a nearby factory complex, another 4,000 workers were on strike with similar demands to the shoe workers. On June 24, more than 200 members of the Indonesia Labor Prosperity Trade Union (SBSI) gathered at the local parliament and demanded a 20 percent workers' stake in every company, the

formation of a national labor council and the revocation of the law that forbid labor unions. Fearing that these struggles might merge, the military doubled the number of troops it had facing down the 4,000 workers from 100 to 200.

Release of prisoners

Under mass pressure, Habibie first released the head of the SBSI, Muchtar Pakpahan, whose union claimed 500,000 members before it was banned. The regime fears a growing labor movement, especially one that moves from economic struggles to political ones, and which links up with student protests. Or to quote one intelligence officer, "There is always a fear that the situation could just get out of hand if the students are joined by others to register their demands." The problem is whether repression will help maintain the status quo of "Suhartoism without Suharto" or provoke more rebellion; and vice versa, will the granting of some, even cosmetic changes, under pressure, merely lead to people demanding more. The result is that the regime has combined repressive measures with some minimal reforms.

Pakpahan's behavior after his release only days after Suharto's fall indicates why Habibie chose to release him over other political prisoners.

In early June, Pakpahan visited a mass rally of striking bus drivers who work for the state-owned Jakarta Transportation Company. Demanding higher wages and protesting company corruption, the workers vowed to bring their families and stay in front of the company headquarters until their demands were met.

After meeting with both management and striking workers, Pakpahan echoed support for their demands, but also urged them to save the company and make it profitable.

"I support your wish if you want to stay here," he said after workers rejected his suggestion that they end their demonstration and leave it to appointed representatives to deal with management. "As long as you promise to safeguard against any destruction and maintain your health."

In mid-June, Pakpahan seemed poised to project himself as a leader in the movement for political reform. He called for a series of escalating working-class demonstrations, starting with a planned 10,000-strong demonstration in Jakarta on June 23 demanding that Habibie step down. The day before the scheduled demonstration, the military chief of Jakarta deployed 25,000 troops around the city and threatened to "cripple them. Just wait and see." When the day came, a small gathering of workers was easily dispersed.

Pakpahan's, who wasn't in Jakarta on the 23rd, immediately called a halt to all demonstrations. "Following many requests from the

public and entrepreneurs," he announced, "we have called off all planned demonstrations for the time being. We will see what the government's reaction is to our proposals for national reconciliation and work together toward an agenda for political and economic reforms, especially for the small people who really are suffering."

Recently, Pakpahan has called for the formation of a labor party—but one headed up by probably the most moderate of the bourgeois opposition leaders and someone who has never identified herself with workers' struggles, let alone student activism, Megawati Sukarnoputri, the daughter of former ruler Sukarno. As for the class struggle, Pakpahan is now stressing that the labor movement must focus on labor-management issues and not politics, posing itself as a more orthodox labor union.

Negotiate with Management

"In the past we focused our attention on how to deal with the military and the government. Now we have to learn how to negotiate with management."

It is hard to see how a labor movement that restricts itself to labor-management negotiations will be able to address what are key rights that workers still have yet to claim: the right to form unions outside the official state union (not yet written into law); the right to assembly (severely restricted by a new law); and, most obviously, the right to strike without military intervention. Though sections of the ruling class may be hoping that Pakpahan will help steer labor activism and organizing into safer channels, it will be difficult to erect a wall between economic struggles and political struggles for workers. Though the bulk of strikes that have broken out have been over wages and conditions, some have also involved the very political demand that the military no longer interfere in labor disputes.

For example, at the beginning of July 300 laid-off workers, members of an organization calling itself the Greater Jakarta Workers' Coalition descended on the headquarters of the Minister of Manpower Fahmi Idris, calling on him to step down for failing to help them (Indonesia has no social safety net for unemployed workers). The workers, who said they represented 21,000 laid off fellow workers, also demanded that the government end military intervention in labor disputes.

The working class is likely to become more politicized and combative in the struggles ahead.

Political scientist Jeffrey A. Winters describes how Suharto set up a series of meetings in 1966 and 1967 between Indonesian ministers and leading capitalists and government officials from the United States, such as James A. Linen, the president of Time, Inc., “to discuss possibilities for foreign capital investment in Indonesia” and to “make the case for Indonesia.”

U.S. officials were awed as Indonesian representatives explained: “We are trying to create a new climate...in which private enterprise and developing countries work together for their mutual interest and profit, and to the even greater profit of the free world.”¹⁶

U.S. weapons manufacturers also went along for the ride, selling Suharto the tanks, airplanes and weapons the army would use to control the population. Arms sales escalated at every decisive moment of Indonesian military activity against its population.

Suharto ruled Indonesia through a combination of family and military rule. The military held a celebrated “dual function,” upholding domestic “stability” through social and political functions and engaging in “defense.” Top military officials served in the hand-picked Suharto parliament and also controlled significant aspects of the nation’s economy.

Suharto’s family, meanwhile, had a hand in—and took a cut from—nearly every business transaction. Under the Indonesian constitution, “Industries that are important to the government and that affect the lives of most people are controlled by the state.”¹⁷ In practice, these key industries were controlled by Suharto, his wife and children, and a close circle of friends (including B.J. Habibie, who would later succeed him as president). Almost every investment needed his approval. By the time of his downfall, many analysts estimated the Suharto family wealth at as much as \$46 billion.

Suharto amassed such wealth—and western companies, such as New Orleans-based Freeport McMoRan Mining, amassed even more—through labor-intensive, low-cost production for export.

Trade unions were banned, except for the government-sponsored Federation of All Indonesian Workers Union; strikes were suppressed brutally; and any form of civil society was repressed. Meetings of more than five people were illegal without a government permit.

This strategy kept wages low and the organization of the widespread opposition to Suharto’s dictatorship weak. In 1995, factory workers in Jakarta, the nation’s capital, still earned less than 40 cents an hour.

“The workers have no rights here to argue for their rights,” explained Indera Nababan, the director of an Indonesian labor education group, the Social Communication Foundation.¹⁸

“If we have a meeting, the police take us to the station and want to know if we want to make a revolution,” explained one worker in a Nike shoe factory in Jakarta. “We had a meeting here last week and the police came. So we changed the topic of the meeting, but they took me to the station anyway.”¹⁹

Holding “Indonesia” Together

Suharto held the country together by espousing a state ideology taken from Sukarno called *Pancasila*, “the five principles”: “belief in one almighty God; just and civilized humanitarianism; a united Indonesia; democracy guided by wisdom, through consultations and representation; and social justice for all the Indonesian people.”²⁰

In reality, the “principle” that topped the others was “a united Indonesia.” As Constâncio Pinto and Matthew Jardine note, “Indonesian state ideology emphasizes the subordination of ethnic and/or religious differences to national unity and stability,”²¹ and Suharto never shied away from enforcing this unity through violence and intimidation.

For a nation composed of 13,700 islands, spanning a distance as far as a flight from New York City to Dublin, with 205 million people of hundreds of different ethnicities and multiple religions (the 90 percent Islamic majority is compromised of a number of different forms of Islam), this meant forcible integration.

In East Timor, the eastern half of a small island about 400 miles northwest of Australia, it meant genocide.

Suharto annexed East Timor as Indonesia’s “27th Province” in 1976. Though West Timor had been part of the Netherlands East Indies, East Timor had long been a Portuguese colony, with a distinct culture and society.

In 1974, Portugal’s overseas empire began to collapse in the wake of the revolution in Portugal and national liberation struggles in its African colonies. Taking advantage of this opening, the East Timorese liberation organization FRETILIN declared independence in November 1975. This independence would last little more than a week.

After a visit in Jakarta between Suharto, President Gerald Ford and Secretary of State Henry Kissinger (who now sits on the board of Freeport McMoRan), Indonesia invaded East Timor in December 1975. In the bloodbath that followed, more than one-third of the population of East Timor—some 200,000 people—were killed. Many more were tortured and brutalized by the occupation, which continues to this day.²²

The Indonesian armed forces also suppressed movements for self-determination in West Papua (Irian Jaya)—where Freeport McMoRan makes \$550,000 a day in profits from the world’s largest gold mine²³—Aceh, and elsewhere to consolidate Suharto’s power.²⁴

The “Tiger Cub”

By the early 1990s, Indonesia was hailed as one of the “tiger cubs,” along with Malaysia, Thailand and the Philippines—the countries whose high growth rates and profit opportunities for foreign investors were compared to the larger “Asian Tigers.” The tigers and their junior partners were held up as models of cap-



March 1998 protest demanding food

italist dynamism and the wonders of the market.

In 1993, the World Bank singled out Indonesia as one of the leading examples of “the Asian Economic Miracle.” “The HPAEs [high-performing Asian economies] have...been unusually successful at sharing the fruits of growth... As a result of rapid, shared, growth, human welfare has improved dramatically... The HPAEs are unique in that they combine this rapid, sustained growth with highly equal income distribution.”²⁵

Under Suharto, Indonesia underwent a transition of rapid capitalist industrialization. Peasants were forced off land and into factories, as agricultural production declined from 73 percent of sector employment in 1961 to 50 percent—and 42.5 percent in the more populous Java region—by 1990.²⁶

Far Eastern Economic Review reporter Adam Schwarz notes:

Pragmatic and effective monetary management, increases in investment and labor productivity and the oil bonanza combined to give Indonesia an average rate of annual growth of more than 7 percent from 1968 to 1981. From 1981 to 1988, annual growth slowed to an average of 4.3 percent, a result of the fall-off in oil revenues and the accumulated effect of overzealous government intervention and regulations in the 1970s and early 1980s. From 1989 to 1993 the economy again grew by almost 7 percent a year.²⁷

Western friends of Suharto in the media wrote of the tremendous growth in living standards for ordinary Indonesians, but the fact is that the expansion left behind millions of Indonesians.

“On close scrutiny the picture is much less impressive,” explains Winters. “Economic development has brought staggering wealth for a few (especially the president and those close to him) amid widespread poverty.”²⁸

While the media often quote per capita GDP figures, which soared in Indonesia, to support the claim that ordinary Indonesians did well under Suharto, Winters rightly notes, “Per capita figures tell us nothing about the concentration of prosperity” in a few hands.²⁹

The massive growth in the manufacturing sector—averaging 10 percent in the 1971-1980 period and 5.7 percent in the 1980s³⁰—benefited Indonesian and multinational bosses, while workers lived in third-world conditions and earned below-subsistence wages.

The World Bank, as a recent exposé in the *Wall Street Journal* acknowledged, used completely fabricated statistics to cover for the reality of Indonesian poverty: “The bank went along with government estimates that showed epic improvements in living standards, despite indications the numbers were inflated.”³¹

The World Bank touted Suharto’s success at reducing the number of Indonesians below the poverty level to 30 million, “even though the World Bank, was in the middle of a three-year study that showed 60 million poor.” “It was a huge colusive effort.... The number has been reported over and over, but it’s a lie.”³²

According to the United Nations Development program, 14.8 percent of Indonesians in 1990 were not expected to live past the age of 40, For 1990-1996, 38 percent of the population lacked access to safe water; 15 percent of the population subsisted on less than \$1 a day; and in 1995, 500,000 children died before reaching their first birthday.³³

Contradictions of the Indonesian Economy

For all the riches that flowed to Suharto and his “cronies,” —whether the ones at home or flying in from New York City and New Orleans, there were problems with Suharto’s model of

development.

First, there were forces in Indonesia and internationally which were excluded from Suharto’s inner circle and complained about “crony capitalism.” Even the cronies complained at times, since Suharto was skimming more than they would have liked off the top.

At a certain point, a section of capitalists saw Suharto’s bureaucratic restrictions on investment—and his control over several monopolies in goods ranging from cloves and palm oil to plywood and cars—as a block to even more rapid growth and even higher profits. That is part of the reason they would later welcome his departure from the scene.

As the IMF stated in the text of its bailout plan for Indonesia, “Structural rigidities arising from regulations in domestic trade and import monopolies have impeded economic efficiency and competitiveness.”³⁴

“The social deals for the president’s family and pals, like [his son] Tommy’s Timor car, [his daughter] Tutut’s toll roads and the like are disadvantaging foreign capital, so the IMF wants to squash them,” explained Mirah Mahardika, a member of the leftist People’s Democratic Party (PRD).³⁵

Second, some capitalists realized that there were limits to the low-wage strategy that Indonesia was pursuing under Suharto. Chief among these was Suharto’s Minister for Information and Technology B.J. Habibie.

“The core of Habibie’s economic ideas,” Schwarz writes, “is that high value-added technology is the key to future economic success. He believes that Indonesia must reorient its economic policies to focus on the ‘competitive advantages’ that only technology can provide, rather than relying on the nation’s ‘comparative advantages’ of abundant labor and natural resources.”³⁶

In a 1993 policy speech, Habibie argued, “In national interest terms, the comparative advantage approach doesn’t promise much except high economic growth in the short term through integration with the international marketplace.... But it is difficult to argue that growth can continue [at this rate] because of the ease with which labor-intensive industries can relocate to countries with even lower labor costs.”³⁷

Indeed, Habibie’s fears had a basis. Companies such as Levi Strauss and Nike have chased even cheaper labor in other countries. “Many observers expect that Nike will close about half of its subcontractors and move its assembly operations to Poland, Croatia, Lithuania, and Mexico,” according to a recent fact-finding delegation to Indonesia.³⁸

“Our strategy is to improve our products so we are not producing products that are made in China, Vietnam, India, or Bangladesh,” Tungki Ariwibowo, Habibie’s successor as Minister of Industries and Trade, told the *New York Times*. “We cannot compete on wages with them.”³⁹

Third, the rapid industrialization strategy of Suharto relied on heavy borrowing and bets on foreign currencies that depended on maintaining exceptionally high levels of growth. When the Asian economies started to tumble one after the other, starting with the decline of Thai currency, the baht, in March 1997,⁴⁰ Indonesia’s foreign debt load was exposed and it was soon the hardest hit of the Asian economies.

The *rupiah* fell by more than 80 percent and the Jakarta stock exchange fell 50 percent between July 1997 and spring 1998. Indonesian businesses were found to have some \$130 billion in foreign debt that they could not cover. In November 1997, the IMF pulled together a \$43 billion bailout and restructuring pack-

age that would force the government to “be more open, competitive, and efficient. To achieve this transformation, the strategy called for foreign trade and investment to be further liberalized, domestic activities to be further deregulated, and the privatization program accelerated.”⁴¹

The terms of the deal, revised several times in 1998, were devastating for ordinary Indonesians: prices for basic foods, such as rice, cooking and heating oils, and gasoline soared. The IMF plan called for an ending of subsidies on these basic goods, phased in from February to April.

“Rioting is sometimes the only means to make sure there aren’t price increases. Sometimes it’s the only way to be noticed,” said Agus, a worker at a Korean-owned shoe factory in the Tangerang factory belt where three-fourths of the workers had been laid off.

“Things were bad in 1974 and 1975, but this is the worst I can remember,” said another shoe worker. “It’s like we’re heading back to the Dutch times when we had to learn to live on just one meal a day.”⁴²

Before the crisis in 1998, which has thrown some 20 million Indonesians out of work, the Indonesian labor minister estimated that 38 percent of Indonesians were either unemployed or underemployed.⁴³ After the crisis, the number of people below the poverty line jumped to 150 million.⁴⁴

The crisis has thrown ordinary Indonesians into even further poverty and barbarism.

In Indonesia, local newspapers and aid workers report that complex deals are now taking place in which loans are made to peasants with women as the collateral. If the peasant defaults,

then the lender gets the woman.

One study by the University Diponegoro in the major Indonesian city of Semarang found that since the crisis the number of Semarang’s street children aged 13 to 15 had increased 43 percent. The study also found that 30 percent of girls who became street children had turned to prostitution to support themselves.⁴⁵

People in rural Indonesia, including many workers forced out of the cities, are surviving by eating boiled wood—and beetles. But, as the *New York Times* explains, this is really no big deal, since “wood can be a source of carbohydrates—a poor source, but enough to keep people alive.” The *putak* “may not be tasty, but it is edible.”⁴⁶

The Struggle to Bring Down Suharto

When the crisis hit Asia full on in early 1998, the anger of ordinary Indonesians reached a boiling point. People who had never thought of themselves as political or as opponents of the Suharto regime took to the streets to protest rising food prices and soon economic demands flowed into political ones.

In addition, people who had been working underground because of repressive conditions—including organizations trying to form independent trade unions and to link student struggles to working-class politics, such as the Center for Indonesian Working Class Struggle (PPBI)⁴⁷—were in a position to argue politics openly and influence the direction of the growing anger.

The rioting in the streets over economic conditions gave confidence to millions of Indonesians to express political opposition to Suharto. Students on the Indonesian campuses

Using anti-Chinese Racism to Deflect the Struggle

ANTI-CHINESE racism has a long history in Indonesia. Ethnic Chinese have been the target of violence and even pogroms, very often at the instigation of government provocateurs, as a means of deflecting anger and resentment at Indonesia’s rich and powerful into (for the country’s rulers) safer channels.

During the Dutch colonial administration before independence, ethnic-Chinese were encouraged to assume the role of economic middle-man between the Dutch and the colonized population. When the Dutch were forced out, ethnic Chinese were in a position to assume prominent positions in Indonesia’s economy. As a result, though they constitute only about 3 percent of the population, ethnic-Chinese are overrepresented among small businesses, traders, and wealthy businessmen.

Eleven of Indonesia’s 15 largest businesses, for example, are ethnic-Chinese owned. Nevertheless, though ethnic-Chinese as a group enjoy a relative economic advantage, many are poor and working class. It is they—and the small shopkeepers—who are the most vulnerable targets of racist violence.

Ethnic Chinese are treated as second-class pariahs, oppressed in various ways.

Under the Suharto regime, all Chinese schools were closed. Chinese language media was banned, as well as political associations, and all Chinese culture was discouraged, including the use of Chinese names. The 25-year ban on the use of Chinese characters wasn’t lifted until 1992, and Chinese language signs are still not permitted in public places.

There is mounting evidence that some of the rioting of May 14—in which hundreds of Chinese shops and businesses were attacked and burned down and over 150 Chinese women brutally raped—were officially instigated, most likely by the military. BBC film taken during the riots show one incident where two well-dressed men are seen encouraging the looting of a shopping center, and then afterward are seen talking to the police. The building was later burned down, killing 43 people. Another amateur video shows troops standing by as mobs ransack a local Chinese-owned businesses. One ethnic-Chinese goods distributor reported seeing men with crew cuts and walkie-talkies storming into businesses and reducing them to ashes.

Sections of local and international capital are worried that the flight of Chinese

business and capital from Indonesia prompted by the fear of more violence will hurt Indonesia’s chances of recovery. And certainly Habibie has made some official overtures, offering an official apology for the rapes and abolishing the hated special codes on identity cards for Indonesian Chinese for example.

But Habibie is also attempting to build a power base among disaffected Muslim businessmen and intellectuals who see in the flight of Chinese businesses a golden economic opportunity. Many are demanding government intervention that boosts their economic prospects. In Solo, for example, where 600 ethnic-Chinese families have fled so far, local businessmen are itching to move in. “If, at a later time, they don’t reopen their stores, we have agreed to take over,” says the chairman of Solo’s chamber of commerce and industry.

Habibie has encouraged such sentiments, saying in July, “If the Chinese community doesn’t come back because they don’t trust their own country and society, I cannot force them. But do you really think that we will then die? Their place will be taken over by others.”

Resistance and Repression in Indonesia

THE FALL of Suharto has unleashed a wave of protests throughout Indonesia. "The shift from three decades of authoritarianism," summed up a July 22 *Washington Post* article, "has unleashed long pent-up passions and frustrations, fueled by a deteriorating economic situation that is causing suffering for ordinary Indonesians."

There are three features to the crisis. The first is that hunger—of millions of poor and unemployed people who cannot afford to buy basic foostuffs—combined with the lack of fear brought on by the Suharto's ouster, is driving people to seize food and the means to produce it by any means necessary.

Angry, increasingly hungry, and no longer in fear of the authorities, people across the country have been attacking rice mills, looting shrimp ponds and occupying golf courses to plant their crops in the rough. The also have begun unilaterally confiscating farmlands owned by family members of the deposed president, Suharto.

In mid-July 300 farmers seized a prize cattle ranch near Jakarta owned by Suharto, saying that the land had been stolen from them without compensation in the 1970s. They were forced off by the military, but they returned the next day and finally pressured the managers of the land to allow farmers to till the fallow land until the case was settled in court.

The pressure on local officials is so great that in some cases they have had to acquiesce to the mass actions. Sutiyoso, Jakarta's governor, has given the city's poor the go-ahead to use idle government land to grow food, but urged them to get permission first "instead of just grabbing it."

There have also been a wave of local protests against corruption. In the province of Riau, one local academic described the sentiment throughout Indonesia: "The little Suhartos in the village must be replaced."

"Indonesians are headhunting," wrote the *Wall Street Journal*,

In a raw outburst of vengeance, this depression-struck nation is seeking political change at every level of society. From the Islands of Sumatra to Sulawesi to Irian Jaya, President Suharto's fall has sent the rest of Indonesia scrambling to eradicate all those complicit in the corruption of the past 32 years.

In Riau, for example, the Sakai people, an indigenous minority that used to populate the

area's virgin forests, are protesting that their land was seized from them without compensation in the early 1990s by large corporations who wanted to cultivate rubber and palm-oil trees.

There have been cases of mass looting right under the noses of army troops sent to prevent it. In mid-July, for example, 20,000 villagers plundered a shrimp pond in a town west of Jakarta. Reports say that looters not only weren't moved by the shots fired in the air by police, but sang and danced to the rhythm of the shooting.

The second feature is the growth of independence movements in Indonesia.

There has been a wave of protests in East Timor, including a mass demonstration of 50,000 in Dili on June 23. The protests have prompted the government to promise some kind of limited autonomy, but they have absolutely refused to call a referendum or to grant independence to East Timor.

In Irian Jaya, there have been a series of student protests calling for a referendum on Irian Jaya's status. The regime is particularly worried about this movement, because Irian Jaya contains extensive gold deposits. An article in *The Age* gives a taste of what is happening there:

Over the last 10 days, the cultural insults, the sporadic human-rights abuses by Indonesian troops, the domination of local economies by outsiders, and the forced removal of tribes from their lands for mining and development projects, have erupted into mass demonstrations against Indonesian rule. In a series of protests in major towns and remote mountain settlements, the independence flag of the Free Papua Movement (OPM) was raised and Government buildings occupied. Early on Monday morning Indonesian troops opened fire on hundreds of Irianese on the Island of Biak, killing up to seven people and injuring 141.

"This started with a mood of reform. People thought now that things could be said, feelings could be expressed without people being shot," said a local Catholic priest, sadly.

The third feature of the crisis is that the military has lost, or is rapidly losing, all credibility, as a result of a series of revelations about its role in committing systematic atrocities across the archipelago. General Wiranto is trying desperately to pin all the military's misdeeds on "rogue" elements, for example, pinning the

abduction of activists before Suharto's ouster on Gen. Prabowo, formerly the darling of the West who is now expected to take the fall so that business as usual can continue. But the atrocities committed by the ABRI (the acronym for the Indonesian Military) go far beyond a handful of abductions. It is now widely accepted (by all but the ABRI) that some sections of the military were involved in fomenting anti-Chinese pogroms during the rioting in mid May.

And recent investigations in the province of Aceh have turned up mass graves in which are buried thousands of victims of the military crackdown on that region in the early 1990s. Dozens of women from Aceh have come forward to report that they were beaten, tortured and raped by the Indonesian military. According to the Banda Aceh Legal Aid Foundation, 625 women were raped and tortured in Aceh between 1990 and 1996, and the Aceh NGO forum estimates that 39,000 Aceh residents (out of a total population of 170,000!) have disappeared since 1989.

These revelations have forced the army to submit a formal public apology from Wiranto and a promise to pull troops out of Aceh. But already residents in Aceh are reporting that anonymous groups have come to their homes to warn them not to talk to non-governmental organizations about what has happened to them.

The regime and the military remain on the defensive in the face of mounting protests on a whole number of fronts. Yet the lack of a political tradition means that workers, the students and the poor will learn the lessons of struggle more slowly and more haltingly. The Indonesian's ruling classes' biggest fear is that the mounting working-class protest will link up with student protests and build a second wave of mass protest that targets Habibie's crony regime and the military that remains in power.

This has already begun to happen, as this mid-September AP report shows:

In the third-largest city, Medan, on the northern end of Sumatra...students joined 6,000 [striking public transport] drivers in a protest outside the office of the provisional governor against the soaring price of spare parts for minibuses and other vehicles. They also complained about the increases in food prices.

became more bold, holding demonstrations that started to spread from campus to campus, and raising slogans that quickly progressed from vague calls for "reform" of the government to "Gantung Suharto!" ("Hang Suharto").

In turn, the struggle threatened to spill back off the universities. The main role Indonesian security played during the student protests was making sure that they remained confined to the campuses. On March 11, 1998 students at Airlangga University and Surabaya Institute of Technology "were badly

attacked when they tried to move outside the campus and reach the nearby worker communities."⁴⁸

The *New York Times* spoke openly of the "class warfare" unfolding in Indonesia as the riots intensified in early May. While some anger was channeled against the ethnic Chinese, a convenient scapegoat, *Time* observed that "It was the very symbols of the country's new wealth that became the targets of last week's rioting: shopping malls were looted and torched, car dealerships were destroyed, the new toll road to the airport was

commandeered by lawless mobs who threatened to set fire to cars that did not hand over cash on demand.”⁴⁹ Businesses owned by Suharto’s cronies were singled out for looting in many cases.

Though largely decentralized, the protests severely shook the regime. Decades-old allies of Suharto began to question whether he could maintain control of the country and began debating whether another figure could bring about a stable environment in which the IMF austerity measures could be successfully imposed.

By mid-May, especially after six student protesters at Triskati University were murdered by military security guards, Suharto had lost the backing of the Indonesian ruling class. After thousands of students occupied the parliament building in Jakarta, Suharto was forced to exit, handing power over to his hand-picked Vice President, B.J. Habibie.

Although they allowed the occupation of parliament to end, student protesters immediately took up slogans calling for the resignation of Habibie. A massive demonstration in Jakarta, calling for the resignation of Habibie, was held June 1.⁵⁰

But largely because of the weakness of the existing opposition leadership, this challenge weakened in the first months of the Habibie regime.

The most prominent opposition figure in 1998, Amien Rais—the head of the second-largest Muslim group in Indonesia—told protesters that Habibie should be “given a chance.”⁵¹

“Suharto Lite”

Habibie has attempted to place himself in the role of a “reformer.” “It’s like white-water rafting,” one Indonesian journalist said. “If you want to stay afloat, you can’t go against the current.”⁵²

Habibie was pressured into releasing Muchtar Pakpahan, the leader of the one of the most important independent unions, from prison. In the most important concession, Habibie also legalized independent trade unions and opposition parties. But much of the leadership of the PRD remains imprisoned, along with organizers of the November 12, 1991 pro-independence demonstration in East Timor, and members of the PKI.⁵³

Habibie has done nothing to change the fundamental structure of Suhartoism in Indonesia. Despite some cosmetic leadership changes, Habibie’s administration is virtually identical to Suharto’s. For public relations—and security—reasons, Suharto family members have been moved out of some public ownership positions, but there has been no substantive challenge to Suharto’s family and its wealth.

Habibie has called for an investigation into army “disappearances” of human rights activists and for an investigation of Suharto’s wealth, but both are clearly meant to appease an angry public. A few “rogue” officers may be disciplined, but the people who ordered them to fire will remain in power. And Habibie has said that he is not interested in “the past” (that is, how Suharto amassed billions) but “the future.”

A typical example of Habibie’s “Suharto Lite” politics can be seen in his initiatives regarding East Timor. Habibie made a show of moving 400 troops out of East Timor in early July, while planning to pull out 600 more, but 11,000 remain as an occupying army. Habibie refuses to budge on the idea of an independent East Timor, but has offered a fig-leaf “autonomy” arrangement to normalize East Timor’s integration into Indonesia.

Which Way Forward?

“Many Indonesians believe their country is caught in mid-revolt—between the acts, and no one quite knows just where the play is headed,” Margaret Scott, the former cultural editor of the *Far Eastern Economic Review*, recently wrote from Jakarta.⁵⁴

The official opposition in Indonesia failed to mount a decisive challenge to the root of the crisis in Indonesia, which goes much deeper than the individual Suharto, or Habibie.

Rais, who called off a critical demonstration that had been called against the Suharto regime, explained immediately after Suharto’s resignation: “We must swallow the bitter pill” of the IMF austerity plan “in order to be healthy in the future.”⁵⁵

Megawati Sukarnoputri, the daughter of the nationalist leader Sukarno, and the head of the Indonesian Democratic Party (PDI) was virtually absent from politics during the decisive battles to oust Suharto and has also refused to call for Habibie to step down.

But Indonesia’s economic crisis is—by virtually all accounts—only going to get deeper. *The Economist* predicts a 15-20 percent contraction of the Indonesian economy in 1998,⁵⁶ but the real figure may reach twice that. The *rupiah* has not recovered; and the costs of restructuring the Indonesian economy are only beginning to be imposed.

There is no safety net for the millions of unemployed and impoverished workers, and their ranks are growing as Indonesian workers are expelled from other Asian countries experiencing the same crisis that are looking for convenient scapegoats.

Indonesia is experiencing the worst drought it has had in 50 years, and fires caused by the drought and massive logging operations have created smoke clouds that are having a massive human and economic impact on region.⁵⁷

The key to the whole equation is the response—or more precisely, activity and resistance of the growing Indonesian working class. A strike wave in Indonesia in 1994 involved tens of thousands of workers in Medan, who shut down more than 70 factories. More than 360 strikes took place in 1994, though these numbers are probably low, given that they were primarily wildcats.⁵⁸

Under highly repressive conditions, Indonesian workers have shown their militancy and desire to organize repeatedly during the last few years.⁵⁹ The opening of some political space for organizing workers’ parties and unions is an important development, but workers and other activists will need to push the narrow limits set by Habibie and the reformists.

The Indonesian working class has the power to not only bring down the Habibie government, but to take the country’s resources into its own hands and put them toward human need. Such a step would guarantee liberation for the people of East Timor, Aceh, and West Papua, as well.⁶⁰ It would also give a lead to workers around the world who are being asked to pay the bill for the capitalist crisis that threatens to spark a global downturn.

The overthrow of Suharto is thus far the most important political consequence of the crisis in southeast Asia. But the politics of the mainstream opposition groups is likely to limit the scope of political and social change in the coming months. But no one should mistake this as the end of the struggle—rather it is, in a country where a whole generation of fighters was physically wiped out—only the first of many tumultuous convulsions.

1 Charles Schreiner, Matthew Jardine, and Sidhawati, “Indonesia and East Timor: On the Verge of Change?” Report from a Fact-Finding Delegation to Indonesia and East Timor in March 1998” (<http://www.etan.org/action/lat->

- est/TripRept.htm). This very useful report is also available from East Timor Action Network, PO Box 1182, White Plains NY 10602.
- 2 Richard Nixon, "Asia After Viet Nam," *Foreign Affairs* (October 1967): 111, quoted in Matthew Jardine, *East Timor: Genocide in Paradise* (Tucson: Odonian, 1995), now available through Common Courage Press in Monroe, Maine.
 - 3 David E. Sanger, "Real Politics: Why Suharto Is In and Castro Is Out," *New York Times*, October 31, 1995, p. A3.
 - 4 Audrey K. Kahin and George McT. Kahin, *Subversion as Foreign Policy: The Secret Eisenhower and Dulles Debacle in Indonesia* (Seattle: University of Washington Press, 1997), p. 9.
 - 5 Kahin and Kahin p. 16.
 - 6 Ian Birchall, *Workers Against the Monolith: The Communist Parties Since 1943* (London: Pluto Press, 1974), 164. See also Bruce Grant, *Indonesia* (Baltimore: Penguin, 1967), p. 70.
 - 7 Kahin and Kahin p. 51.
 - 8 Kahin and Kahin p. 40.
 - 9 Kahin and Kahin p. 78.
 - 10 See Noam Chomsky and Edward S. Herman, *The Washington Connection and Third World Fascism: The Political Economy of Human Rights: Volume I* (Boston: South End Press, 1979), p. 208.
 - 11 The politics of the PKI reflected the distortions of Stalinism and particularly the disastrous subordination of independent, working-class politics to nationalist movements. As Birchall notes, "The strategy followed by the CP was, in essence, the same as that followed by the communists toward Chang Kai-Shek before the massacre in 1927. The alliance lasted much longer than it had done in China, but the end was result was tragically very similar" (p. 163).
 "Support for Sukarno was not merely a tactic, but justified by wholesale revision of Marxism. Thus party leader, D.N. Aidit, wrote in 1965: 'At present, the state power in the ROI includes two antagonistic sides, one representing the interests of the people (in support of the people) and the other the interests of the enemy of the people (the opposition to the people). The side supporting the people is becoming stronger day by day, the government of the ROI has even adopted revolutionary anti-imperialist measures'" (p. 163).
 Historian Bruce Grant notes that PKI's support for the nationalist movement led to complete confusion about Sukarno's movement and then government: to the PKI, "Domestic capitalism was alright because it was oppressed by foreign capitalism. Non-alignment was alright, because it was directed against encircling imperialism" (*Indonesia*, p. 78). This view was summed up in the party's 1952 slogan: "Long live Sukarno! Long live the PKI!" (p. 78). In interview with Grant, party leaders in August 1963 "were concerned to point out that the party was part of the apparatus of respectable government in Indonesia" (p. 79). "We must be patriotic so long as so many ministers in the government are not patriotic," one party official explained (p. 80).
 - 12 Birchall, p. 166.
 - 13 Kathy Kadane, "CIA Compiled Death Lists in 1965," States News Service, May 20, 1998. Reprinted in the *Washington Post*, May 21, 1990.
 - 14 Kahin and Kahin, p. 230.
 - 15 Ibid.
 - 16 Jeffrey A. Winters, *Power in Motion: Capital Mobility and the Indonesian State* (Ithaca: Cornell University Press, 1996), pp. 56-59; see also, pp. 73-74.
 - 17 Lexis-Nexis/ABC-Clio Country Report, "Indonesia."
 - 18 Edward A. Gargan, "An Indonesian Asset Is Also a Liability: Low Wages Woo Foreign Business, But the Price Is Worker Poverty," *New York Times*, March 16, 1996, p. 35.
 - 19 Gargan, p. 35.
 - 20 Constância Pinto and Matthew Jardine, *East Timor's Unfinished Struggle: Inside the Timorese Resistance* (Boston: South End Press, 1996), p. 262, n.10.
 - 21 Pinto and Jardine, p. 262, n.10.
 - 22 See Pinto and Jardine, *East Timor's Unfinished Struggle*, as well as Jardine, *East Timor: Genocide in Paradise*.
 - 23 Michael Paterniti, "Indonesia," *Rolling Stone* 785 (April 30, 1998): p. 46.
 - 24 See Keith B. Richburg, "An Archipelago of Diversity," *Washington Post*, June 4, 1998, p. A28.
 - 25 The World Bank, *The East Asian Miracle: Economic Growth and Public Policy* (New York: Oxford University Press, 1993), pp. 1-5.
 - 26 Hall Hill, *The Indonesian Economy Since 1966: Southeast Asia's Emerging Giant* (Cambridge: Cambridge University Press, 1996), 22, Table 2.2.
 - 27 Adam Schwarz, *A Nation in Waiting: Indonesia in the 1990s* (Boulder: Westview Press, 1994), p. 57.
 - 28 Jeffrey A. Winters, "Suharto's Indonesia: Prosperity and Freedom for the Few," *Current History* 94/596 (December 1995): 420-421.
 - 29 Winters, "Suharto's Indonesia," p. 421.
 - 30 Hill, p. 27, Table 2.4.
 - 31 Marcus W. Brauchli, "Speak No Evil: Why the World Bank Failed to Anticipate Indonesia's Deep Crisis," *Wall Street Journal*, July 14, 1998, A1.
 - 32 Brauchli, p. A10.
 - 33 United Nations Development Program, *Human Development Report 1997* (New York: Oxford University Press, 1997), p. 54, Annex Table A2.1, and p. 58, Annex Table A2.2.
 - 34 International Monetary Fund, "Indonesia—Memorandum of Economic and Financial Policies," January 15, 1998. (<http://www.imf.org/external/np/loi/011598.htm>). See also "Memorandum of Economic and Financial Policies of the Government of Indonesia," April 10, 1998 (<http://www.imf.org/external/np/loi/041098.htm>).
 - 35 "Indonesia: The Anger Explodes," *Socialist Review* (London) 218 (April 1998), p. 10.
 - 36 Schwarz, p. 86.
 - 37 Cited in Schwarz, p. 86.
 - 38 Schreiner, Jardine, and Sidhawati.
 - 39 Gargan, p. 35.
 - 40 See "Asia—Has the Crisis Passed?" *International Socialist Review* 4 (Spring 1998): 3-4; "The Asian Flu," *International Socialist Review* 3 (Winter 1997): 4; and the articles by Colin Sparks, Sin Gyoung-Hee, and Rob Hoveman on the Asian crisis in *International Socialism* 78 (Spring 1998):, pp. 3-76.
 - 41 IMF, January 15, 1998 (<http://www.imf.org/external/np/loi/011598.htm>).
 - 42 Jay Solomon and Kate Linebaugh, "Social Unrest in Indonesia Mounts, With Unemployment, Rising Prices," *Wall Street Journal*, January 19, 1998.
 - 43 Scheiner, Jardine, and Sidhawati, Appendix 2, estimate unemployment conservatively at 16 million, based on February 1998 figures compiled by the Indonesian Writers' Syndicate. The authors note that the number "does not include the some 100,000 migrant workers who have returned from Malaysia and Saudi Arabia, nor the laid off workers from other industrial sectors, such as automotive spare parts, agriculture, medicine, and transportation." The *Wall Street Journal* now casually puts the figure at \$20 million (James A. Sterba, "In Indonesia, the Art of Travel is Cheap," June 24, 1998, A10). Cf. Schwarz, p. 59.
 - 44 Reksun Silaban of the SBSI (Indonesian Prosperous Labor Union). "They Demonstrate More and More," *Socialist Review* (London) 218 (April 1998), p. 11.
 - 45 Nicholas D. Kristof, "With Asia's Economies Shrinking, Women Are Being Squeezed Out," June 11, 1998, p. A1.
 - 46 Nicholas D. Kristof, "Asia Feels Strain Most at Society's Margins," June 8, 1998, p. A1 and A8.
 - 47 See Vedi R. Hadiz, *Workers and the State in New Order Indonesia* (New York: Routledge, 1997), p. 134-156.
 - 48 Schreiner, Jardine, and Sidhawati.
 - 49 Terry McCarthy, "Indonesia Burning," *Time*, May 25, 1998, p. 45.
 - 50 Gwen Robinson, "Calls Mount for Habibie to Quit," *Financial Times*, June 1, 1998, p. 1.
 - 51 Robinson 1.
 - 52 "Indonesia's New President on a Tide of Troubles," *The Economist* 347/8070 (May 30, 1998), p. 39.
 - 53 Amnesty International and Human Rights Watch, "Release Prisoners of Conscience Now!" AI Index 21/58/98 (June 1998).
 - 54 Margaret Scott, "Indonesia Reborn?" *New York Review of Books* 45: 13 (August 13, 1998), p. 43.
 - 55 *Wall Street Journal*, May 22, 1998, p. A15.
 - 56 "East Asia's Delicate Balance," *The Economist* 348/8078 (July 25, 1998), p. 19.
 - 57 For an excellent source for the background and ongoing impact of the crisis in Indonesia, and throughout Asia, see the web site maintained by Nouriel Roubini, professor of economics at the New York University Stern School of Business (<http://www.stern.nyu.edu/~nroubini/asia/AsiaChronology1998.html#indocrisis>).
 - 58 Hadiz 113 and 208n8-9; and Chris Manning, *Indonesian Labour in Transition: An East Asian Success Story?* (Cambridge: Cambridge University Press, 1998), pp. 214-215.
 - 59 See Hadiz's *Workers and the State* for a study of the formation of some of these organizations.
 - 60 Habibie "gave the message that no matter who the president is, the position of Indonesia on the issue of East Timor remains unchanged," Indonesia's ambassador-at-large for East Timor Lopez da Cruz was quoted as saying after a meeting with Habibie on Monday," Reuters reported, June 6, 1998. Rais position is hardly a strong endorsement of Timorese independence: "the best way to solve the East Timorese problem is giving the referendum for the whole people of East Timor to make the choice. If the result of the referendum indicates that the vast majority of the East Timor want to join Indonesia and stay like this, you know. Then that's it. But if the result of the referendum indicates that the majority of the people want to have separation to build their own state even, then let them go. However, I made the condition that the Indonesian government must be given two or three more years to quote-unquote convince the East Timorese people to stick to the present structure. Meaning that East Timor becomes one of the provinces of Indonesia, but if after three years of hard working, of maximal effort and then the East Timorese people still want to have referendum, then the best way is to give them a referendum under the supervision of the United Nations bodies. Then that's it." Testimony before the Congressional Human Rights Caucus Hearing on Indonesia and East Timor, April 30, 1998.