The major event this quarter has been the carnage attendant upon East Timor’s referendum on independence from Indonesia. Attempting to tread a thin line between supporting Indonesia during its own political transition while deploving the depredations of pro-integration Indonesian army-backed militias in East Timor, Washington finally joined a unanimous UN Security Council resolution for international peacekeepers. Mixed relations with Vietnam also featured prominently this quarter, with a new trade accord on the positive side despite the persistence of frictions over human rights.

U.S.-Vietnam Relations

On July 25, Vietnam and the United States initialed a preliminary draft of their first trade agreement since Saigon’s collapse in 1975. Along with a June decision to publish a state budget for the first time and set up a stock exchange, it appears that Hanoi has decided to become engaged in the world economy. Nevertheless, these changes will be very gradual. The draft trade agreement gives Hanoi up to eight years to phase in market-opening measures such as tariff cuts. The deal seems more important for its symbolism than any dramatic effect on Vietnam-U.S. trade. Vietnamese officials remain nervous about whether they can control their economy once Western investment and free trade penetrate it.

Another sign of warmer relations was the early September inauguration of a new U.S. Consulate in Ho Chi Minh City built on the site of the old U.S. Embassy. It is anticipated that the Consulate will issue 25,000 immigrant and 150,000 visitors’ visas annually, making it one of the busiest U.S. posts in the world.

Recently, in a reciprocal gesture, the Pentagon agreed to open its archives for Vietnamese officials to examine records and maps for their search to find Vietnam Peoples Army soldiers missing in action (MIAs) from the Vietnam war era. However, Hanoi has yet to fulfill a previously issued invitation to U.S. Secretary of Defense Cohen for a visit, now twice postponed. This reluctance highlights fundamental policy dilemmas besetting Hanoi over the desire to get America to help strengthen Vietnam’s security without antagonizing China, the country’s powerful neighbor.

Finally, Vietnam continues to rail against U.S. complaints about Hanoi’s human rights practices, particularly the incarceration of people for their political and religious beliefs. Hanoi
views these U.S. complaints as an effort “to impose its laws abroad...a violation of fundamental principles of international rights and the equality between nations.”

**The East Timor Tragedy and America’s Response**

Indonesia is a country of some 18,000 islands, containing people of disparate ethnicities and languages, with religions ranging from animism to Hinduism, Christianity, and Islam—the last making Indonesia the largest Muslim country in the world. East Timor, the eastern half of an island close to Australia’s north, was the last component to become part of Indonesia. It was forcibly occupied by Indonesian forces after the Portuguese colonial rulers abandoned their colony of 400 years in 1975. The predominantly Roman Catholic East Timorese have resisted Indonesian rule since the invasion. With the exception of Australia and fellow ASEAN members, few countries have recognized Indonesian sovereignty over East Timor. Since 1976, annual resolutions have been introduced in the UN General Assembly insisting that Indonesia evacuate the territory.

Because of active anti-Indonesia guerilla activities, East Timor has been controlled by the Indonesian armed forces ever since the 1975 invasion, particularly elements of the Special Forces (Kopassus) and Military Intelligence. While Jakarta has invested around $2 billion in the island’s development, the occupying military forged close links with those East Timorese who wanted to be a part of Indonesia. These latter became the base for the pro-integration militias that so ruthlessly killed, looted, and burned both prior to the August 30 referendum on independence and in its aftermath.

Psychologically and economically, the Indonesian military has been deeply committed to sustaining its control over East Timor. Over the years, thousands of their fellow soldiers have been killed in battles with East Timorese pro-independence guerrillas. Moreover, many army officers have put down roots on the island and grown wealthy. They fear for their future in an independent East Timor. Additionally, both military and civilian strategists believe that losing East Timor would encourage other separatist rebellions in Aceh, West Irian, Sulawesia, and Ambon.

Although the United States never formally recognized Indonesia’s sovereignty over East Timor, Washington did not actively oppose it either. At the time of the 1975 invasion, then Secretary of State Kissinger told Indonesian leaders that the United States would not object.

Indonesian President Habibie’s sudden offer of an independence referendum in January 1999 was made without consulting the military, which responded by mobilizing and arming irregular militias on East Timor to intimidate the population through terror. When that failed, these same militias, backed by regular Indonesian army forces, set out to leave behind a blasted and barren land.
The U.S. Dilemma: Indonesia’s Strategic Importance versus Political and Human Rights

For the United States, the East Timor tragedy presents a difficult diplomatic challenge. On the one hand, Washington is committed to helping the Habibie government through economic recovery and political transition to the democracy promised by the June election. However, a new government will not be formed until the new legislature (MPR) convenes in November, and the outcome of the legislative election for a President is unknown. Still, the United States does not want to see the national political situation unravel for that could lead to a military coup, the invalidation of the June election, and new riots throughout the country.

On the other hand, Washington has been appalled by the depredations undertaken by the military-backed militias in East Timor, as well as President Habibie’s and General Wiranto’s either unwillingness or inability to halt them. During September, the Clinton Administration moved gradually but inexorably toward international intervention.

Prior to the August 30 referendum, Assistant Secretary of State Stanley Roth condemned the militia violence, noting that Indonesia had an obligation under the UN agreement to prevent violence both before and after the election. President Clinton sent a similar letter to President Habibie. Another senior U.S. official implied that nearly $50 billion in economic recovery loans from the IMF could be jeopardized if the killing did not stop. The situation was particularly embarrassing for President Habibie, for he had invited unarmed UN observers into East Timor and subsequently proved unable to protect them.

By the end of the first week in September, pressure was building for a full-fledged international intervention. However, it was generally understood that this would not occur without Indonesian acceptance and UN Security Council approval. While the United States was prepared to support an armed international intervention, it was equally clear that the Clinton Administration did not want the U.S. to play a substantial role. U.S. forces were already deeply committed in Bosnia and Kosovo, and East Timor—on a far away island—had little resonance with the American public. Moreover, Washington did not want to jeopardize its relations with Jakarta since Indonesia’s stability as a whole was seen as more important than a breakaway province. Therefore, the United States was pleased to leave the planning, military leadership, and primary troop commitment to Australia, adjacent to East Timor and concerned with the disposition of its neighbor.

Indonesia’s open defiance of international opinion is particularly striking at a time when it is dependent on billions of dollars of international aid to rescue its devastated economy. Indeed, that consideration may have finally led President Habibie and General Wiranto to agree to the international force even though that force would undoubtedly find evidence of Indonesian military atrocities. On September 7, State Department spokesman James P. Rubin stated that productive relations with the IMF now depended on Indonesia adopting a “constructive approach towards ending the humanitarian disaster in East Timor.” Operationally, that meant an invitation to an international force.

Taking advantage of long-standing ties between the U.S. and Indonesian militaries, Joint Chiefs of Staff Chairman General Shelton spoke with General Wiranto daily in the second week of September to discuss plans for the removal of those Indonesia military (TNI) forces from
East Timor allied with the militias. At the same time, U.S. National Security Adviser Sandy Berger reemphasized Indonesia’s strategic importance to the United States. However, the U.S. had little direct leverage on the Indonesian military after earlier Congressional aid cuts. The total military aid package to Indonesia for 1999 was less than a half million dollars.

Just as Indonesia finally admitted it had lost control of the situation in East Timor and grudgingly agreed to an international force, President Clinton stated that America’s most important concern was Indonesia’s democratic transition which, if successful, could “lift an entire region” or “swamp its neighbors in a sea of disorder if it fails.”

As Australia seized the initiative to form a UN-approved international force in mid-September, the United States slipped into a supporting role, offering air transport for logistics and other countries’ forces, satellite and airborne intelligence, and communications. While U.S. pressure on General Wiranto may have been crucial in convincing him that the international community would not accept anything less than full independence for East Timor, Australia would lead the effort on the ground to restore order and coordinate the contributions of a dozen countries to the peacekeeping force.

Meanwhile, in the halls of Congress an old debate has been revived over whether the United States should continue to provide advanced military educational opportunities for Indonesian officers. Led by Senator Jesse Helms, chair of the Senate Foreign Relations Committee, opponents of the program argue that it implicates the United States in Indonesia’s military repression. Proponents of the program counter, however, that educational opportunities for Indonesian armed forces officers in U.S. war colleges introduce them to the principles of democracy and human rights as well as the concept of military subordination to civilian leadership. Moreover, the crucial personal relations established between General Shelton and General Wiranto years ago at Fort Bragg may have been instrumental in Indonesia’s final agreement to accept the peacekeepers.

Chronology of U.S.-ASEAN Relations
July - September 1999

**July 3, 1999:** Prince Norodom Ranariddh, president of the Cambodian National Assembly, asks the United States to resume direct aid to the Government because “the democratic process has positively developed in the country.”

**July 14, 1999:** After the seventh round of U.S.-Vietnam human rights talks, Vietnam’s Foreign Ministry complains that the United States is trying to impose its laws concerning political and religious freedoms on others. The statement came after the U.S. side presents Vietnam with a list of prisoners it said are being held for their religious or political beliefs.

**July 15, 1999:** The U.S. Senate earmarks $5 million in foreign military funds for the Philippines, a gesture demonstrating improved bilateral military relations after the Philippine ratification of the Visiting Forces Agreement.
**July 20, 1999:** The World Trade Organization approves a compromise arrangement for the selection of its next Director, giving Mike Moore of New Zealand the first three years and Supachai Panichpakdi of Thailand the last three years of a six year term. Many developing countries were angry with the United States for allegedly trying to block Mr. Supachai’s candidacy.

**July 25, 1999:** Hanoi and Washington sign a preliminary version of a trade agreement which gives Vietnam eight years to phase in market-opening measures such as tariff cuts.

**July 27, 1999:** The United States urges members of the ASEAN Regional Forum (ARF) to work for the relaxation of tensions in the South China Sea. Secretary of State Albright asks the ARF to focus on diplomatic approaches to resolution because the recurrence of naval confrontations portends “graver consequences.” Secretary Albright reiterates U.S. condemnation of Burma’s ruling military regime.

**Aug 11, 1999:** Thailand urges the United States to engage Burma in anti-drug cooperation rather than isolating the ruling State Development and Restoration Council.

**Aug 12, 1999:** A United Nations plan for a joint war crimes tribunal in Cambodia to try former Khmer Rouge leaders has Secretary General Kofi Annan selecting an independent prosecutor and international judges, while the Cambodian government selects Cambodia’s judges. The Clinton administration finds the UN plan promising but Cambodia balks at the plan’s provision permitting more international than Cambodian jurists.

**Aug 16, 1999:** The first U.S.-funded humanitarian de-mining training center is inaugurated in Thailand. Training sessions last for ten weeks. The focus will be on removing mines from the war-ravaged Cambodian border.

**Aug 17, 1999:** The United States opens a new consulate in Ho Chi Minh City—formerly Saigon—nearly a quarter century after the American exit from the city at the end of the Vietnam war.

**Aug 26, 1999:** Assistant Secretary of State Stanley Roth warns Indonesia about the consequences of violence in East Timor in the aftermath of the Aug 30 referendum. He reminds the Government of its obligation under the UN agreement and rejects the idea of further splitting East Timor into two zones.

**Aug 27, 1999:** Former Thai Prime Minister Anand Panyarachun says that Thailand should encourage China to play a greater role in Asia to balance U.S. influence. Domination by one power, according to Anand, would distort regional politics.

**Sept 2, 1999:** Assistant Secretary of State Stanley Roth calls Indonesia’s failure to control the East Timor anti-independence militias “unacceptable” and states that international peacekeepers may be the only way to stem the killing, looting, and burning.

**Sept 7, 1999:** Secretary of State Madeleine Albright states that fully normalized relations with Vietnam await improvements in Hanoi’s human rights record.
Sept 7, 1999: The State Department issues a statement on East Timor calling on the Indonesian Government to end the violence or invite the international community to assist. The Clinton Administration and the IMF also threaten to suspend the aid that has kept the country economically afloat if the violence in East Timor does not abate.

Sept 8, 1999: Chairman of the U.S. Joint Chiefs of Staff, General Henry Shelton, speaks with Indonesian commander General Wiranto about the latter’s plan to replace East Timor troops aligned with the pro-integration militias.

Sept 9, 1999: President Clinton demands that Indonesia accept an international peacekeeping force for East Timor and offers to assist Australia in organizing it.

Sept 10, 1999: The White House freezes commercial arms sales to Indonesia expected to total $10 million. President Clinton now specifically blames the Indonesian military for abetting the militia violence.

Sept 13, 1999: President Clinton criticizes the Malaysian government for jailing Murray Hiebert, a Far Eastern Economic Review correspondent who wrote a 1997 article that challenged the objectivity of Malaysia’s tort system.

Sept 20, 1999: America’s limited role in the East Timor international force draws criticism from Japanese and Korean media as well as the president of the Philippine Senate who says that the United States is not as concerned with Asia as with Europe.

Sept 28, 1999: Secretary of Defense William Cohen begins a visit to Australia and Indonesia to emphasize that continued financial aid for Jakarta depends on peace in East Timor.

Sept 29, 1999: Secretaries of Defense and State Cohen and Albright respectively warn the Indonesian military not to support raids from West Timor into East Timor or risk the loss of IMF and World Bank aid.