

An hourglass-shaped graphic with a globe inside. The top bulb is dark blue, and the bottom bulb is light blue. The globe is centered in the narrow neck of the hourglass. The text is overlaid on the hourglass.

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East Timor Crisis: U.S. Policy and Options

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Abstract. East Timorese voters rejected an Indonesian plan for autonomy in a referendum of August 30, 1999, thus expressing a preference for independence. Since the announcement, East Timorese para-military groups, backed by the Indonesian military, have instituted widespread violence and terror. The Clinton Administration has acted in the present crisis to pressure Indonesia to accept international peacekeepers, suspend U.S. military-related programs in Indonesia, support the suspension of aid programs to Indonesia from international financial institutions, assist the international peacekeeping force with transportation and communications, and warn Indonesia of negative consequences if Indonesia does not cooperate with peacekeepers and does not allow an estimated 200,000 East Timorese refugees in the Indonesian province of West Timor to return home.

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East Timor Crisis: U.S. Policy and Options

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Summary

East Timorese voters rejected an Indonesian plan for autonomy in a referendum of August 30, 1999, thus expressing a preference for independence. Since the announcement of the results of the referendum, East Timorese para-military groups, backed by the Indonesian military, have instituted widespread violence and terror. A United Nations-sponsored international peace-keeping force entered East Timor in late September 1999 led by Australian forces. The United States, including the Congress, has been involved in the issue of East Timor for many years. The Clinton Administration has acted in the present crisis to pressure Indonesia to accept international peacekeepers, suspend U.S. military-related programs in Indonesia, support the suspension of aid programs to Indonesia from international financial institutions, assist the international peacekeeping force with transportation and communications, and warn Indonesia of negative consequences if Indonesia does not cooperate with peacekeepers and does not allow an estimated 200,000 East Timorese refugees in the Indonesian province of West Timor to return home.

Background to the Crisis

On September 4, 1999, United Nations officials announced the results of a U.N.-sponsored referendum of August 30, 1999, in East Timor; 78.5% of the voters rejected an Indonesian government plan for East Timor to receive a special autonomy arrangement within Indonesia. This means, in effect, that the East Timorese expressed a preference for independence. In an agreement of May 5, 1999, between Indonesia and Portugal (East Timor's colonial ruler until 1974) under U.N. auspices, the Indonesian government promised that if the East Timorese voted against autonomy, the government "shall take the constitutional steps necessary to terminate its links with East Timor," and the U.N. Secretary General "shall ... initiate the procedure enabling East Timor to begin a process of transition toward independence."¹

¹Congressional Research Service. *East Timor's Coming Decision on Autonomy or Independence*. CRS Report RS20256. July 9, 1999. pp. 1-2.

The announcement of the referendum's result sparked an upsurge of killings and other acts of terror committed by East Timorese para-military groups. These groups came into being in early 1999 after Indonesian President B.J. Habibie announced plans to hold the referendum. They began acts of violence apparently aimed at intimidating prospective voters. There is evidence that the Indonesian army has recruited and armed these groups and that the Indonesian high command under General Wiranto has sanctioned their activities.² Reports appeared in the post-referendum situation that members of the Indonesian police and military had joined with the paramilitary groups.³

The violence had several targets. Para-military groups reportedly killed hundreds of East Timorese supporters of independence and transported forcibly thousands of others across the border into Indonesian West Timor and other parts of Indonesia. U.N. officials and relief agencies estimate that 200,000 or more people -- possibly 20% of East Timor's population -- have been relocated. The government of Indonesia registered over 244,000 in camps in West Timor and nearby islands.⁴ Pro-independence neighborhoods in the capital, Dili, and other towns were targeted for burning. The paramilitary groups attacked foreigners with weapons, including assaults on U.N. personnel and foreign diplomatic personnel; attacked hotels that house foreigners; burnt down the International Committee of the Red Cross building in Dili; and gained physical control over the western portions of East Timor adjacent to the Indonesian province of West Timor.⁵

U.N. Sponsored Peacekeepers

By mid-September, international pressure, including U.S. pressure, led the Indonesian government to accept proposals for an international peace-keeping force. On September 15, 1999, the U.N. Security Council passed a resolution authorizing "the establishment of a multinational force under a unified command structure" to restore peace and order in East Timor, protect U.N. operations in East Timor, and facilitate humanitarian assistance. The resolution authorized the peacekeepers to "take all necessary measures" to fulfill the mandate.⁶

The first elements of the peacekeeping force, mainly Australians, arrived in East Timor on September 20, 1999. The force is envisaged to reach close to 8,000 with over half coming from Australia. Other participants are New Zealand, Great Britain, Thailand, Malaysia, Singapore, the Philippines, South Korea, and the United States. With the

²Ibid., p. 4.

³Richburg, Keith B. Devastated East Timor Put Under Martial Law. *Washington Post*, September 7, 1998. P. A1. Richburg, Keith B. East Timor's Capital City Devastated by Fires, Looting. *Washington Post*, September 9, 1999. P. A.

⁴Congressional Research Service. East Timor: Humanitarian Emergency and International Assistance. By Lois B. McHugh. CRS Report RS20360. October 13, 1999.

⁵Mydans, Seth. East Timor Falls Into Gangs' Hands; Killings Reported. *New York Times*, September 6, 1999. P. A1. Martinkus, John. Violence Emptying East Timor. *Washington Times*, September 8, 1999. P. A10. Mydans, Seth. Indonesia Says No to Timor Peacekeepers. *New York Times*, September 9, 1999. P. A8.

⁶U.S. Information Agency. Text of UN Security Council Resolution 1264 on East Timor September 15.

entrance of the peace-keepers, most of the para-military groups retreated into Indonesian West Timor. The approximately 20,000 Indonesian troops in East Timor withdrew, the withdrawal completed on October 31, 1999. Indonesia's parliament, elected on June 7, 1999, voted on October 20, 1999, to allow East Timor to become independent.⁷

U.N. officials estimated that East Timor will need \$135 million in humanitarian aid between October 1999 and April 2000.⁸ Most of the aid will go to feeding and providing housing for up to 740,000 of East Timor's total population estimated at 890,000. The U.N. Human Rights Commission has established a commission to investigate who was responsible for the violence in East Timor.⁹

Since the peacekeeping force entered East Timor, Australian, New Zealand, and British troops expanded their operations from East Timor's capital of Dili and have concentrated their forces in the western sector of East Timor, facing the border with Indonesian West Timor. In mid-October, elements of the East Timorese paramilitary groups conducted small-scale incursions into East Timor from West Timor, resulting in several firefights with peacekeeping forces.¹⁰ The paramilitary groups also exercised firm control over the camps in West Timor populated by an estimated 200,000 or more East Timorese. Reports indicated that the paramilitary groups intimidated the people in the camps and prevented them from returning to East Timor.

By early November, the situation appeared to change to a degree. After October 18, there were no significant incursions or firefights. East Timorese began to leave the camps in West Timor and return to East Timor. As of November 5, 1999, 40,000 had returned.¹¹ Abdurrahman Wahid, Indonesia's new President chosen by the parliament on October 20, offered to meet with Jose Gusmao, the leader of East Timorese independence forces. He removed General Wiranto from his positions as armed forces commander-in-chief and defense minister and appointed a civilian as defense minister (the first time a civilian has held that position).

On October 25, 1999, the U.N. Security Council authorized the creation of a U.N. Transitional Administration in East Timor (UNTAET), to be established probably in early 2000. UNTAET's mission is to prepare East Timor for full independence. It is expected to last at least 3 years. It is slated to have a peacekeeping contingent of 9,150 and hundreds of civilian administrators. The initial cost estimate for UNTAET is \$700 million to \$1 billion annually.

⁷U.N. Force Takes Full Control in E. Timor. *Washington Times*, September 27, 1999.

⁸CRS, East Timor: Humanitarian Emergency and International Assistance, p. 3.

⁹Barr, Cameron W. Who Will Investigate Atrocities? *Christian Science Monitor*, September 30, 1999. P. 1.

¹⁰Chandrasekaran, Rajiv. Militias in E. Timor Starting Firefights with Peacekeepers. *Washington Post*, October 17, 1999. P. A21.

¹¹Information supplied by the Australian Embassy, November 5, 1999.

U.S. Policy

The U.S. government, including Congress, has been involved in the issue of East Timor since Indonesia invaded the former Portuguese colony in December 1975 and annexed it in 1976. Congress has a long legislative record regarding East Timor, especially since Indonesian military units massacred peaceful demonstrators in Dili in November 1991. In response, Congress terminated Indonesian military participation in the U.S. International Military Education Training (IMET) program in 1992 and placed special conditions on Indonesian participation when it worked out an agreement with the Clinton Administration in 1995 to restore Indonesian participation. In 1994, Congress included in the FY1995 foreign operations appropriations bill (P.L. 103-306) a ban on the export to Indonesia of light arms and crowd control items until the Secretary of State reported to Congress “significant progress” on human rights in East Timor. In 1996 and 1998, congressional criticism was influential in blocking the Clinton Administration’s planned sale of F-16 aircraft to Indonesia and in bringing about the cancellation of U.S. military exercises with Indonesian special forces units. Also, significant numbers of congressmen have gone on record as supporting self-determination for East Timor.¹²

As stated previously, the Clinton Administration pressured the Indonesian government to accept international peacekeepers. The Administration has taken additional steps including:

(1) Suspending U.S. military-related programs with Indonesia, including training exercises, joint military meetings, commercial arms sales, and military-related assistance. The suspended military-related assistance included Economic Support Funds (ESF) and the International Military Education Training (IMET). For fiscal year 2000, the Administration has budgeted \$5 million for ESF and \$400,000 for IMET.¹³

(2) Supported decisions by the International Monetary Fund and the World Bank to suspend their assistance programs to Indonesia.¹⁴

(3) Dispatched by early October 1999 about 300 U.S. military personnel to East Timor as part of the peacekeeping force, providing transportation and communications support.¹⁵

(4) Issued warnings to Indonesia that U.S. military-related programs will not be resumed and that Indonesia could face additional U.S. sanctions unless it cooperates with

¹²For more details on congressional legislation and other activities related to East Timor since 1991, see the following CRS Reports for Congress: *Indonesian-U.S. Relations and Impact of the East Timor Issue*, CRS Report 92-983F; *Indonesia-U.S. Relations*, CRS Report 97-186F; and *Indonesia: U.S. Relations with the Indonesian Military*, CRS Report 98-677F.

¹³Richburg, Keith B. Indonesia Softening on Peacekeepers. *Washington Post*, September 12, 1999. P. A1.

¹⁴Mufson, Steven and Graham, Bradley. U.S., IMF Move to Isolate Jakarta. *Washington Post*, September 10, 1999. P. A1.

¹⁵Gertz, Bill. Additional Troops Sent to East Timor. *Washington Times*, September 30, 1999. P. A1.

the international peace-keeping force, including controlling the Timorese para-military groups in West Timor, and allows the estimated 150,000-200,000 East Timorese refugees in West Timor to return home.¹⁶

(5) Provided \$20.4 million in humanitarian assistance through October 12, 1999.

In early November, congressional action focused on an amendment offered in the Senate to the Bankruptcy Reform Act of 1999 (S. 625). The amendment, whose principal sponsor is Senator Russell Feingold, would cut off military and economic aid to Indonesia until the Indonesian government accepted East Timor's vote for independence. The importance of this measure is that it goes beyond the Administration's suspension of the small military-related aid program and would suspend by law the much larger U.S. economic aid program. The Clinton Administration budgeted \$75 million in development economic assistance for Indonesia in fiscal year 2000. (The original Feingold bill providing for the suspension of military and economic aid is S. 1568.)

¹⁶Gertz, Bill. Cohen Tells Leaders to Control Troops, Back Peacekeepers. *Washington Times*, October 1, 1999. P. A1.

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