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SUCCESSION CRISIS IN INDONESIA

A DICTATORSHIP SELF-DESTRUCTS



U.S. Pilots Bombing E.Timor?

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SUCCESSION CRISIS IN INDONESIA

Issue No. 63 July-August 1978

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Cover Photo: Student demonstrators face police in Djakarta in early January 1978. (*Tempo* magazine)

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Photos (left to right): Bahrun Suwatdi, Ed Zoelverdi, Bahrun Suwatdi

Indonesia's new student leaders (*left to right*): Heri Akhmadi, Lukman Hakim, Farid Rasyid.

About This Issue

In this issue of the *Southeast Asia Chronicle* we examine recent developments in Indonesia, the fifth largest country in the world and a major U.S. ally in Southeast Asia. As serious opposition to President Suharto has surfaced during the past year, many casual observers of Indonesia have wondered not why there is dissent, but why it has taken so long to develop. In his article, Ben Anderson, a Cornell University Indonesia specialist and one of the U.S.' leading authorities on that country, analyzes the nature of the coalition which has supported the Suharto government. He also explains the alienation of key elements of that coalition over the past decade. In a pattern characteristic of dictatorships in other countries as well, Anderson believes the contradictions spawned by his own policies will force Suharto out of office before the end of his current five-year term. Yet without a well-organized democratic or left movement, it is likely that Suharto's successor will be another military strongman.

Suharto's weakness arises from his government's inability to deliver on its promises as well as from a development strategy which is creating increasing poverty among large sectors of Indonesia's population. However, his difficulties have been increased by the continuing war in East Timor, where Indonesian troops are bogged down in a no-win situation. Now in its third year, the war is causing profound discontent among the peasants whose sons, brothers and husbands are dying in an apparently futile attempt to conquer half an island at one end of the Indonesian archipelago. In this issue, we look at some of the reasons the East Timorese have been able to carry on their fight for so long against an overwhelmingly superior military force.

Finally, Lenny Siegel, director of the Pacific Studies Center, provides a history of U.S. interests in Indonesia during the twentieth century. Siegel describes economic and military considerations and the varying approaches American policymakers have employed to ensure U.S. access to Indonesia. Staff from the Pacific Studies Center, a community research and information center born out of the anti-war movement, have devoted much of the past three years to research on Indonesia and U.S. involvements there. In addition, Siegel has written frequently on U.S. military and economic concerns in the Pacific. PSC worked closely with the Southeast Asia Resource Center in preparing this issue of the *Chronicle*. □



David Jenkins

Last Days of Indonesia's Suharto?

Today's opponents of the political status quo are the same social groups which supported the New Order at its inception.

BY BEN ANDERSON

On January 20 of this year, the Indonesian government in one swift stroke closed down two-thirds of the metropolitan press in Jakarta, arrested hundreds of student leaders, and suspended all elected Student Councils throughout the country. In February and March, a number of the nation's most prestigious campuses were put under direct military occupation. In some places, students were assaulted with bayonets, and in others, university buildings were attacked with panzers. During the same period, some of Indonesia's most prominent intellectuals were placed in detention.

The immediate occasion for the series of repressions—the most severe in a decade—was an escalating movement of opposition to the scheduled reelection of President Suharto to another five-year term. The electoral body, the People's Consultative Assembly, includes 60 percent government appointees. Beyond the government's concern for the smoothness of the election—which took place as scheduled in March—was a deepseated alarm at the strength and character of the opposition. For the movement indicated that the coalition which has kept Suharto in power since 1966 is breaking up.

Today's opponents of the political status quo are not descendents of Suharto's foes in 1965-66. They are instead the same social groups which supported the New Order at its inception. Through 12 years of military rule, they have gradually lost faith in the government as its policies have created new versions of the problems that alienated them from the "old order." Hence, in order to understand what is happening today, and to gauge the future, it is important to consider the nature of the coalition that brought Suharto to power in 1965-66 and the kind of legitimacy the New Order originally claimed.

The coalition that united behind General Suharto, then Commander of the Army's Strategic Reserve, after he suppressed the so-called "coup" of October 1, 1965, was highly diverse, united only in its fear and hatred of the Indonesian Communist Party (PKI), which had been rapidly growing in influence under the protection of the then President Sukarno. The most important elements in it were the following, each with its own reasons for anti-communist animus: (1) The bulk of the senior officers of the Indonesian army; (2) The devout Islamic community, both urban and rural; (3) Protestant and Catholic minorities; (4) A small indigenous entrepreneurial, professional and bureaucratic middle class; (5) A Westernized intelligentsia, partly professional, partly academic, and partly artistic.

Of these elements, far the most important was the leadership of the Indonesian army. As age and ill health made it clear that Sukarno's days were numbered, Indonesians came to expect a struggle that would pit the army generals against the communists in a battle for control of the state. Although the army had originated as an extremely heterogeneous guerrilla force during the national revolution against Dutch colonialism (1945-49), by the mid-1960s, it had become a coherent and powerful opponent of President Sukarno and his left-wing supporters. The process of development from decentralized guerrilla units to unified military-political force had included purges of left-wing, devoutly Islamic and Outer-Island elements as well as the centralizing and homogenizing impact of training, equipment and organization by the United States.[1]

The army leadership hated the PKI for three fundamental reasons. First, there was sheer institutional rivalry: the generals intended to be masters of Indonesia once the charismatic Sukarno passed from the scene, and only the PKI was sufficiently organized, disciplined, and popular to pose a real threat to that goal. Second, the army had become deeply dependent on the United States in almost every aspect of its existence; in 1965 it could not even manufacture its own rifles. The PKI's strongly anti-American policy threatened to cut the army's organizational, technological and ideological life-line. Third, the generals had been the main beneficiaries of the 1957-58 nationalization of the vast array of Dutch corporate holdings in Indonesia, for as state enterprises, the corporations had been placed under the control of senior army officers,

making individual officers fabulously wealthy and providing under the table a sizeable portion of the army's actual institutional budget. By 1963-65, when the PKI attacked "bureaucratic capitalists," "corruptors," and "state-swindlers," its target was clearly the corrupt military oligarchy that dominated the advanced sectors of the Indonesian economy. Though riddled by clique rivalries, in 1965 the generals were largely at one on this: the political and economic dominance they had acquired over two decades since independence must not be endangered.

One other factor was also important in ensuring the army leadership's support for Suharto. The "coup" of 1965 had been nominally led by a certain Lieutenant-Colonel Untung. In its few hours of existence, the "coup group" had: (a) assassinated six top generals; (b) decreed the abolition of all ranks in the army above the level of lieutenant-colonel, in a clear protest against "corruption" among the generals as a group, and in a populist appeal for support among the lower ranks.[2] For while the generals had grown rich from their control of the nationalized corporations, the rank and file had been impoverished by the astronomical inflation of the early 1960s. In many respects the "coup" was in fact a *mutiny* within the army's own ranks; and nothing terrifies and enrages a general more than the idea that his hierarchical subordinates will turn their guns against him. In 1965, Suharto stood for the reassertion of military hierarchy (Untung was quickly executed), and in this respect commanded widespread support among senior officers.

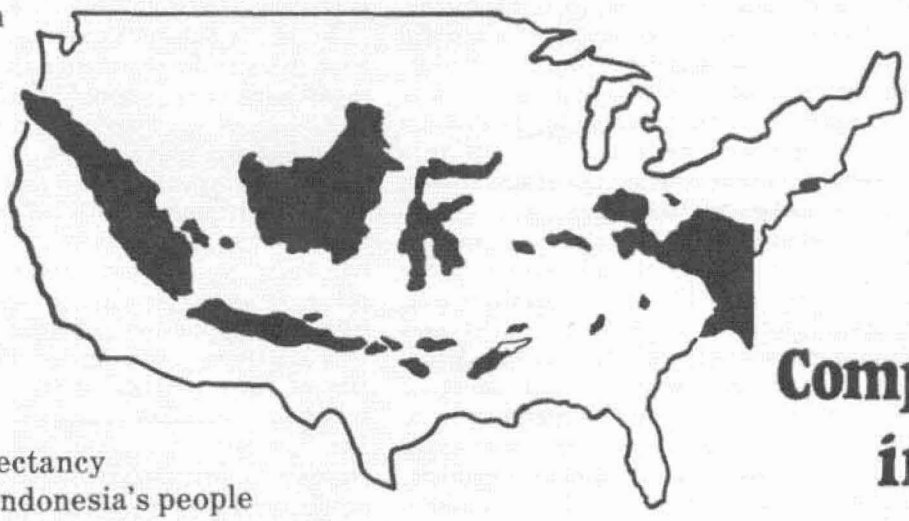
RELIGIOUS ANTICOMMUNISM

Perhaps the next most important element in the anti-communist coalition was the Islamic community. In the appalling anti-communist pogroms of 1965-66, which may have cost as many as a million lives, Islamic groups played a role second only to the army's. The reasons for their anti-communism varied, but they can roughly be categorized as ideological and material, and probably in that order of importance. For there is no doubt that Islamic anti-communism was genuinely popular and mass-based. The PKI's executioners in 1965-66 were largely teenage boys and youths without established property interests but with strong religious convictions. To understand this violent idealism, one must bear in mind the whole experience of Indonesian Muslims in modern times.

Although in statistical terms 90 percent of Indonesians are Muslim, in fact those who are fully committed to an Islamic vision of society probably number less than half of the population. Opposed to these committed Muslims (widely referred to as *santri*) are millions who, though they are born, circumcised, married, and buried according to Islamic rites, hold to pre-Islamic beliefs and moral values and deeply fear the general imposition of what they see as a narrow, intolerant, Islamic orthodoxy. Yet the fact that they *are* ("statistically") Muslim is a source of immense frustration to the devout, who feel that but for hypocrisy, superstition, and moral slackness, Indonesia could and should be a state governed by Islamic faith

Source: *Far Eastern Economic Review Asia Yearbook* 1978.

Indonesia is a nation of over 13,000 islands. Today, only 12% of the land is cultivated. Fifty-eight per cent of the country's 135.2 million people are under 21 years old. There are five doctors per 100,000 people, and the average life expectancy is 48 years. 62% of Indonesia's people work in agriculture, 11% in commerce, and 8% in mining & manufacturing. Indonesia exports *no* manufactured goods, and under Suharto's regime, has become the world's No.1 rice importer.



Compared in size to the United States

INDONESIA

Glenn Hirsch

and principles. The fact that the pre-colonial states in Java, and the collaborationist bureaucratic aristocracy that served Dutch colonialism so faithfully were dominated by such "statistical" Muslims means that this frustration is of very long standing. Indonesia's achievement of independence in 1949 appeared to promise new hopes for Islam. But these were dashed first by the political centrality and popularity of Sukarno, a classic "statistical" Muslim, and then by the rapid rise of the PKI, a party not only based on a philosophy of materialism, but drawing its popular support overwhelmingly from "statistical Muslims." When some Muslim leaders were drawn into the "regional rebellions" of the late 1950s, Sukarno, with PKI support, was in a position to ban one of the major Muslim parties and deprive Islam of much of its political freedom of maneuver. So, although the devout Muslim community recognized that the army leaders were predominantly "statistical Muslims," they had good reason to feel that the overthrow of Sukarno and the destruction of the PKI would at last make Islam a central political and moral force in Indonesian society.

Religious idealism was by no means the only factor attaching Islam—and especially Islamic leaders—to Suharto's coalition. Traditionally, Islamic leadership has come from two prominent social groups: a long-standing urban, indigenous (i.e. non-Chinese) business or merchant class; and rural religious scholars (*ulama*) and pilgrims returned from Mecca (*haji*), many of whom are sizable land-owners. (Only the well-off can afford the expensive trip to Mecca and back.) The policies of Sukarno's Guided Democracy (1959-65) seriously threatened the positions of both groups. The regime's statist orientation and its patronage of "client businessmen" (businessmen who depended on politically-determined licenses, subsidies, and so forth) squeezed the independent Muslim entrepreneurs to the margin. At the same time, the regime's policies on land reform and rent equalization threatened the rural ascendancy of *ulama* and *haji*. It was easy to fuse religious and economic grievances and to read into government policies, strongly backed by the PKI, not social reform but another savage attack on Islam. Suharto's ascendancy seemed to promise not only the end of land reform, but also a new chance for indigenous capitalism.

Indonesia's Christian minorities, on the other hand, opposed Sukarno and the left more for social and economic than religious reasons. Long favored by the Dutch colonial regime, they found themselves protected by Sukarno, as he used arguments for religious tolerance to ward off claims by devout Muslims. Thanks to the money and energy of a variety of missionary groups, Christians had exceptional opportunities to pursue advanced education. As a result, they were represented in key social positions quite out of proportion to their numbers, particularly in the armed forces and the professional middle class. They feared PKI ascendancy would threaten their continued enjoyment of these social roles. In addition, key elements of the Catholic community violently opposed communism on religious grounds. Thus these minorities looked to Suharto, backed by an army officer corps in which they were well-represented, to guarantee their interests and their faith.

The remaining segments of Suharto's coalition can be treated together. (To some extent their memberships overlap those of the religious communities discussed so far.) For they represented various elements of Indonesia's small middle class. Yet while as middle class people they all had economic reasons for their anti-communism, their adherence to Suharto's coalition had significantly different additional grounds. These had as much to do with hostility to the style and aims of the Sukarno regime as anything else. For reasons too complex to discuss here, the regime of Guided Democracy, while advertising itself as "revolutionary," "self-reliant," "nationalist," and "liberating," was any of these only to a very limited extent. Sukarno's personal style was decidedly "feudal," and the atmosphere in the presidential palace was more reminiscent of pre-colonial royal courts than anything else. Sukarno's cabinets were full of people with aristocratic backgrounds and manners. While Sukarno attacked "colonial-minded," "legalistic" thinking in the name of "revolutionary law," in practice this amounted largely to bureaucratic arbitrariness, administrative confusion, and corruption—and great day-to-day uncertainty about the latest whims of the regime.

"National self-reliance" was also perceived by many as a self-serving fraud, because it permitted opportunist bureaucratic exactions on independent businessmen and led to catastrophic inflation (600 percent in the last year of Sukarno's rule). While Sukarno repeatedly trumpeted the slogan of national economic independence, American interests continued to dominate Indonesia's crucial foreign exchange-earning oil industry. By 1965 the government had accumulated over two billion dollars in external debts, mainly to the Soviet Union. If Sukarno continuously heaped scorn on lawyers and economists for "bourgeois" attitudes, these professional elements were profoundly repelled by what they saw as his trampling on legal decencies and economic rationality. Finally, Sukarno's attempts to impose a shallow, would-be "revolutionary" cultural policy (by censorship, intimidation, and selective subsidies), in part to compensate for lack of serious progress in other fields, offended and frightened a significant proportion of Indonesia's artists, journalists, academics, and other elements of the intelligentsia.

In joining Suharto's coalition, all these groups, in different ways and with different emphases, expected that the New Order would bring about a restoration of the rule of law, of economic rationality, of intellectual and artistic freedom, and an end to corruption and the mortgaging of the country's future by the irresponsible accumulation of external debts.

One final "promise" of 1965 needs to be mentioned, because it appealed to almost all the groups that have been discussed so far. There was a widespread feeling that Sukarno's foreign policy, in particular his attempts to break up the Malaysian federation by military, economic and diplomatic means, had been disastrous. Not only had it discredited Indonesia in the eyes of many members of the "Afro-Asian" bloc, but it had been both unsuccessful and extremely costly. Many believed in fact that Sukarno had focused so much on foreign affairs precisely to divert attention from severe internal problems and rapidly deteriorating social and economic conditions at home. It was thus expected by many that under Suharto there would be an end to unsuccessful and irresponsible adventures outside Indonesia's borders.

CONSOLIDATING THE NEW ORDER

In the early years of the New Order, until about 1970, many, if not most, of the coalition's expectations appeared to be on their way to fulfillment. Suharto's own prestige, not only as the "hero of the hour" on October 1, 1965, seemed unassailable. The massive purge of suspected pro-communists from the state administration (and of course many other institutions) in 1966-67 allowed Suharto to keep at least in part, three different

'Transmigration' Does Not Mean Freedom

In a massive effort to improve its human rights image, the Indonesian government announced the release of 10,000 political prisoners in December 1977 and pledged to release 90 percent of the 21,461 it claims to hold by December 1979. The Carter administration was quick to respond with praise for the Indonesian action, and Vice President Walter Mondale reiterated the U.S. government's pleasure during a May 1978 visit to Jakarta.

Closer observers than Mondale have been less pleased. Among the irregularities noted by journalists on the scene in December:

** Most of the 1,500 prisoners released from the notorious island of Buru were old or chronically ill;

** A large proportion of prisoners released in other areas were reported to have chosen to remain near their places of detention in specially prepared resettlement centers;

** Conditions for allowing released prisoners to return to their homes—after absences as long as 12 years—were stringent. They included evidence that the prisoner had conducted himself in prison in accordance with the government's "Pancasila" ideology, willingness by both families and neighbors to have the ex-prisoner return, and a guarantee of a job;

** Ex-prisoners who chose to resettle would not be allowed to leave the resettlement areas for a year. Those returning home would remain under house arrest for six months;

** No complete list of those released has been made available to the public;

** Most seriously, the Indonesian government claims the 1977 releases left just over 20,000 political prisoners in detention, and it has pledged to release most of the remaining detainees by the end of 1979. However, Amnesty International believes the true number of detainees is near 100,000. If this is the case, the government's plans could leave as many as 70,000 people in permanent detention, their existence denied in official circles. Statements by Admiral Sudomo, head of Kopkamtib, beginning in November 1977, that large numbers of prisoners are "diehards" and may not be freed lend credence to this fear.[1]

Apart from the debate about numbers, on which hangs the fate of so many lives, these points suggest that many of the officially released prisoners are not yet free. Confidential reports from Indonesia received by Tapol (U.S./British Campaign for the Release of Indonesian Political Prisoners) indicate that those released fall into two major categories. Those who are old or chronically ill—and hence no longer able to work or likely to engage in political activities—have been permitted to return to their homes. Most of these prisoners were released from prisons in Java or returned to Java from outlying islands, including Buru. Able-bodied men were released primarily in Kalimantan and Sumatra, where many were transferred from detention centers to resettlement areas. According to government sources, ex-prisoners moving to resettlement areas have done so voluntarily, but the available evidence suggests that their only choice may have been continued formal detention.

In a statement to the U.S. State Department in 1977, the Indonesian Embassy in Washington noted that "There are two methods of release; namely direct release to society and through resettlement."[2] Admiral Sudomo told Jakarta's leading newspaper that the government had spent Rp. 320 million (U.S. $762,000) to establish 16 transmigration camps especially for released prisoners.[3] While the Indonesian government has pushed the policy of transmigration for over a decade as a means of redistributing the overcrowded population of Java, the establishment of special camps for former political prisoners raises fears that they will remain isolated from society. In their first year at such camps, former prisoners will not be allowed to leave the centers. Thereafter, visits to their homes will be permitted only at the discretion of local authorities. While families will be encouraged to join former detainees in the transmigration camps, the experience of Buru suggests that such reunions may be less than happy. Families following prisoners to Buru have found conditions much more difficult than they had been led to expect, and those who have applied to return to their former homes have been forbidden to leave the island.

The 1977 releases left half of Indonesia's officially acknowledged political prisoner population on the island of Buru, which has been developed as a transmigration center since prisoners were first sent there in 1969. Forced to develop jungle land with few tools and little fertilizer or pesticide, the prisoners have created a viable agricultural economy, although they are required to yield most of its products to the soldiers who are their guards. By some estimates, the Buru detention centers are the most successful of Indonesia's transmigration projects—despite the assessment of such notable inmates as novelist Pramoedya Ananta Toer that "This place should be burned down."[4] Accordingly, sources who have monitored the situation of political prisoners in Indonesia closely for years fear that Buru may be designated a transmigration center rather than a detention center with little change in the actual status of its residents. Even if they were allowed to visit their homes, many in Java, the 1,400 miles separating Buru from Java would be a formidable obstacle to free movement. □

Notes

The primary source for this article is an extensive, well-documented report prepared by TAPOL, British Campaign for the Release of Indonesian Political Prisoners in February 1978. The report is titled: *Treatment of Indonesian Political Prisoners: Forced Labour and Transmigration* and is available from TAPOL, P.O. Box 609, Montclair, N.J. 17142.

Material contained in the Tapol report is confirmed by stories filed by a number of journalists who witnessed some of the releases. Among them:

1. In a press interview on November 23, 1977, Adm. Sudomo is reported by several Jakarta dailies to have said that "between 30 percent and 40 percent of the remaining tapols are 'diehards.'" *Kompas* (November 24) and *Sinar Harapan* (November 23) quoted Sudoma as stating the 'diehards' would not be released. Cited in Tapol report, p. 19.

2. Cited in ibid.

3. *Kompas*, December 19, 1977. Cited in ibid.

4. "The Devilish Island," *Newsweek*, January 9, 1978.

"promises." All vestigial PKI influence in Indonesian official life was wiped out. The government could claim to be "rationalizing" the huge, unwieldy, and inefficient bureaucracy inherited from the Sukarno years. And, since these were times of emergency, military men could be placed in key positions throughout the society without arousing much opposition or fears of militarism. By these means Suharto consolidated his support within the military without seriously antagonizing any elements in his coalition.

The purge was not confined to civilians, however. Hundreds, if not thousands, of military men were also purged—forcibly retired or imprisoned—on grounds of being secretly pro-communist, pro-Sukarno, and so forth. The "mutiny panic" and often paranoiac anti-communism in the upper officer corps allowed Suharto to concentrate his power in the army to an extent that no previous Indonesian military man had ever achieved. The purges allowed him to pack key vacancies in the military hierarchy with close friends and followers, especially from his own Diponegoro Division (the territorial Division of Central Java). Accused of being "Sukarnoist," the army's service rivals, the navy (and especially its Marine Corps), and the Air Force, were virtually gutted and placed directly under army control. In 1969, a major reorganization of the entire defense establishment further centralized military power and steepened and streamlined military hierarchies under Deputy Minister of Defense General Maradean Panggabean. General Panggabean was not only personally loyal to Suharto. As a Protestant and member of the Batak ethnic minority, he could not become an independent center of power.[3] In this role, General Panggabean was in effect acting defense minister until 1973, when he was formally promoted. He held the defense portfolio until early 1978.

In tandem with the purges, the Suharto government launched two other policies which did much in the short term to satisfy its various constituencies. Most importantly, Suharto reversed Sukarno's program of restricting foreign access to the Indonesian economy and relying primarily on state enterprises as the vehicles of development. Suharto called on the services of Indonesian technocrats, including a group referred to even today as the "Berkeley Mafia," many of whom hold Ph.D.s from the University of California-Berkeley. Their job was to create a coherent national economic policy oriented toward "rationality" and "development." These men were all committed to the American economic orthodoxies of the 1950s, and they were strongly backed by the IMF, the World Bank, and ultimately the international consortium of lending countries (the U.S., Western Europe and Japan) known as the IGGI (Inter-Governmental Group on Indonesia). They proceeded very rapidly to stabilize the Indonesian monetary system and reestablish an almost vanished confidence in the Indonesian currency. By a series of inter-related policies, including budgetary cuts, virtual abolition of export-import controls, and liquidation of bankrupt state enterprises, and with the crucial inflow of hundreds of millions of dollars of loans and grants from IGGI members, they succeeded in overcoming the catastrophic inflation of Sukarno's last years. In addition, they instituted new regulations for foreign investment, which brought a host of multinational corporations into the country over the next decade.

More than anything else, the success of Suharto's policies in ending the inflation gave his coalition a sense of confidence in its leader. Nothing symbolized more the new regime's sobriety, solidity, and competence. Nothing created more rapidly and deeply a relieved sense of every-day normalcy to life. Businessmen, civil servants, pensioners, and depositors all felt their positions and futures at last secured. In addition, the flood of cheap (and many not so cheap) imports now permitted appeared like manna to middle classes starved of such commodities under the protectionism and bankruptcy of the last Sukarno years. It seemed possible to "live well again." Meanwhile, the huge loans and massive investments were initially interpreted as signs of the rich West's confidence in Indonesia's new leadership and its future.

. . . the government weakened its own support by its complete success in destroying the organized left . . .

The second area of policy change can be called the politico-cultural. If rigid bans were imposed on all expressions of left-wing thought and anything remotely resembling left-wing organizations, this was not something that troubled any element of Suharto's coalition. For the first time since the middle 1950s, they were, almost all of them, given freedom to express themselves, and they were encouraged to think that freedom of expression would quite soon be followed by freedom of organization. Dozens of new newspapers, magazines, and journals appeared. Hundreds of poems, short stories, plays and songs which had been banned or remained unpublished under Guided Democracy, emerged into the light of day. It would be a great mistake to underestimate the political and psychological impact of this aspect of early New Order life. It was crucial to maintaining the support of the professional, academic, and artistic intelligentsia, and its progressive disappearance after 1970 is directly related to their subsequent alienation.

Finally, Suharto moved quickly to liquidate the "Confrontation" with Malaysia, ending (temporarily) Indonesian interventions overseas.[4] Although relations with the Chinese People's Republic were frozen, and Indonesia became increasingly dependent on the West and Japan, diplomatic relations were maintained with the Soviet Union, the Eastern European states, Cuba, and the Democratic Republic of Vietnam. This pattern created the impression that Indonesia's traditional "independent foreign policy" had not been compromised and that the international community understood and respected Indonesia's intention of soberly putting its own house in order.

SEEDS OF DISINTEGRATION

In retrospect, it seems likely that the year 1971 marked the apogee of the New Order's coherence and of Suharto's personal authority and prestige. In that same year, however, the first clear signs of the disintegration of the anti-communist coalition became visible. In a very simple way, the government weakened its own support by its complete success in destroying the



Randy West

organized left in 1965-66, killing hundreds of thousands, imprisoning further hundreds of thousands, and driving the remainder into hiding or terrified silence. By 1971, the "communist menace" had begun to recede into memory, and government legitimacy derived solely from this source was becoming tenuous, while the crude use of "anti-communism" to justify policies and actions that had nothing to do with suppressing the PKI undermined that residual legitimacy further. With the decline of the vividness and plausibility of the "communist threat," the prime cement of the 1965 coalition necessarily grew brittle. The government itself began to feel the need for some more contemporary confirmation of its legitimacy.

The elections of 1971 were exemplary of organized ratifications by military regimes. At the same time, the government's very success in using the polls to serve its purposes created the first serious divisions in the 1965 coalition,[5] as well as foreclosing the possibility that parliamentary institutions would become a means of broadening the coalition by integrating new elements into it. For by 1971, Suharto's policies were beginning to create grievances as well as satisfaction, but the engineering of the elections—which were intended to demonstrate support for the Suharto regime—was such that grievances would find neither expression nor resolution in the bodies they created.

To use the government's own language, "successing" the elections meant arranging an outcome which would ensure complete control over the legislature they produced. But there were real difficulties. While Suharto himself remained reasonably popular with the coalition, the military as such, never much liked by the population, had grown in unpopularity along with wealth and power since 1965. Moreover, the army had always claimed to be above politics, so its direct participation in the elections in competition with the surviving parties would have been embarrassing. The solution to this difficulty was found by formally excluding the armed services from the elections and awarding them 100 appointive seats in the new parliament. By this expedient, Suharto avoided the potential for splits within the military due to electoral competition and provided himself with a means of rewarding his supporters in the military by appointing them to the legislature. At the same time, he assured himself of the support of a solid 22 percent of the new 460-member assembly.

With the military provided for, the government still needed a party of its own. Otherwise, there was a real possibility that the traditional parties, with deep roots in Indonesian society, would win enough votes to place them in a position of relative independence from Suharto—even if they continued to support him. The solution to this delicate political predicament was something called Golkar (an acronym from the Indonesian

words for Functional Groups), a hastily-assembled electoral machine amply funded by the government and constructed unequally from three very disparate elements. First and foremost were the parallel vertical hierarchies of the Ministries of Defense and Interior, each headed by generals in Suharto's inner circle. These hierarchies reached down from the capital virtually to the village level. Ostensibly the neutral organizers and safeguarders of an open electoral process, in fact they used most imaginable means for ensuring the success of Golkar candidates. Not for nothing did Interior Minister Amir Machmud earn the nickname "bulldozer." Second was a sizeable body of prominent "independent" notabilities, intellectuals, academics, publicists, and technocrats, a core element in the New Order coalition, people who had traditionally disdained party politics. Their function was to provide the rhetorical and ideological upholstering for the skeletal machinery created by the ministries of defense and the interior. Thirdly—and here there is room perhaps for some surprise—was the traditional popular constituency of the old left, the kind of people who in the last previous elections (1955) had supported the PKI and the left wing of the Indonesian Nationalist Party (PNI). Not only were those voters without their traditional parties; 1965-66 was recent enough for them to be easily intimidated into "proving" their good behavior by voting for Golkar.

But all this was not thought sufficient for a thorough "successing" of the elections. The government, through the agency of General Ali Murtopo's Special Operations political-intelligence apparatus, proceeded to intervene directly in the non-Golkar parties to ensure that their leadership fell to subservient and often venal second-raters. While this policy guaranteed the pliability of party leaders, it undermined the enthusiasm of party workers and lowered the parties' electoral appeal. The most significant manipulation, from the point of view of our analysis, was government intervention in the internal affairs of the Muslim party Parmusi. It will be remembered that in 1960 Sukarno had banned the largest existing Muslim party, Masjumi. After 1965, Suharto had come under strong pressure from the Muslim component of his coalition to revoke the ban and permit Masjumi's revival. He had attempted to satisfy this constituency, and at the same time keep it firmly under his control, by refusing to revoke Sukarno's ban, but permitting the party's partial resurrection under the new name Parmusi. But Masjumi's popular older leaders, including two former Prime Ministers, were barred from leadership positions in it. As a result, while Masjumi had won 20.9 percent of the votes in 1955, Parmusi secured a mere 5.4 percent in 1971. (Analogous manipulations helped to reduce the PNI's vote from 22.3 to 6.9 percent.)[6]

While these policies and tactics produced the targeted 63 percent majority for Golkar on election day, they helped to alienate permanently significant sectors of the Muslim community, who saw themselves once again deprived of their legitimate rights and place in Indonesian society. In addition, the one party which managed to hold its own against the government bulldozer, the conservative rural-*ulama* dominated Nahdatul Ulama, alarmed the government by its tenacious hold on its rural following, stimulating hitherto fairly well-concealed suspicion and hostility towards all devout Muslims in the president's strongly "statistical Muslim" inner circle.[7] At the same time the government's open ruthlessness produced a small but significant protest from the younger liberal intelligentsia, which mounted a campaign to get voters to abstain from voting



Tempo

Lt. General Widodo, leader of a powerful army faction opposed to Suharto.

altogether. Finally, the very tameness of the elected parliament, so carefully engineered by the government, closed the one possible national channel for voicing the accumulating grievances which the government's own policies were by now creating. It is to these that we now must turn.

ECONOMIC ILLUSIONS

Much of the early credibility of the New Order had come from a belief that it was rapidly setting the Indonesian economy to rights after abuses under Sukarno which had led to corruption, speculation, inefficiency and the mortgaging of the country's future. This belief had gained strength from the rapidity with which New Order financial policies had brought inflation under control, but by 1971 it was becoming clear that the promise of that early achievement had been overstated. For the belief that the New Order would lead to national prosperity rested on one basic illusion: that the economic problems of the Sukarno years had been primarily the product of Sukarno's personal extravagance and willful ignoring of elementary economic realities.

The truth of the matter, however, was very different. The real locus of the crisis lay in the events of 1957, when the vast Dutch holdings in Indonesia, above all in its non-oil export sectors, were nominally nationalized but actually fell under control of the military. These state corporations—operated as the private fiefdoms of the generals in charge of them—quickly fell into ruin and in the process dragged the economy down with them. The notable exception, for a time, was the state oil enterprise, Pertamina. They declined for three inter-related reasons. Almost all the new military managers had absolutely no serious experience in managing complex corporate empires. The great majority of them plundered the enterprises' assets for their own private profit. And the army leadership, desperately concerned to maintain discipline and morale in the ranks, and

no less desperately concerned to find money to finance a broad anti-communist coalition, systematically bled the state enterprises white by requiring the military managers it appointed to turn over secretly large proportions of the enterprises' resources to the army. The overthrow of Sukarno, the suppression of the left and the institution of the New Order did not remove the generals from the board rooms.

What the New Order did in the economic arena was to install the "Berkeley Mafia" and their colleagues in the government's financial ministries and planning agencies and to switch emphasis from state to private enterprise. Acting in line with their own training and the wishes of the IMF and the IGGI, the economic technocrats redesigned national economic policy to curb inflation and encourage private domestic and foreign investment. They did not—and they could not—curb the ability of the generals to divert national resources for the military or for their own enrichment. As the bankrupt state enterprises lost their key positions in the national economy, the military officers who had managed them into ruin went into business for themselves, drawing heavily on the state for financial and business support.

In this context one other point is worth bearing in mind. While the army leadership had installed generals and colonels as the top managers of the state enterprises (essentially for political reasons), it had tried, in its own way, to ensure that some experienced businessmen assumed subordinate positions so that the geese would continue to lay some golden eggs. The obvious choice of such businessmen lay between indigenous and Chinese. In the great majority of cases the decision was made for the Chinese, laying the basis for the partnership of generals and *cukong* (Chinese tycoons) which has become a central characteristic of late New Order Indonesia. For the great advantage of the Chinese, from the perspective of the military elite, is they are a pariah group, who, even if many of them are Indonesian citizens, are still viewed with hostility by many indigenous Indonesians as aliens. In effect excluded from the political arena—there has never been a general of Chinese ancestry, and, under the New Order, there has never been a cabinet minister of Chinese origins—the Chinese pose no political threat to the army leadership, and have been at least superficially content with the narrowly economic role to which they have been confined.

During the decade 1968-78, the Indonesian economy assumed a very specific character, one which in certain basic respects steadily eroded the regime's political support. Nominally a largely "free-enterprise economy," it came quickly to be dominated by giant multinational corporations. Concentrated heavily in the environs of the capital city, in resource extraction (minerals, fuels, and lumber), and in light consumer products, these corporations quickly drove the nascent indigenous Indonesian business class to the wall. Far from receiving the expected opportunity to expand their operations, such businessmen found themselves even squeezed out of fields, such as textiles, soft drinks, and so forth, where earlier they had been able to develop some strength. Key sectors of the economy came to be operated under what is euphemistically called "joint-ventures." Theoretically partnerships between foreign and domestic capital, in fact they represent an exchange of foreign economic and technological resources for politically-determined licenses, concessions, and access to privileged markets. In effect, the economic policies of the New Order brought undreamt (and unearned) wealth to those with the political power to allocate these licenses, contracts, and concessions: namely, the generals and their immediate entourages.[8]

. . . political plundering of the banking system led quickly to embezzlement on a scale never seen before . . .

In addition to MNC penetration and the ominous spread of "joint ventures," two other features of the economy of the 1970s worked to undermine the government's middle-class support. First was the quite flagrant political manipulation of bank credit, essential for the growth of a successful indigenous business class. Most banks operated under military supervision and were compelled to offer huge credits and unrealistically low interest rates to senior officers (or *cukong* working with them). Very often these cheap credits were not used for productive investment, but for real-estate speculation, land grabbing, luxury housing, and so forth. Second was the survival of a number of important state monopolies, which in effect legally excluded indigenous entrepreneurs from certain economic fields. Particularly notorious instances of these were, and are, the state oil company Pertamina, and Bulog, the National Supply Board, which controls the import, marketing, and domestic purchase of basic staples. Not surprisingly, these lucrative monopolies were and are the fiefdoms of important military supporters of Suharto.

The consequences of all of the above proved to be almost the exact opposite of the economic expectations of sizeable parts of the 1965 coalition. Far from finding their situation and opportunities improved, many indigenous businessmen (perhaps especially devoutly Islamic businessmen) found it even harder to survive than under Sukarno. Far from the New Order economy exhibiting the virtues of economic rationality, predictability, honesty and autonomy, it showed every sign of symmetrically opposite failings.

We have seen how access to bank credit was and is not in the slightest determined by proven entrepreneurial ability, financial probity, or the social benefits to be derived from its utilization. But in addition, political plundering of the banking system led quickly to embezzlement and corruption on a scale Indonesia had never seen before. Some indication of this scale is suggested by the recent criminal conviction of a middle-level provincial official of the National Supply Board for the embezzlement of $19 million.[9] In contrast, the conventional figure for per capita annual income in Indonesia is $150. The "joint venture" was another natural breeding ground for corruption, and many MNCs were willing to pay huge bribes for licenses and contracts. In a recent case, Seymour Hersh of the *New York Times*

reported that General Suhardjono, Director-General of Posts and Telecommunications, demanded $30 million in bribes from General Telephone and Electronics for the contract to build Indonesia's domestic satellite system.[10] Meanwhile, the presidential palace is far from offering an example of austerity and sobriety in a country where daily wage rates for agricultural labor are sometimes eight cents. Suharto, his wife, his oldest son, and many relatives have used their political power to accumulate fabulous riches.

Cynical or history-conscious supporters of the New Order sometimes argue that such corruption is perhaps a necessary price to pay for rapid development. After all, was not America's own industrialization presided over by "robber barons"? Even such supporters assumed, however, that what was being bought so expensively was efficient and patriotic management. Until late 1974, it was common for them to point with a certain ambivalent pride to General Ibnu Sutowo, longtime President-Director of the state oil company, Pertamina, as a worthy successor to the American robber barons. Sutowo was immensely corrupt, they admitted, but they believed he was also ruthlessly efficient, able to deal on equal terms with the global oil giants, and he was strongly committed to his country's interests. As is now widely known, early in 1975 Pertamina went bankrupt. Indonesia was in the humiliating position of being the only member of OPEC to have an insolvent state oil corporation. More devastating still, Pertamina's outstanding debts were of the magnitude of $10.5 billion, almost *five times* the size of the entire national debt accumulated by the economically irrational Sukarno.

In the wake of the Pertamina disaster, it also became clear that the "rest" of the Indonesian government had run up debts to the tune of over $8 billion, creating a total debt of close to $19 billion. So huge had the debts in fact become that economists estimate that in the late 1970s and early 1980s, Indonesia will have to spend about one-fifth of all export earnings just to service them.[11]

The dimensions of this crisis not only mortally wounded the New Order's claims to economic competence, prudence, and honesty. They also called into question its nationalist credentials. Particularly among younger Indonesians, who would be living with the consequences of New Order policy long after its architects were in their graves, increasing numbers of people began to feel that the country was literally being sold out by its rulers. To ruinous debts were added the extraction of clearly finite natural resources (oil, tin, copper, bauxite) for almost exclusively foreign consumption. The specter loomed that by the time Indonesia was economically advanced enough to make full use of its mineral resources, they would long have been depleted, and Indonesia would have to purchase what it had lost on the world market.

LOST HOPE FOR CIVIL LIBERTIES

But it was not only in the economic sphere that the Suharto government's policies and attitudes eroded its political base, especially among civilian middle class groups. Two other spheres were also significant: law and freedom of expression. In the early New Order days, Suharto had made much of his claim to be restoring the rule of law; he had appeared to encourage lawyers and judges to reassert themselves, and had promised that his government would be a faithful respecter of its own legal codes. From the time of the 1971 elections on, such claims became increasingly threadbare. Although the left had been virtually destroyed in 1965-66, the all-powerful Command for the *Restoration* of Security and Order (Kopkamtib), showed no signs of being dissolved. (Indeed, it continues to flourish today, twelve years after the "coup" it was organized to repress.) Kopkamtib had already used its virtually absolute powers of interrogation and detention in the 1971 elections to harass the rivals of Golkar. After 1971, it increasingly began to arrest, interrogate and detain strong former supporters of the New Order Coalition. Some of its most prominent detainees were precisely committed, honest, middle-class lawyers such as Adnan Buyung Nasution, who in 1966 had been in the front rank of New Order militants. In typical fashion, Nasution was detained for two years without trial and then released without explanation or apology.

If the government was increasingly using the instrumentalities of law (if Kopkamtib can be so regarded) against its critics, it was also increasingly seen as obstructing judicial processes to protect the charmed circle of its core supporters. Examples of this are multifold: it should suffice to point only to the most notorious case of all, that of General Ibnu Sutowo, "genius" of Pertamina. While many ordinary Indonesians believe that for the harm he has done to the country and its future he should be executed as a traitor, Sutowo has never been put on trial for anything. Nor is there the faintest likelihood that he will be. He has simply lost his job. As a consequence of such inequities and the general sense of arbitrariness in the processes of justice, Suharto's initial claim to be a just, impartial upholder of the law has almost completely disappeared.

The same processes have been at work with regard to freedom of expression, something especially important to the middle-class intelligentsia which enthusiastically backed Suharto in 1965. One rough but significant indicator of trends is the number of newspapers published. In 1969, at the height of Suharto's popularity, there were something like 64 newspapers. With every following year, the number has decreased. By 1976 it was down to about 31, less than half of the earlier figure.[12] These figures are particularly revealing, because huge sums of money were flowing into the country at the time, and government economists were proudly brandishing statistics showing large annual increases in GNP. In fact, the newspaper decline did not reflect economic scarcity, but outright closures by the government (through bans, threats, forced mergers, or the withdrawal of state advertising),[13] as well as the reading public's own boredom with an increasingly tame press. Of all the closures, none was more symbolically significant than that of *Harian KAMI* in 1974, for this paper was expressly the organ of the student federation KAMI which had played a spectacular and central role in the overthrow of Sukarno in 1966. Similarly, two of the main newspapers banned on January 20, 1978, and reopened later under severe restrictions, were *Kompas,* organ of the Catholic community, and *Sinar Harapan,* mouthpiece of Protestant opinion. Never before had the government turned so directly on these old allies of 1965-66.

Controls over the press have been only part of a generally growing intolerance of even verbal challenge. Small private radio stations which flourished in the late 1960s have been suppressed or "disciplined." Public panel discussions have been arbitrarily banned or broken up. For two years, Indonesia's best-known playwright, W. S. Rendra, was forbidden to put on any of his plays in his home town of Jogjakarta. One of the ground rules for the 1977 parliamentary elections was that candidates were



Ed Zoelverdi

***Kompas*, a liberal Catholic newspaper, is one of Djakarta's three major dailies. The government closed it down for three weeks, allowing it to resume publication only after prohibiting all mention of the student movement.**

forbidden to criticize either government policies or government personnel.

NEW STUDENT MOVEMENT

A significant turning point was the explosion of mid-January 1974, when riots broke out in Jakarta during the visit of then Japanese Prime Minister Kakuei Tanaka. The riots followed several months of increasingly sharp criticism of the government by student leaders and younger intellectuals, cautiously backed by at least one military faction. Beginning as peaceful, orderly protests, ostensibly against ruthless Japanese corporate capitalism, but transparently also against Indonesian government complicity with it, the demonstrations ended in widespread burning of Japanese automobiles and other property by unemployed urban youths and some government agents provocateurs. The government took this outburst as a pretext, not only for arresting sizeable numbers of its critics, but for insisting that students should not get involved in politics. They would have to confine themselves to their campuses. Academic freedom would be respected, but only so long as it was confined within university walls. Even there, students and teachers were warned that criticism must be "constructive." This policy, however, had the unintended effect of making the universities appear more and more as sanctuaries of relative freedom in a political system of deepening authoritarianism. It also heightened solidarity among university students across the country.

Meanwhile, another government policy was producing unintended consequences: the political impact of research. Suharto's top technocrats were academics, primarily economists. These men, whose authority depended exclusively on their scientific knowledge and their capacity to formulate successive national five-year plans, encouraged the government to spend large sums of money on policy-oriented research. Such research was concentrated in what were regarded as politically innocuous fields like agricultural economics, demography, and nutrition. In this effort, the technocrats had the enthusiastic support of institutions like the World Bank and USAID, on whose largesse the government was heavily dependent. There is no doubt also that many of the military leaders around Suharto saw the rapid expansion of this research as a useful deflection of the energies of the younger intelligentsia. What happened,



Randy West

however, was that through the expansion of policy research, young middle-class students and intellectuals came to a painful awareness of what was happening in a world with which they would otherwise have had little contact: Indonesia's, and especially Java's, villages.

DISCOVERING THE VILLAGES

What the students discovered, little by little, were the realities concealed by optimistic official development statistics, such as rising GNP. These realities fundamentally eroded their faith, not simply in the good will of the government, but in the good sense and competence of the technocrats themselves.[14] It may be useful to suggest the kinds of information this research was turning up, because this also shows why the youthful idealism and social conscience of a rising younger generation of students were so deeply stirred.[15] They learned that one-fifth of all Indonesian babies do not live to the age of five. Contrary to the myth of the too-fertile poor, severe malnutrition means that the truly poor have fewer children than the more well-to-do. While GNP was rising rapidly, real agricultural wages were declining. In the same area where daily wage rates for agricultural labor were in the neighborhood of 8¢, the price of irrigated wet-rice land was between $4,000 and $5,000 per hectare—prices driven fantastically high by rich urban absentee land speculators.

In Java and Bali, 55 percent of farmers were unable to live from the yields of their fields. Villagers' share in the Gross Domestic Product steadily *declined* during the New Order years. The technological revolution in agriculture, hailed by the technocrats as the solution to Indonesia's long-standing agrarian problems, was depriving millions of villagers of employment and income. Japanese rice-hullers, American tractors, German rotary-weeders made huge numbers of agricultural laborers increasingly redundant, without at the same time significantly increasing production. Dramatic illustrations of these trends came at the end of 1977: The government was forced to admit that Indonesia had become the world's No. 1 rice-importer, purchasing more than 2.5 million tons abroad in that year—a figure higher than ever before in Indonesia's history. At the

same time, famine broke out in the district of Krawang, only a few miles from Jakarta, and traditionally one of Jáva's most fertile rice bowls.

Research also made very clear how these changes and the distribution of political power under the New Order affected the system of rural social stratification. The "Green Revolution" had benefitted only village elites. Technological innovations had allowed these elites to avoid employing their landless fellow-villagers for harvesting and the like. Government rural credit was largely monopolized by the same elites, steepening the gap between village rich and poor. Concentration of land-ownership was steadily increasing, in the hands both of urban speculators and of village notables such as headmen. Moreover, in the wake of the destruction of the PKI, the modest land-reform and crop-sharing legislation of the Sukarno years had become a dead letter. Much of the land re-distributed in the early 1960s had reverted to its earlier owners by the early 1970s. Although the law provided for 50-50 shares in the crop between tenant and landlord, in many areas the actual ratio ran as high as 70-30 or even 80-20 in the landlords' favor. It was only too easy to brand any attempts to enforce the land-reform and share-cropping statutes as "communist." With the memory of the massacres of 1965-66—which took place largely in the villages—still only too vivid, few poor farmers dared to try to organize to defend their legal rights.

Finally, students sent to undertake research in rural areas became aware, in terms of real experience, of the meaning of the government's own statistics on education: (1) Only about one quarter of primary-school-age children were actually in school; (2) Less than 2 percent of college-age youth were in institutions of higher learning.[16] In other words, students became conscious of their extraordinarily privileged situation by comparison with the vast bulk of youthful Indonesians. Not surprisingly, in some this consciousness of privilege in the midst of deepening rural misery produced a real radicalization, while in others it generated at least a strong sense of middle-class reformist concern.

Under the circumstances, it is not surprising that as the New Order regime celebrated its tenth anniversary, the campuses became the focal point of opposition to it. For the campuses were the meeting point of two different streams of disillusionment and dissatisfaction. As youthful members of the middle class which had backed Suharto in 1965, the students shared that class's urban frustrations: government corruption, official lawlessness, restrictions on freedom of expression, marginalization of independent entrepreneurship, huge foreign debts, and squandering of the national patrimony. But they were also much more aware of and concerned by the accumulating problems of non-middle-class Indonesians, most particularly the vast armies of the rural poor. We should also note one further aspect of the political experience of the student population, a direct product of its youth. The 18-year-old college freshman of 1978 was a five- or six-year-old child in 1965. He or she had no concrete experience of communism, or even real memory of it, so successful had the extirpation of the communist party been. Since 1971 the government had so prodigally used accusations of "communism" or "being exploited by underground communism" to threaten or silence critics of every conceivable stripe that its initial credibility as the country's "savior" from communism had by 1978 worn very thin indeed, especially among the young.

The technological revolution in agriculture was depriving millions of employment . . . Indonesia was now the world's No. 1 rice-importer . . .

A NEW COALITION

The elections of 1977 illustrate very well what had become of Suharto's coalition by that year. As in 1971, the government "successed" these elections largely according to plan. Golkar won almost exactly the same percentage of the vote that it had in 1971. Yet there were important differences from 1971 as well. In the first place, the victory was achieved almost exclusively by strong-arm bulldozer tactics, with the ministries of defense and the interior, as well as Kopkamtib, playing the leading roles. The array of distinguished independents who had been persuaded to stand as Golkar candidates in 1971 had largely disappeared. Many of the more honest and self-respecting of them had found their roles in a powerless parliament meaningless and had withdrawn. Secondly, Golkar was actually outpolled, not only in the traditionally strongly Muslim province of Aceh, but in the capital city of Jakarta itself. Its successful rival was a party called the United Development Party, a fusion of all pre-existing Muslim parties forced by the government itself. All the other parties, including the Nationalist Party, the Protestant Party, the Catholic Party and so forth had been forcibly merged into a political freak known as the Indonesian Democracy Party.

Before turning to the meaning of this surprising victory, it is necessary first to understand both the purpose and the consequences of these imposed fusions. The government's political strategists, most notably General Ali Murtopo, had calculated that the forced fusion of parties traditionally in rivalry with one another and with well-established popular identities would fatally weaken them, both internally and externally. It was expected that the rivalries would continue and even intensify as the different parties' leaderships struggled for pre-eminence in the new entities, thereby paralyzing their electoral energies and sapping their morale and organizational coherence. It was also expected that the attachment of, say, Muslim voters to a fusion of Islamic parties, in whose imposed name (United Development Party) no trace of Islam was detectable, would be decisively reduced. Would a traditional supporter of the Nahdatul Ulama be enthusiastic about a new party in which leadership positions had to be shared by Nahdatul Ulama with its long-standing competitors for Muslim loyalties? In fact, the government's strategy worked perfectly in

the case of the Indonesian Democracy Party. Without a coherent image or program and rent by internal incompatibilities it achieved no more than 8.6 percent of the vote. In the case of the UDP, however, the strategy was an almost complete failure. The government's progressive alienation of its 1965 Muslim constituency, religiously, politically, and economically, produced a reaction of Muslim solidarity which the fusion only further facilitated.

But the single most interesting thing about the UDP vote (it won 29 percent nationally), above all in Jakarta, was strong evidence that for the first time in modern Indonesian history sizeable numbers of "statistical Muslims," and even Protestants and Catholics, had cast their ballots in favor of a Muslim party, evidently holding the view that it was the only credible focus of opposition to the regime. In a country where political loyalties have traditionally been so strongly influenced by religious orientation, such a crossing of boundaries is highly significant, and well reflects the degree of dissatisfaction with the government, which had counted on being able to play off the religions communities against one another. In effect, the elections showed the outlines of a potential new coalition forming, now against Suharto rather than Sukarno, against the "New Order" rather than communism. Similarly, in the wake of the elections, there were strong indications of new solidarities among the students, overriding traditional religious and other divisions. Non-Muslims were supporting Muslim student leaders, and these leaders were increasingly absorbing non-Muslim "radical" concepts and analyses into their thinking.

THE MILITARY

It can today be plausibly argued that Suharto's coalition has been reduced to a single, if extremely important, element: the military. It is appropriate to conclude this analysis therefore with a consideration of what has happened to the military under the New Order and what its attitudes to its long-term leader currently may be.

To understand the politics of the Indonesian army, one has to remember that it had its origins in the Japanese Occupation and the national revolution of 1945-49. The bulk of its senior officers today are veterans of a force created by the Japanese to help defend the islands of Java and Sumatra against an anticipated Allied invasion. They were trained in irregular warfare and served in their home localities. No central staff was created, since the Japanese served that function. The tendency towards "headlessness," localization, and decentralization was accentuated in the revolution, when hundreds of thousands of poorly-trained, poorly-armed, but militant youths joined both the official army of the infant republic and a variety of irregular forces. In addition, in an army created almost overnight, the army hierarchy, from general down to private, was filled by people almost the same age. The revolutionary commander-in-chief, Sudirman, was aged 30 when he assumed that position. At the end of the revolution, the government and the military leadership were faced with acute problems of demobilization, as well as of incipient conflict between hundreds of young senior officers who had no idea of retiring for a long time, and hundreds of young junior officers who had no idea of remaining junior officers indefinitely. These tensions created severe disciplinary problems, and contributed to the dozens of mutinies and rebellions that plagued Indonesia between 1949 and 1962.



The Indonesian Army receives training from the United States.

The basic solution to the problem (aside from the purges made possible when mutinies or rebellions were successfully put down) was two-fold. First, for a decade no new officers were recruited. A military academy was not set up till the late 1950s and did not start graduating cadets until the early 1960s. Second, lucrative and prestigious jobs were found outside the military sphere to assuage the ambitions of key officers. During Guided Democracy, the nationalized former Dutch enterprises provided the high-level jobs. After 1965, with the army in full

> . . . Suharto's coalition was reduced to a single element: the military

control of the state, all branches of government employed army officers. There is no doubt that the extraordinary opportunities for dispensing patronage which the onset of the New Order presented to Suharto—no less than the anti-communist and anti-"Sukarnoist" purges conducted within the military—have been the key reasons why he has so far faced no very serious challenge from within the army. In addition, Suharto and his aged cohorts are by now heavy middle-aged men in their early and mid-50s, with large families, with a strong stake in the status quo, and in no mood to jeopardize things by political



American weapons manufacturers supply 90% of its equipment.

adventures. Many feel that whatever his mistakes, Suharto has done well by the army, and that his successor, who ought to be a respected army officer, should take over in an orderly, well-timed and institutionalized fashion—by consensus among the generals themselves. After all, they and Suharto are all men of the "1945 Generation," the generation that fought for and won independence for their country.

Yet there are certainly tensions within the army which are likely to play an increasingly important role. Most important of these is the wide gap, in terms of age, experience, and professionalism, between the military men of 1945, and the cadets of the early 1960s. While the younger men, now in their late 30s and early 40s, have none of the "revolutionary" prestige of their elders, they are much more highly trained, and believe themselves to be far more professionally competent. They share no particular sense of comradeship with Suharto. Indeed, there are a number of good reasons why his popularity in their eyes may be quite low. First, the materiel, equipment, and training of the army have been allowed to run seriously downhill since the 1960s. It is likely that some younger officers believe that if the New Order has taken good care of the generals, it has neglected the army. Secondly, it is an open secret, even in Indonesia, that the invasion of the former Portuguese colony of East Timor in December 1975 was a military disaster. The army's inability in the succeeding two and a half years to crush the Fretilin independence fighters, or even capture any of their leaders, let alone win over the population, has compounded the younger officers' concerns. There are reasons for supposing that they have attributed this military humiliation to the bungling and incompetence of their elders, too busy politicking and making money to justify their command positions. The overwhelming United Nations condemnation of the New Order's aggression in Timor and refusal to countenance Indonesia's claims to have "integrated" it have made it difficult for Suharto to give the fighting much publicity at home. For a long time, the name of the Indonesian commander on the island was kept secret from the Indonesian public, as were the names and numbers of casualties. Suharto's secret war has made it difficult for him to maintain high morale among the younger men who are actually carrying on the fighting. No patriotic ceremonies, such as medal-giving or public funerals for battle heroes have been politically possible: and on the whole men who face the prospect of death in battle like to believe that their country is proud both of them and of what they are doing. We should not be surprised then if sentiment is growing among younger officers that "things would go better" if "we" were in charge.

Thirdly, there is the matter of the army's honor, something which younger, less cynical officers in almost any army take more seriously than do their elders. The younger men do not make the Suharto government's policies but they are expected to carry them out, and many of them are well aware of how unpopular the government has become. To the extent that this unpopularity has come to attach to the army, it is probably a matter of concern to them. More particularly, the personal disrepute which his ambitious and greedy family has brought on the President is a source of daily embarrassment to these officers, whose military training emphasizes the need for integrity and rectitude in military commanders.[18] To the extent that the individual Suharto comes to be viewed as bringing obloquy on the institution of the army, he is in serious political trouble.

In addition to the generation gap, two other lines of fission divide the army. Its three great territorial divisions (Siliwangi in West Java, Diponegoro in Central Java, and Brawijaya in East Java) are constant rivals. There are also strong tensions between the mainstream military establishment in the Ministry of Defense and the political generals of Suharto's personal clique, who dominate the palace, the cabinet and the State Intelligence Agency. Suharto once commanded the Diponegoro Division, and most members of his inner circle are also from that division. Although he has attempted to keep some sort of patronage balance between the divisions, members of the other two do not always acknowledge these efforts. It is not surprising that those generals who in recent years have been more or less publically critical of Suharto—and have been punished for it—have come from Brawijaya (Gen. Sumitro), and Siliwangi (Generals Nasution, Dharsono, and Kemal Idris). Their criticisms have echoed and encouraged student criticism of the government. The Siliwangi Division is especially important because it controls the province of West Java where the capital city is located. (The actual metropolitan area is under another command.) If the rumors are true that it is primarily Siliwangi and Brawijaya troops that are being sent off to fight in Timor (and taking heavy casualties there), one can imagine that resentment of presidential favoritism for Diponegoro is being exacerbated.

Conflict between the Defense Ministry and the "political generals" is basically a matter of institutional rivalry. Career regulars, primarily concerned with the military's own internal well-being and development, are concentrated in the ministry. On the whole, they shun the spotlight and emphasize "the

corps" and bureaucratic team-work. They are inclined to believe that military advancement should depend on professional competence rather than personal connections. Suharto, however, holds the political office of president as well as being a seasoned veteran of internal army politics. To give himself personal power, and avoid becoming the prisoner of the army establishment, he has gathered around him a personal staff of generals who have specialized not in field operations, but in such areas as intelligence, supply, finance, and military police. These are not departments that mainstream army men hold in high esteem, and these generals know that their power and prestige rest wholly on the President's political survival. The regulars know they will get ahead, whoever holds the presidency. When bitter rivalries among the generals have surfaced before the public, notably in 1973-74 and 1978, they have involved spokesmen for the "establishment" (General Sumitro in 1973-74, General Surono in 1978) against the palace politicos (above all, General Ali Murtopo on both occasions).

SUHARTO'S THREAT TO SUHARTO

None of these internal divisions within the armed forces is fatal, but neither are they removable. As Suharto is very much aware, with the disintegration of the rest of his one-time coalition, it may be tempting for some military officer to try to put together a new coalition, by coup, assassination, or other means. It was this fear, more than anything else, which lay behind the crackdown of January 20, 1978. That this fear remains unassuaged is indicated by events after Suharto's successful engineering of his own re-election as president in March. It is with a glance at these events that we may fittingly conclude. For each event shows quite clearly that Suharto is determined to continue with, or sees no alternative to, the course he has pursued over the past few years.

The regime received an unpleasant jolt when Sultan Hamengku Buwono of Jogjakarta, long-standing Vice-President under Suharto, announced in March that he would not stand for reelection. The announcement, while adducing "reasons of health," made it quite plain that the widely respected Sultan had become disaffected from the government, and was no longer willing to shoulder responsibility for policies he opposed. In choosing a new vice-president, Suharto had more or less the following choices: a well-known figure from one of the political parties, ideally from the Muslim UDP; a very senior general with a relatively good reputation; or an "independent" without any strong political support of his own. The first choice would have represented an attempt to woo his critics; the second would have meant that he was carefully smoothing the path for a successor. The third—which was the choice actually made in the person of the garrulous ex-Foreign Minister Adam Malik—revealed that Suharto trusted no one with real political weight in so strategic a position, and was determined to rule for the indefinite future.

Shortly after his re-election, Suharto announced a new Cabinet. Far from representing an attempt to widen his shrunken political base, it bore all the characteristics of a regime under siege. It contained far more generals than its predecessor, and these generals were all members of the old palace clique. What new faces emerged were mainly creatures of General Ali Murtopo's intelligence apparatus. In a significant omen for the future of the Indonesian press, Murtopo himself became minister of information. For the first time in Indonesia's history the ministry of religion (an old Muslim bailiwick) was given to a general (General Alamsjah). The most likely "consensus" candidate for the presidential succession, Deputy Armed Forces Commander-in-Chief Surono was whisked out of the military hierarchy into a prestigious and powerless post supervising social welfare policies. Most alarming of all the positions of Head of the State Intelligence Agency and Chief of Staff (i.e., actual controller) of Kopkamtib have been put in the hands of one person, the feared General Yoga Sugomo. (An American analogy would be making the same man simultaneously head of the FBI and the CIA.)

Meanwhile, arbitrary arrests of students and respected dissident notabilities have continued unabated since the president's re-election. There are no signs of a softening on this front. The trend is in the opposite direction.

Modern history is full of examples of autocrats, who not only alienated their peoples, but also did everything they could to make a peaceful change of rulers and policies impossible. Ngo Dinh Diem, Lon Nol and Syngman Rhee are only some examples. It is likely that Suharto is moving into just such a position. He can not constitutionally be replaced for another five years, yet it is very unlikely that his rule will be able to resist pressures for change that long. Last year, for the first time under the New Order, the government announced that an assassination plot had been discovered: a young Muslim student was charged with planning to bomb the president, his wife, and several houses of prostitution.(!) Whether any such plot actually existed is a matter of conjecture, but the announcement shows what the palace fears.

Should Suharto be assassinated or die in office, it is most unlikely that the light-weight Adam Malik, also a decade older than the President, would be allowed to succeed him. The way would be open for a bitter and possibly bloody struggle for power among contending military groups. And we should not neglect the possibility of a coup led by younger officers, who might attempt to build a new political coalition on the basis of their claims to revive honesty in government, rescue the nation from greedy foreigners, and, for a while at least, restore popular liberties, at least to Indonesia's troubled middle classes, if not to her huge, long-suffering agrarian population. □



Walter Spies



North Balinese temple relief showing Dutch colonizers drinking beer (ca. 1910). Holland ruled Indonesia for over 300 years.

NOTES

1. On the transformation of the revolutionary army, see the magisterial articles of Ruth T. McVey, "The Post-Revolutionary Transformation of the Indonesian Army," Parts I and II, in *Indonesia*, 11 (April 1971), pp. 131-76, and 13 (April 1972), pp. 147-82.

2. For translations of the "coup Group's" decrees, see "Selected Documents Relating to the September 30th Movement and Its Epilogue," *Indonesia* 1 (April 1966), pp. 131-204.

3. For details of the reorganization, and a discussion of its implications, see "Current Data on the Indonesian Army Elite after the Reorganization of 1969-1970," *Indonesia*, 10 (October 1970), pp. 195-208.

4. See Franklin B. Weinstein, *Indonesia Abandons Confrontation* (Ithaca: Cornell Modern Indonesia Project Interim Report, 1969).

5. The best studies of the 1971 elections are Masashi Nishihara, *Golkar and the Indonesian Elections of 1971* (Ithaca: Cornell Modern Indonesia Project Monograph Series, 1971); and Ken Ward, *The 1971 Election in Indonesia: an East Java Case Study* (Clayton, Victoria: Monash Papers on Southeast Asia, No. 2, 1974). Most of the observations below are based on them.

6. See Ward, *The 1971 Election*, chapter 5.

7. The Nahdatul Ulama's vote actually rose from 18.4 to 18.7%.

8. For a useful analysis of the "joint venture," and of the structure of capitalism in late New Order Indonesia in general, see Richard Robison, "Toward a Class Analysis of the Indonesian Military Bureaucratic State," *Indonesia*, 25 (April 1978), pp. 17-40.

9. For more details, see the *White Book of the 1978 Students' Struggle* in *Indonesia*, 25 (April 1978), pp. 151-82, esp. at p. 155. As the *White Book* points out, while the government used the case to show it was serious about suppressing corruption, no national-level Bulog official has ever been prosecuted, though Bulog's corruption is legendary.

10. *New York Times*, January 25, 1977.

11. For details, see *Indonesia: Economic Prospects and the Status of Human Rights* (Washington, D.C.: Center for International Policy, International Policy Report, December 1976).

12. Figures drawn from the testimony of Benedict R. O'G. Anderson in *Human Rights in Indonesia and the Philippines*, Hearings before the Subcommittee on International Organizations of the Committee on International Relations, House of Representatives (December 18, 1975, and May 3, 1976), Washington, D.C.: Government Printing Office, 1976), p. 73.

13. See R. William Liddle, "Indonesia 1977: The New Order's Second Parliamentary Election," *Asian Survey*, 18:2 (February 1978), pp. 175-85, at p. 181.

14. This bitter disillusionment with the technocrats is vividly expressed throughout the *White Book*.

15. The facts listed below are fairly randomly selected. They are drawn inter alia from Anderson's congressional testimony cited above; the articles by William Collier, "Food Problems, Unemployment and the Green Revolution in Rural Java," and by Jon E. Rohde, Terence H. Hull, and Lukas Hendrata, "Who Dies of What and Why," in *Prisma* (Jakarta), 9 (March 1978), pp. 38-52 and 26-57, which summarize earlier research findings; and other sources.

16. See Anderson's congressional testimony, p. 74.

17. See Liddle, "Indonesia 1977," p. 179.

18. For illuminating details on the presidential family's financial high-rolling, see Robison, "Towards a Class Analysis," pp. 30-32.

Popular Culture Goes Political



Syarief Hidayat

Rhoma Irama, the "king of *dangdut*."

The dissent that has rocked Indonesian political circles in the last year is finding expression in many facets of Indonesian life, ranging from high culture to street-corner folk music. Religious leaders as well as artists are taking up the refrain of opposition to President Suharto. In the varied forms in which the message is couched, it strikes deep resonances among its audiences, who pass on words, songs and events which the government does not allow to be publicized, while the military tries futilely to stop it.

> I have written this pamphlet because the institutions of public opinion are covered with cobwebs.
> People speak in riddles. To speak your mind becomes a confession.
> If criticism is allowed only through official channels, life will be like eating vegetables without salt,
> I have written this pamphlet because pamphlets are not taboo for poets.
> I long for carrier pigeons. My hands itch to use signal flags. I yearn for the smoke signals used by the Indians.
> I see no reason to remain silent, with folded hands . . .

W. S. Rendra, one of Indonesia's most popular poets and playwrights, recently recited this and others of his poems to an enthusiastic audience of 2,500 in Jakarta. Three days later, on May 1, 1978, he was arrested by the military. By explicit order, the Indonesian media may not mention his name, or that of several other opposition figures. Long a critic of the government, Rendra has not been permitted to perform his plays in his native Jogjakarta for years. With conscious dissatisfaction now extending much further than demonstrating students and disaffected generals, its artistic expression provokes fierce government repression.

Admiral Sudomo, commander of Indonesia's feared security force, Kopkamtib, justified Rendra's arrest by saying that his work is "full of incitements." The Jakarta Military Command expanded on this: "such stuff can lead to unrest and social conflicts. It gives people the wrong picture of the results of development." Rather than silence the protesting voices, however, the government's action seems to create new ones. On January 24, 14 leading intellectuals and artists signed a public statement objecting to the closure of major newspapers and arrests of hundreds of students. Popular musicians have written songs to protest government censorship of critical films and art exhibits.

In the past year, President Suharto and his family have been the subject of direct criticism for the first time since Suharto came to power in 1966. Ibu Tien, Suharto's wife, has gained particular notoriety because of her extensive and shady business dealings. Dubbed Madame Ten Percent in the early 1970s, she has recently been renamed Ibu 50-50. A popular rock group, Trio Bimbo, wrote a song about Ibu Tien which has circulated widely among students despite a government ban on its performance or publication.



W. S. Rendra, poet and playwright.

> Auntie Sun, Oh Auntie Sun, a sweet auntie,
> Everyday is engaged in sports,
> Goes golfing until noon,
> Then straight to the beauty parlor for a milk bath.
>
> Auntie Sun, Oh Auntie Sun, an active auntie,
> So active in so many different meetings and clubs,
> Morning, noon, and night,
> Oh Auntie Sun, a model auntie.

Emerald, diamond and crushed stone,
Gold, and construction of iron bars
are her business.
Tycoons, directors, and brokers
Are down on their knees submitting
to Auntie Sun.

Auntie Sun, Oh Auntie Sun, a stylish
auntie,
Never feels unhappy, smiling at
everybody,
Captivating the old and the young,
Oh Auntie Sun, Oh Auntie, Auntie Sun

Meanwhile, the most popular form of music in Indonesia, known as *"dangdut"* because of its characteristic heavy downbeat, has also become a medium of dissent, reaching out to huge audiences in marketplaces, on streetcorners and in homes. Rhoma Irama, the "king of *dangdut,"* responded to government censorship of a film depicting the life of a street person with a series of pointed songs. Included in a recent cassette is *Hak Asasi* (Human Rights):

Honor human rights
because it is the duty of humanity
we are all free to choose
the way of life we wish.
Even God doesn't compel
his servants in their actions.

Apply the Pancasila democracy
as the foundation of our country.
Don't keep raping (ravaging)
the freedom of citizens
because it is in conflict with human
dignity.

The freedom of religion (that's a
human right)
The freedom of speech (that's a
human right)
We are all free to do anything
as long as it doesn't conflict with the
Pancasila
Freedom of action (that's a human
right)
Freedom to work (that's a human
right)
We are free to do anything as long as
it doesn't conflict with the Pancasila.

Last December (1977), this song was forbidden to be broadcast on television, but the censorship has only made it more popular.

Such expressions of dissent by westernized intellectuals and urban artists have made important dents in the legitimacy of the Suharto regime. For its "modernity" is a crucial element in the regime's self-image. At the same time, these songs and poems both express and inspire an expanding urban opposition movement. In the countryside, however, the monolithic weight of the government apparatus—backed by stern repression—has prevented any direct expression of dissent. Now and then, however, faint signs of dissatisfaction break through the enforced placidity.

"Tycoons, directors, and brokers, Are down on their knees submitting, to Auntie Sun."

Such stirrings in traditional Indonesian society have taken dramatic form in the "Sawito Affair." Sawito, a middle-aged Javanese civil servant with a popular reputation as a mystic, is currently on trial for "subversion," a crime punishable by death. His offense? Having submitted a letter to Suharto urging him to resign. Of itself, this act does not appear particularly subversive or even interesting. But Sawito managed to persuade widely respected former Vice President Hatta and key leaders of Indonesia's Muslim *ulamas* teachers and the Protestant and Catholic churches to sign his document.

Although these figures later claimed that Sawito had tricked them into signing the letter, their disclaimers have not diminished popular interest in the case. To many Javanese, the "Sawito Affair" is proof that the *wahju* (power) of the Suharto regime has slipped out of its hands. This interpretation derives from the combination of Sawito's fame as a mystic and traditional Javanese conceptions of power. The government's reaction indicates that it, too, takes Javanese political ideas seriously. Sawito himself is not a direct political threat, for he has no personal following. He was not even widely known until the government decided to prosecute him.

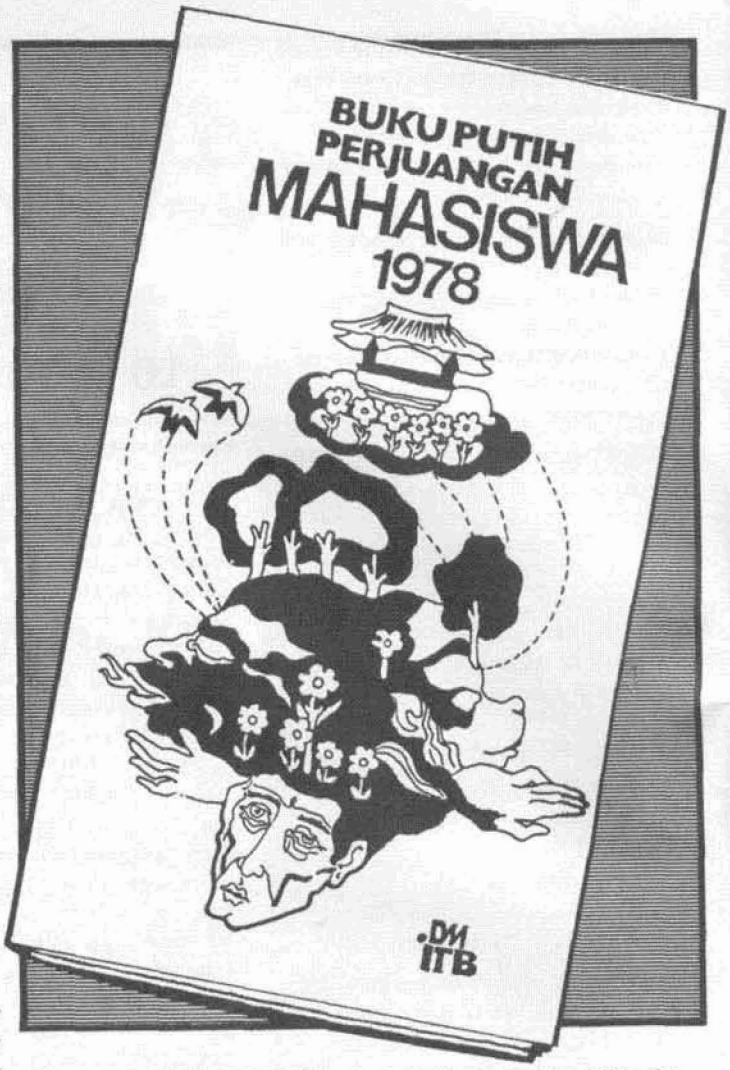
The prosecution of Sawito, however, is proving even more damaging than his request that Suharto resign. Trial sessions are daily packed with crowds of enthusiastic supporters who cheer each act of political bravado by the unrepentant Sawito. By bringing him to trial, the Suharto government has created a new political figure, whose seemingly irrational and quixotic attacks on the government strike culturally deep and resonant chords in the Indonesian public. □



Ed Zoelverdi

Mr. Sawito (seated at left): the clerk who challenged Suharto.

Excerpts from the 1978 STUDENT WHITE BOOK



The cover of the 1978 "Student White Book," published by the Student Council of the Bandung Institute of Technology

Editor's Note

The Buku Putih *(White Book) is the single most important document to come out of the political disturbances in Indonesia early in 1978. Although it is formally a statement only of the Student Council of the Bandung Institute of Technology (BIT), it represents the sentiments of the student movement as a whole. It is also important as an indication of the changes in the student movement during the past seven years. When it first began to stir in 1970, the student movement was concerned primarily with government corruption. Its tone was moralistic and almost apolitical. By 1974, student issues included economic nationalism. Only in 1978 did Suharto himself become the target of attack. More significantly, the current student movement has subjected the entire structure of Western-inspired and Western-oriented economic policy to a systematic critique, the first in 12 years of military rule.*

Buku Putih *is audacious and at the same time sober and serious. Even as its critical analysis of government policy is competent, sophisticated and closely argued, its use of Indonesian colloquialisms make a popularly accessible document. Its attack on Suharto and his technocrats is devastating, because it addresses them in familiar, almost impertinent, terms. To capture both aspects of the document in a limited space, we have chosen to arrange our excerpts not in the order they appear but according to the main themes of the document as we see them. The realities which are the subject of* Buku Putih *are explained in the article in this issue of the* Southeast Asia Chronicle *by Benedict Anderson. The entire document may be read in the April, 1978 issue of* Indonesia, *whose translation we are using.* —*J.R.*

1. Suharto

The students of the BIT declare that they do not trust and do not want Suharto to be President of the Republic of Indonesia again.

The style of a national leadership that has concentrated all power in its own hands has crippled the official constitutional political forces . . . this centralization of political power is done simply to safeguard its own continuation.

In addition, the life style of the family of Mr. President Suharto has had a great sociocultural impact on the majority of our people. His [Suharto's] nepotism towards his children and younger siblings has been copied by many government officials of all ranks, such as Governors, Bupati, village headmen, and so forth. The fact that the family of President Suharto has become vastly wealthy since he became Head of State some years ago (see. e.g., Tapos, Mangadeg) has given the impression to lower officials that they too have the right to act like their President. In this way, the wealth of Mr. President Suharto has exerted great influence on the development of a *culture of corruption* in Indonesia!

2. Technocrats

According to Buku Putih, *Indonesia's problems derive not just from administrative errors but from essentially incorrect policies. Hence, Indonesia's technocrats are also subjected to much irreverent criticism.*

From a series of discussions and analyses carried out by the authors of this paper, we have reached a very startling conclusion: Namely, the designers of our present development, Bappenas and the Departments of the government, are in fact *aware* and *do realize* that there are defects and errors in the present development strategy. But why do they remain silent? Why do they remain mute although their policy errors have made millions of people suffer? Perhaps they remain silent because they are intellectual prostitutes who do not have scientific integrity! Or do they belong to the group who enjoy the "fruits of development" precisely because of their policy errors??

3. Wives of Officials

One section of Buku Putih *targets the wives of officials, known as* "Ibu," *as a source and cause of official corruption.*

Dear Ibu ... in talking about the role of women in development we often also talk about women's emancipation. Emancipation, however, does not mean that the wife *must take part in her husband's official functions or that she must exploit her husband's position.* It does not mean that the wife must take part in determining her husband's policy in matters concerning his office or that she should *make use of the facilities and perquisites to which her husband is entitled.* We feel, too, that there are many other matters related to character and behavior that can have a negative effect on the activities of her husband.

We say this because in fact we have the impression and we observe that there are many of you, Ibu, who have *gone astray in playing your roles,* many who have misunderstood the meaning of women's emancipation.

4. Development Policy

In establishing "development policy" we have swallowed hook, line, and sinker the data and analyses made by foreigners, even though they obviously have interests of their own. To determine the number of people who are below the poverty line, we use the data and analyses of the World Bank. To measure the success of development, we employ foreign measures of growth, such as GNP, GDP, per capita income, and so forth. . .

A great campaign to stupidify the people is taking place today. The people are being swamped with vague terminology or terminology made vague on purpose. When people are starving, they are said "not to have enough to eat" or "possibly may not have enough to eat," etc. Criticism is answered by being termed "a danger to stability" or "evidently being exploited," and so forth. . .

In measuring *the success of established policies,* Tuan Wijoyo and his friends use several statistics, such as *increase in GNP, GDP, per capita income, the rate of inflation,* etc. Using these figures, the Policy-Makers claim that . . . [only] *3 out of 10 Indonesians live below the poverty line.* This is amazing progress. There is also the criterion which determines that a per capita income of over $US 75.00 per annum is above the poverty line.

Take the case of a poverty-stricken, unemployed vagrant. He picks up cigarette butts; he scrounges for his daily food in the garbage-cans of restaurants; he sleeps under a bridge or under the eaves of shops; he wears whatever he can find. He makes Rp. 300 a day. In a month, that amounts to Rp. 9,000, and in a year to Rp. 108,000 or $US 250. This is well above the poverty line.

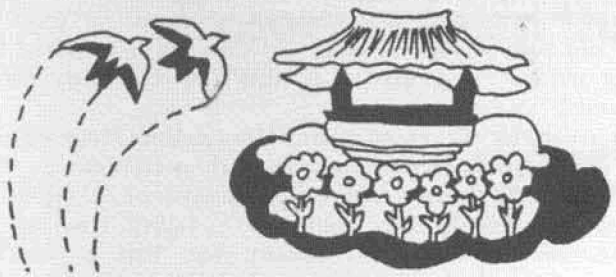
Is this the way to measure the success of a policy? In that case, the more vagrants we have, the more prosperous our country. Long live Pak Wijoyo!!!!!

5. Credit

In criticizing other aspects of the government's economic policy, Buku Putih *focuses on the imbalance in benefits from this policy. Throughout the document the charge is repeated that foreigners are making more and more money while Indonesians are becoming poorer and poorer.*

Most government credit falls into the hands of non-natives. Most of those who embezzle these credits are also non-natives. Of the Rp. 200,000,000,000 Bank Bumi Daya credits that disappeared, most again was taken by non-natives. But it is the people who have to suffer the burden of it all. The people bear the consequences, but the non-natives enjoy the fruits. In fact, it is their per capita income that has increased many times over. Not the people's.

Ten years ago the Astra group, the Panin group, the Central Asia Bank, Liem Soei Liong and other *cukong*[2] were nothing to what they are now. But the people of Krawang still starve. The government proudly aggregates the incomes of those *cukong* with the incomes of the people of Krawang, Boyolali, and Gunung Kidul[3] and then averages them. Next the government loudly proclaims that "per capita income has skyrocketed." Is this not manipulation?? The people of Krawang, who have been reduced to eating water-hyacinths, have become the victims of a manipulation of the numbers that the government always worships. The people of Krawang have become the victims of statistics. It is said that in 1967 per capita income was $US 80, while by 1977 it had increased to $US 130. But the fact remains that Krawang, which always used to be a rich rice granary where people never suffered hunger, has today declined into a famine area, where people are reduced to eating water-hyacinths! Do you know, friends, what water-hyacinths are? Water-hyacinths are feed for pigs.



6. Agriculture

A similar anti-foreign tone pervades Buku Putih's *discussion of agricultural policy. Apart from castigating the government for abandoning land reform,* Buku Putih *also points to the failure of the government's rice production program. This year, Indonesia will import 2.4 million tons of rice, more than any other country in the world.*

. . . the price of the imported rice is Rp. 100 per kilogram more expensive than domestic rice. This means that the Indonesian government is *feeding* (subsidizing) farmers from South Korea, Japan, Australia, etc. at a rate of Rp. 100 per kilo. Well, well, Mr. Thoyib Hadiwijaya, Mr. Bustanul Arifin,[4] and you gentlemen in Bappenas, how come you actually help to increase agricultural production in other countries?? Isn't there something funny here?? Did you get your palms greased, maybe?? It's not only that you are unable to increase domestic production, but . . . hey! you're actually helping to increase someone else's agricultural production. You'll pay for it some day, friends!!!!

7. Employment and the Industrial Sector

Over the past eight years, the industrial sector has only been able to absorb 1.2 million people. This is an absorption rate of only 12.5 percent of available manpower. This proves that the present policy in the field of industry *will never be able* to absorb the increases in the labor force. The picture becomes worse if we also take into account the loss of job opportunities in national companies that have had to close down because of the influx of foreign capital. The only local raw material used by the Indo Milk Company, for instance, is water. The milk concentrate itself is imported from Australia. While the job market has not expanded, the side effects are wrecking the life of the nation.

The Government's industrial policy should have been geared towards the development of industry designed to support agriculture, because agriculture is the [main] source of income for 60 percent of the Indonesian people. Yet what we now see is the rapid growth of consumer-oriented industries, such as the motorcycle and car industries, not of agriculture-supporting industries.

8. Popular Participation, Popular Control

(Perhaps the single most important theme in this document is its appeal to populism.

The defects that we see today are caused by the *National Leadership* and by the "System of Government" that it has created. Improper mechanisms for the management of the state, which in turn have given birth to erroneous and uncontrolled policies and programs, have bred restlessness in society.

The *innermost voice of the little people,* who live under the *oppression* and *repression* of the "elite" forces, never reaches the ears of the government. In turn, the government has never opened its heart to the pure and honest *"voice of the common people's heart."* Thus a system in which the *city people* exploit the *villagers,* the *rich* oppress the *poor, private cars* elbow *city buses* out into the slow lanes, wealthy *idiots* kick aside poor *bright people, non-native* businessmen kill off *native* businessmen, etc., goes on and on, and the oppressed have no way of stopping it. There aren't even any *complaints* about it in Parliament any more.

The prevailing situation is such that "the top people" solely direct their eyes and ears further up. They all scramble to enjoy the *luxuries* that are indeed *freely "provided"* by the *liberal* economic system *practices* by the government!! These errors could develop to such a disastrous point because *control* functions have not operated as they should. State Institutions have in fact been "fixed" so as not to interfere with the build-up of "executive power." For the sake of stability in economic development, the whole system and all the activities of the Highest State Institutions have been "harmonized" with the tastes of the executive.

9. The Parliament

Up till now, Parliament is not an institution capable of channelling the aspirations of the people, nor is it an effective institution for control. Parliament is simply a spectator to all the irregularities that are taking place within the executive! There have been many incidents, shameful to our nation and state, which have demanded active intervention by the people's representatives, but they have done absolutely nothing.

The reason, of course, is that Parliament has been *"fixed"* by the national executive leadership to become *so paralyzed!* Even at the time when the official *list of parliamentary candidates* from the Political Parties and from Golkar was being drawn up for the General Election, the individuals listed were picked by the Government. People thought to have *too much courage, integrity, and principle were considered dangerous* and were scratched off the list. Those who remained on the list of candidates "blessed" by the government consisted of people who were either *weak* or, at best *moderates,* ready to swing to the right or to the left; but the *majority,* of course, were *weak.*

10. The Political Parties

In reality, the present official political forces, namely the Political Parties and Golkar, are not genuine political forces. It is true that they are classified *administratively* as official political groupings, but real political power lies in the hands of the *Government*. The Political Parties and Golkar have to follow the will of this government, whether they like it or not. If they are obstinate, the government will immediately interfere and manipulate them to ensure that they no longer pose a threat to the government.

In addition, the parties are not allowed to operate in the villages, yet the villages are where 80 percent of Indonesia's inhabitants live!! If the parties are not allowed to operate in the villages, this means that *only 20 percent* of the inhabitants of Indonesia will have their aspirations represented.

11. Elections

(Parliamentary Elections were held in 1977)

. . . Consider the General Elections, for instance: the *Election Commission* was formed and appointed, not by Parliament, but by the *Government,* though in fact the Government, through Golkar, was also a participant in the General Elections. Excesses, naturally, were unavoidable. Excesses such as referee Amir Machmud "joining in the game," followed by *lurah* [village headmen] and *camat* [subdistrict officers], all for the sake of securing victory for Golkar. But little people in the villages were pressured, and not just pressured, but even persecuted, with threats of being kidnapped—especially in crucial areas such as West Java, Central Java, and East Java. . .

Could the little people in the villages, who were pressured and persecuted during the elections, ask for help from the people's representatives in Parliament??? . . . The simple answer is: *No!* Parliament's Committee II, in charge of dealing with the problem of excesses during the General Elections, could never meet to discuss all these incidents because there was never a quorum, since the Golkar members *never attended . . .*

While its critique of the present system is thoroughgoing and its goals quite explicit (remove Suharto and replace current development strategy), Buku Putih *does not offer any alternatives. Nor does the student movement as a whole. The Indonesian student movement is relatively new, and it may be partly out of a sense of self-preservation that its leaders do not criticize the central role of the military in creating the conditions they describe so eloquently. The mainstream of the movement also remains explicitly anti-communist. But it would be foolhardy to predict its future development. As government repression intensifies, as it did in the early months of 1978, the movement will have to develop new sources of political strength if it is to survive. Its longterm choice would appear to lie between finding powerful sponsors within the military establishment and developing a positive political program which will appeal to the peasants and workers who make up the overwhelming majority of the Indonesian population.* □

Footnotes

1. Widjojo Nitisastro is Indonesia's top economic planner.
2. *Cukong* is a term for wealthy Chinese business partners of key Indonesian generals and politicians.
3. Boyolali and Gunung Kidul, in Central Java, are among the poorest areas in the country.
4. Hadiwijaja is the Minister of Agriculture. Arifin is the head of the powerful state food distribution agency BULOG.



Jose Ramos-Horta, member of Fretilin's Central Committee.

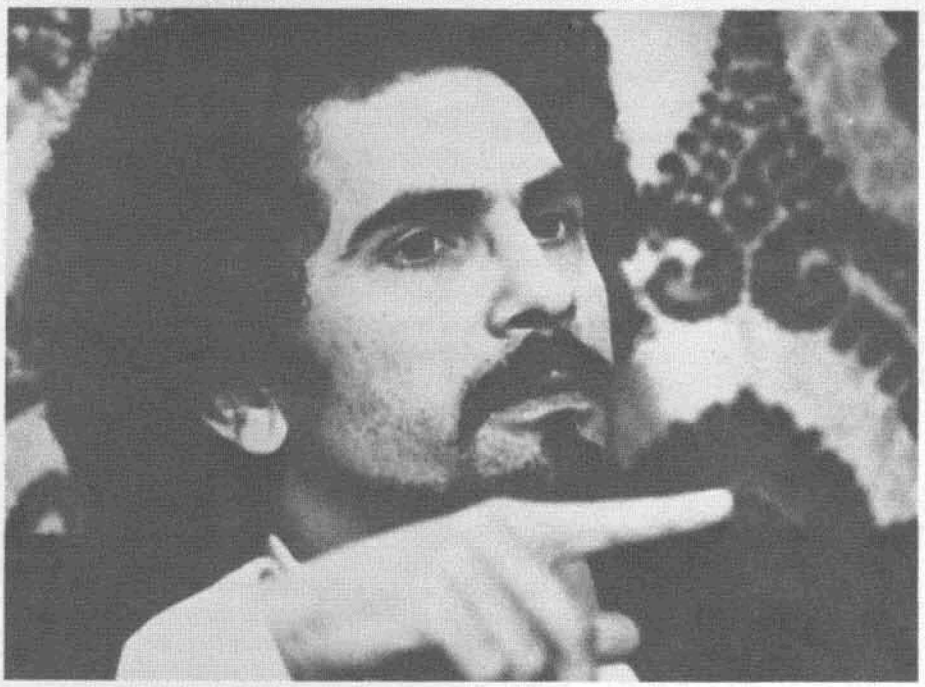


photo: Frits N. Eisenloeffel

WHY FRETILIN KEEPS ON FIGHTING

The million inhabitants of tiny East Timor have driven deep wedges into the Suharto coalition. Despite official Indonesian claims to have transformed the former Portuguese colony into a peaceful province, the Democratic Republic of East Timor still exists two-and-a-half years after a full-scale Indonesian invasion of its territory began. From the highest levels of government to the villages of Java, the ongoing war generates dissatisfaction and anger. The two sides seemed so unevenly matched that it was no surprise to learn that between 60,000 and 100,000 East Timorese—10 percent of the population—have been killed in a war in which the invader uses airplanes, tanks and naval bombardment in addition to tens of thousands of well-armed infantry troops against a nation of peasants. Indonesian forces have also imposed an almost unbreakable embargo on the island, successfully preventing outside observers from reporting what is happening there, although the Indonesian government occasionally takes groups of reporters and dignitaries on carefully controlled one- or two-day visits.

The Indonesian attack on East Timor was motivated by fear of Fretilin, the Revolutionary Front for the Independence of East Timor. Fretilin is committed to a program of national independence, social and economic equality, and international non-alignment. With the decline of Portuguese colonial power in 1974, Fretilin emerged as the strongest and most popular of the three political groupings competing for control of the soon-to-be independent state. For the Indonesian government, the ascendency of Fretilin was alarming on two counts: (1) East Timor governed by Fretilin appeared as a potential "Cuba on our doorstep," a progressive center within the military-ruled Indonesian archipelago; (2) if Fretilin were successful in leading East Timor to independence, the example might encourage revolts on other islands whose people were not happy with rule from Jakarta. The United States government, with a general interest in Indonesian stability and a military interest in preserving submarine access to the deep-water Ombai-Wetar straits just north of Timor, tacitly supported Suharto's plans to force East Timor to join Indonesia.

Indonesian strategists expected to "pacify" East Timor in a few days. Yet two weeks after the initial invasion by 10,000 troops, they were forced to send another 15,000 men. Two-and-a-half years later, the war continues. Fretilin is believed to control two-thirds of the land area of East Timor and upwards of 80 percent of the population. Indonesian hospitals and cemeteries are reported to be crowded with casualties from a war that is seldom acknowledged in public. As more and more people feel its effects and as it becomes clear that sheer military force will not destroy Fretilin, the cost to Suharto of the effort to subjugate East Timor is escalating rapidly. Students demonstrating against him in December 1977 added their objections to the Timor campaign to their protests against government corruption.

To most outsiders, East Timor—and Fretilin—appear as tragic victims. Yet it is important to examine the reasons Fretilin has been able to hold out so long, fighting the Indonesian military to a stalemate. Jose Ramos-Horta, Fretilin's ambassador to the United Nations, explains the phenomenon in both physical and political terms. Pointing out that most of East Timor is mountains, Ramos-Horta adds that there are few passable roads and that most of the people live in isolated villages. The capital city of Dili at its peak contained 30,000 inhabitants, and the "urban centers," which Fretilin acknowledges are controlled by the Indonesians, consist of a half-dozen houses where the Portuguese once maintained police posts. Indonesian troops, who do not speak the language of East Timor and are not familiar with its terrain, face a hostile population. Fretilin has won the loyalty of most East Timorese by an energetic campaign to bring education, health care and improved food production to a people whose former colonial masters had left 95 percent of them illiterate. In Ramos-Horta's words, "When we talk about armed struggle we inevitably have to talk about schools, health centers, and food production, because these things are linked. There cannot be a successful military campaign without a parallel campaign in literacy, political education, health and food production." Since the Portuguese did not seriously reorganize East Timor's subsistence economy, the self-reliance forced by Indonesia's blockade of the island is nothing new, according to Ramos-Horta.

Fretilin leaders, who broadcast despairing calls for help as the Indonesians launched their first wave of slaughter against the residents of Dili, now speak confidently of ultimate victory. In a

speech on May 20, 1978, Nicolau Lobato, president of Fretilin's Central Committee and president of the Democratic Republic of East Timor, expressed the new mood. Lobato's speech marked the fourth anniversary of the founding of Fretilin:

". . . Above all, they were four years of political development, four years of struggle. And in these four short years, the people of East Timor have taken a great step forward, from four centuries of colonial domination, to revolution. Four years and four centuries.

"A great step, in fact, made possible by Fretilin forging Timorese national consciousness, for the people to emerge from four centuries of colonial darkness, to wage a stubborn, heroic and victorious armed struggle against the shameful aggression of the Indonesian colonial expansionists and courageously advance on the revolutionary road.

"That that could happen is enough to show the world our resolute wish to freely live our identity as East Timorese, our unmistakable national consciousness, our deepest repudiation of imperialism and all forms of domination and exploitation of man by man. . . .

"It is about nine months since the enemy launched its first big campaign of encirclement and annihilation, a campaign worthy of respect.

"However, despite the impressive size of this campaign, full of the noise of the machines of war, this campaign is irremediably sinking in the frontier regions. The determination and initiative of the masses in the two frontier sectors are offering such resistance that the bloody-handed murdering Indonesian generals thought impossible . . . we believe the frustrated and exhausted Jakarta generals should recognize they have lost the war; . . .

"The experience of other revolutionary peoples, as well as our own experience, shows that the enemy will never be convinced by reason. After this failed campaign it will try another and so on, to its complete defeat . . . the enemy must be defeated before it will be convinced. . . .

"We now fight with half victory won, because we are certain of our victory. For that reason we say: 'Victory is certain.' . . .

"I think that Senhores *Jakarta generals should understand that East Timor is not a colony of Indonesia, and will never be a neo-colony. First, because Indonesia does not have the economic capacity to maintain neo-colonies. Second, because that is certainly not what we are fighting for . . .*

"With all our strength, we proclaim loud and clear: our struggle continues and victory is certain!" □

American Pilots in East Timor?

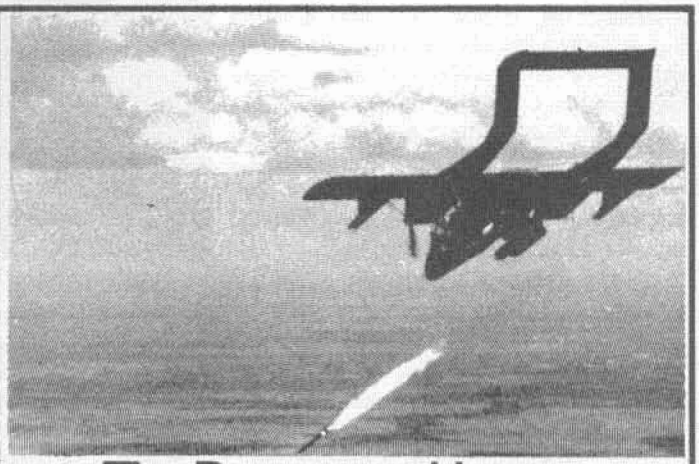
American pilots and military advisers have joined the attack on East Timor, according to Fretilin sources. In a June 20 broadcast, Fretilin Information Secretary Alarico Fernandes charged that "American pilots are flying Bronco OV-10 ground attack craft for the Indonesian Air Force in East Timor."

Elaborating on the charges, Fretilin's Ambassador to the United Nations Jose Ramos-Horta said on July 12 that two American military advisers have been stationed in Dili since last December and that more had arrived during the first three months of this year. Although the State Department has admitted that 90 percent of the weapons used by Indonesian troops in East Timor are supplied by the U.S., this is the first time American combat personnel have been reported to be taking part in the fighting. The State Department denies Fretilin charges, but a spokesperson said "there have been American visits to East Timor."

The Fretilin reports cannot yet be confirmed from independent sources, since the Indonesian blockade of East Timor prevents outside observers from investigating the situation there. However, the fact that such charges have not been made before suggests that their appearance now must be taken very seriously as a warning that U.S. involvement in the war against East Timor may be much greater than many Americans believe.

In a letter to U.S. Ambassador to the United States Andrew Young, Fretilin Ambassador Ramos-Horta recalled his country's initial encouragement at Jimmy Carter's campaign "commitments to human rights and promises to cease U.S. support to repressive regimes such as Indonesia's." Carter's subsequent support for increased military assistance to Indonesia, he said, "disheartened" Fretilin.

"We believe that President Carter is still committed to his campaign promises," the letter continues, *"and we understand his difficulties in dealing with problems of a small country like ours. However, we may remind him that in East Timor many hundreds of children of the age of his daughter Amy have already been killed and hundreds more will be killed in the next few weeks and months as a result of direct American intervention there. For this reason we trust you, Mr. Ambassador, to bring this question to the attention of the President of the United States."* □



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Riches of the East

U.S. INTERESTS IN INDONESIA

By Lenny Siegel

Since the days of Marco Polo, Westerners have been fascinated by the wealth of the East Indies, the Dutch name for present-day Indonesia. Christopher Columbus stumbled across the Western Hemisphere as he searched for a shorter route to the fabled East Indian "Spice Islands." In this century, U.S. decisions to fight in both World War II and the Vietnam War were heavily influenced by concern to maintain economic access to Indonesia. Although few Americans know much about the land or its people, Indonesia receives a great deal of attention from those who control U.S. foreign relations. It is a source of important raw materials; it offers profitable investment opportunities; and it straddles the waterways linking the Indian Ocean to the Pacific. Indonesia also plays a significant role in the tenuous economic partnership between the U.S. and Japan. For all these reasons, the U.S. government has sought to influence Indonesia through diplomacy, covert intervention, economic leverage, military aid, and "institution-building."



Indonesia Development News

U.S. Vice-President Walter Mondale meets with Suharto

THE U.S., INDONESIA AND WORLD WAR II

In the early twentieth century, the Dutch East Indies provided the U.S. with tin, rubber, and quinine, as well as less strategic commodities including coffee, sugar, and copra. Dutch profits on this trade subsidized Netherlands imports of American goods. U.S. Rubber and Goodyear established rubber plantations in 1910 and 1916. Caltex, a joint venture of Texaco and Standard Oil of California, acquired a petroleum concession in 1935. By 1939, the East Indies supplied more than half the U.S. consumption of at least 15 distinct commodities.

Nearly two years before Pearl Harbor, U.S. Secretary of State Cordell Hull cautioned that if Japan occupied the Netherlands Indies, "The trade routes of the United States would be seriously crippled, and industry in American would be most importantly affected . . ."[1] Anticipating a Japanese assault on Indonesia and Malaya, the Roosevelt administration prepared a statement in November 1941 asking Congress to declare war. Secretary of War Stimson prepared the first draft:

> If the Japanese are permitted to carry out their threat to attack and conquer [the Netherlands East Indies and the Malayan settlements], our imports from these countries will be interrupted and destroyed. . . . In time of war, with the spirit of exploitation and destruction of commerce which exists in the world today, such an interruption of our trade with the Netherlands East Indies and the Malayan states would be catastrophic."[2]

A later draft warned of the threat to U.S. commerce "between the Pacific and the Indian Ocean."[3] The surprise attack on Pearl Harbor precluded Roosevelt's message, but his position was clear: The U.S. was prepared to fight Japan to protect American supplies of Southeast Asian raw materials.

After the war, the United States persuaded the Netherlands to grant independence to Indonesia, opening the door to an increased American economic role there. At the same time, the U.S. arranged terms guaranteeing the sanctity of Dutch investments and holding Indonesia liable for massive debts to the Netherlands. In the early 1950s, the U.S. sent economic missions to Indonesia to establish American aid programs, while private U.S. organizations, such as the Ford Foundation and the AFL-CIO, set up programs to train Indonesian economists, social scientists, and labor leaders.

In 1953, just four years after Indonesian independence, President Eisenhower invoked the riches of Indonesia to justify U.S. contributions to the French war effort in Indochina:

> So, when the United States votes $400 million to help that war, we are not voting for a giveaway program. We are voting for the cheapest way that we can to prevent the occurrence of something that would be of the most terrible significance for the United States of America—our security, our power and ability to get certain things we need from the riches of the Indonesian territory, and from Southeast Asia.[4]

Although this domino theory, the notion

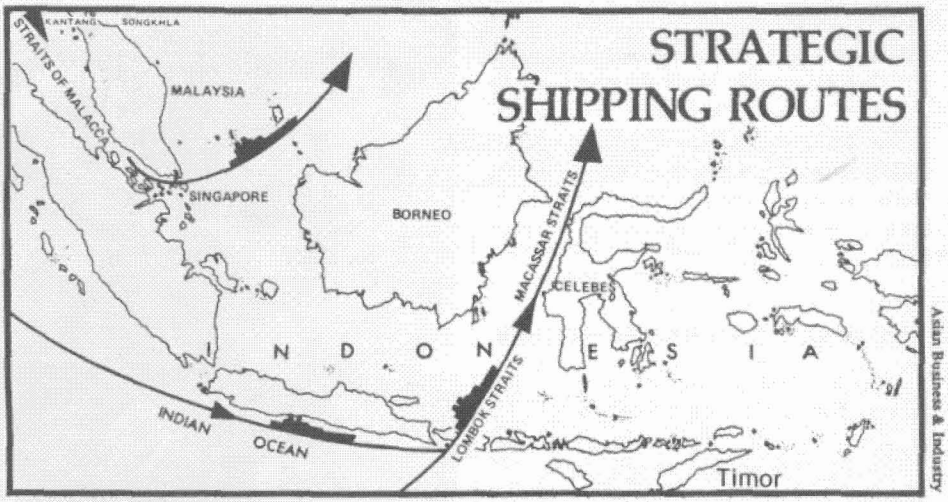
that Indonesia would "fall" to communism if its neighbors did, has been discredited, many top policy-makers believed U.S. intervention in Vietnam had bought time for successful results in Indonesia.

BACKSTAGE INFLUENCE

In the late 1950s, however, the Indonesian government began moving left, adopting nationalist economic policies. Angered by the continuing Dutch claim to West New Guinea (Irian Jaya), the Sukarno regime seized Dutch properties and repudiated its debt to the Netherlands. Although American interests fared better, the climate for investment and trade was poor. Looking for improvement, in 1958 the U.S.-trained head of Ford Foundation's economics programs, Sumitro Djojohadikusumo, fled Jakarta to join a rebellion by conservative and Islamic groups in Indonesia's outer islands. The CIA also backed the rebels, and American pilot Allen Pope sparked an international incident when he was shot down over Sulawesi (Celebes) in the same year.

Despite the small scale of American economic activity in Indonesia in the early 1960s, U.S. policy makers continued to covet the country's natural resources. Rubber exports to the U.S. had actually declined, as the rubber companies developed cheaper, better synthetics, but Indonesian oil continued to be an important concern. In 1963, when it appeared that Indonesia might seize Caltex and other American oil assets, the Kennedy administration dispatched a special emissary to Japan to mediate in discussions between the Indonesian government and the oil companies.

On a broader scale, the U.S. attempted to influence Sukarno's economic policies or replace his government with a regime more favorable to the West and to foreign investment. The Ford Foundation, working with the University of California–Berkeley, Harvard, and other U.S. institutions, continued to teach American development strategy to Indonesian economists. In 1963 the U.S., its allies, and the International Monetary Fund imposed a "stabilization program" on Indonesia as a condition for foreign exchange loans. However, the program was never carried out, because the U.S. and the IMF cancelled the loans after Sukarno seized British property to protest the formation of the Malaysian Federation. Sponsored by Great Britain, which had once held its component states as colonies, the Federation united Malaya, Sabah, Sarawak and Singapore. Sukarno saw its creation as a direct threat to Indonesia—and as an effort by the British to maintain colonial influence in the region. As Sukarno continued on his course, despite such sanctions as the loan cancellation and reduced U.S. aid, U.S. efforts turned toward replacing him. At one point, the CIA contemplated his assassination, and at another, it produced a pornographic film starring a Sukarno look-alike to undermine his authority. More important than such "dirty tricks," however, was the courtship of right-wing Indonesian military leaders.



Following the failure of the CIA-backed Outer Islands Rebellion, American leaders reassessed their approach toward Indonesia. Prodded by Southeast Asia specialist Guy Pauker of the RAND Corporation, the U.S. government developed ties to right-wing generals in the Indonesian army. When Congress enacted the Broomfield amendment in 1963 to restrict economic aid and the shipment of weapons to Indonesia, it was persuaded by Pentagon experts to retain training and civic action programs designed to maintain the friendship of army leaders. American advisers encouraged the army to prepare to take power—if not immediately, then upon the death or retirement of the aging, ailing Sukarno. A team of U.S.-trained economists sponsored by the Ford Foundation taught courses at the army command school to promote western capitalist thought within the top ranks of the military.

By 1965, Indonesian politics polarized. Indonesian workers, spurred by the large and well-organized Indonesian Communist Party (PKI), seized U.S. rubber plantations. Believing that the right-wing Council of Generals, which worked with the U.S., was about to seize power, left-leaning officers staged a pre-emptive putsch on September 30, 1965, killing six members of the Council of Generals. General Suharto, the conservative commander of the strategic reserve, mobilized right-wing army strength to quell the leftists. Charging that the PKI was responsible for the September 30 coup, Suharto forces, in cooperation with students and labor groups linked to the U.S., unleashed a reign of terror against suspected PKI members. At least half a million were killed. In March 1966, Suharto formally took power from Sukarno.

As soon as Suharto took the reins, Indonesia announced its renewed hospitality toward foreign investment. Within days, the U.S. and its allies offered credits to support the purchase of rice. Investors did not rush in, however. First came an IMF team, which designed a new stabilization package supported by loans from the U.S., the World Bank, Japan, and European nations. Indonesia's creditors formed the Inter-Governmental Group on Indonesia (IGGI) to coordinate aid policies and monitor Indonesia's economy. Meanwhile, the U.S. gradually built up its military assistance and sales program, providing the military government with the weapons to combat domestic insurrection. More than supplying hardware, however, military assistance, economic programs, and private training projects reinforced American political influence.

With foreign assistance in hand, the generals installed the Ford-trained economists, known as the "Berkeley Mafia," in key planning positions and returned U.S. properties seized near the end of the

Sukarno regime. In the case of Goodyear, not only did they restore its plantations, but they eventually hired the company to run two government-owned tire plants, giving Goodyear a monopoly over Indonesian tire production. The Berkeley Mafia, aided by their American mentors, devised new laws to encourage foreign economic activity.

THE AMERICAN STAKE TODAY

Shortly after the Suharto regime took power, Richard Nixon described his idea of the American interest in Indonesia: "With its 100 million people [now 135 million] and its 3,000-mile arc of islands containing the region's richest hoard of natural resources, Indonesia constitutes the greatest prize in the Southeast Asian area."[5] In the decade since that time, the U.S. stake in Indonesia has increased many times over. Strategically, the American defeat in Indochina has forced a reassessment of the U.S. defensive posture in that area. The Pentagon's planners now think in terms of the "island strategy," which defines island Southeast Asia as part of a line of defense stretching from Japan trhough archipelagic Southeast Asia to the Indian Ocean. Sitting on the major sea lanes which connect Europe and the Middle East to Asia via the Indian and Pacific Oceans, Indonesia provides the linchpin for this strategy. The most heavily traveled route is the Straits of Malacca, between the Malayan peninsula and Sumatra, but the Sombok, Makassar and Ombai straits are also important for military traffic.

Indonesia's geographic significance also applies to the economic field. As the Pentagon told the U.S. Congress this year: "Unimpeded passage through these waterways is essential for the petroleum and other raw materials imports of Japan, a major ally, as well as important for the United States and friendly Asian nations."[6] American concern for Japan's economic welfare stems from more than altruism. Much of the oil and other raw materials passing through Indonesia are sold to Japan by American multinationals. The same multi-nationals control the extraction of Indonesian raw materials—also for sale to Japan. Over 90 percent of the crude oil produced in Indonesia comes from areas worked by American oil companies such as Caltex, Arco and Union Oil. In 1973 nearly three-quarters of Indonesia's oil was shipped to Japan, although this proportion had dropped to 48 percent in 1977 as the U.S. share of Indonesia's exports rose to 37 percent.



Hollywood's view of Indonesia: Bob Hope in *Road to Bali* (1952).

Apart from the oil companies, Freeport Minerals has a lucrative copper mine in Irian Jaya (West New Guinea); Weyerhaeuser, Georgia Pacific and other U.S. lumber companies have large concessions in Kalimantan. Not all U.S. companies in Indonesia are involved in primary production, however. Such firms, such as Singer, Pfizer and Union Carbide operate "import substitution" manufacturing facilities which produce goods for the Indonesia market. Other companies provide services: Hughes Aircraft, for instance, operates the new *Palapa* satellite communications system. A few corporations, such as National Semiconductor and Fairchild Semiconductor, assemble U.S.-supplied components for re-export.

Although American investment in Indonesia, which is approximately $730 million, is only 11 percent of total foreign investment and is only half that of Japan's, its importance is enlarged by its concentration in the key mineral extraction sector, particularly in oil. The role of oil in the Indonesian economy is exemplified in the expansion of output from 500,000 per day in 1967 to 1.4 million barrels per day in 1973. Its contribution to the balance of payments has therefore undergone a remarkable change. Where net oil earnings were only 35 percent of non-oil exports in 1956-66, by 1973-74 – before the rise in oil prices – they were already 96 percent of non-oil exports.

The Indonesian involvement of American banks needs no qualification. They carry at least $2.2 billion, and possibly more, of Indonesia's staggering $19 billion external debt. When Pertamina, the state oil company, went bankrupt in 1975, leading U.S. banks joined with European, Canadian and Japanese financial institutions to bail out the company on condition that Pertamina be placed under the control of Indonesia's American-trained technocrats. Since the reorganization of Pertamina, Indonesia's financial position has improved, but creditor banks still have a large stake in the continued growth of Indonesia exports, which are their collateral.

In the past decade, Indonesia has indeed been the U.S.'s "richest prize" in Southeast Asia. The threat from the left has been removed; a cooperative military leadership is in power; and its economic policies, guided by U.S.-trained experts, have facilitated substantial increases in American loans, trade and investment in Indonesia. But these same policies have inevitably generated social pressures which are now finding expression, despite intensified government repression. While the cost to the U.S. of the benefits it has reaped from Indonesia in the past decade has been relatively low, the next decade is likely to require more commitment of American economic and military assistance to prop up an increasingly unpopular military regime. □

Notes

1. Cited in Fred Israel, ed., *The War Diary of Breckinridge Long* (University of Nebraska Press, 1966), p. 81.
2. *Foreign Relations of the United States, Japan*, 1941, IV, pp. 677-78.
3. Ibid., p. 678.
4. Remarks at Governors' Conference, August 4, 1953. Cited in *Pentagon Papers*, Gravel Edition, Vol. 1, p. 592.
5. *Foreign Affairs*, October 1967 ("Asia After Vietnam," pp. 111-25).
6. *Congressional Presentation Document: Security Assistance Program* Fiscal Year 1979, p. 47.

action guide

Amnesty International, Int'l Secretariat—Organizes international adoption of Indonesian political prisoners, the focus of their 1977 campaign. Has published a major report on Indonesian prisoners. 10 Southhampton St. London WC2E 7HF England.

Church Committee on Human Rights in Asia—Works with church and community groups to pressure for improved human rights in Indonesia, the Philippines, and South Korea. Recently filed stockholder resolutions with U.S. corporations calling for improved labor conditions in Asian operations. Publishes the *Asian Rights Advocate.* 5700 S. Woodlawn Ave. Chicago, IL 60637 phone (815) 756-9335.

Pacific Studies Center—Maintains a public research center on U.S. foreign policy in Asia, including Indonesia. Publishes bi-monthly *Pacific Research,* a journal on U.S. and multinational corporate activity in Asia. 867 W. Dana Rm. 204, Mountain View, CA 94041 phone (415) 969-1545.

TAPOL/USA—Organizes U.S. support for political prisoners in Indonesia. Publishes bi-monthly newsletter *TAPOL/USA.* P.O. Box 609, Montclair, New Jersey 17142.

TAPOL/British Campaign for the Release of Indonesian Political Prisoners—Initiated the international support work for Indonesian political prisoners. Publishes bi-monthly newsletter *TAPOL.* 103 Tilehurst Road, Wandworth Common, London SW18 England.

Dutch Indonesia Committee—Organizes European support for improved human rights in Indonesia. Sponsored conference on "The Other Indonesia," critiquing the impact of foreign aid. Publishes regular bulletin in Dutch. P.O. Box 4098, Amsterdam, Holland.

Int'l Movement of Catholic Students, Asian Secretariat—Maintains contact with student groups in Indonesia and coordinates work with international student groups. Has published an annotated chronology on the 1977-78 student movement. 134 Boundary St., 6/F, Kowloon Hong Kong.

The Indonesian Action Group—Organizes around the human rights issue and pressures for cuts in Australian military and economic support to the Indonesian regime. Publishes bi-monthly *Indonesian News Selections,* based primarily on translations of the Indonesian press. P.O. Box 137, Collingwood 3066, Australia.

Campaign for an Independent East Timor (CIET)—Network of international groups doing solidarity work and providing written and audio-visual resources on Timor. **U.S.A. East Timor Defense Committee:** P.O. Box 251, Old Chelsea Station, NY, NY 10010. **British Campaign for an Independent East Timor:** 40 Concanon Road, London SW2 England. **Australian Campaign for an Independent East Timor:** 232 Castlereagh St. 4th Floor. Sydney 2000 Australia. **New Zealand Campaign for an Independent East Timor:** P.O. Box 1157, Whangarei, New Zealand.

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Map: East Timor Information & Research Project, New York

The Indonesian army invaded East Timor in 1975. A bloody guerrilla war continues to this day.

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