INDONESIA IN TRANSITION: RECENT DEVELOPMENTS AND IMPLICATIONS FOR U.S. POLICY

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INDONESIA IN TRANSITION: RECENT DEVELOPMENTS AND IMPLICATIONS FOR U.S. POLICY

THURSDAY, MARCH 10, 2005

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON ASIA AND THE PACIFIC,
COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, DC.

The Subcommittee met, pursuant to call, at 2:47 p.m. in room 2172, Rayburn House Office Building, Hon. James A. Leach (Chairman of the Subcommittee) presiding.

Mr. LEACH. The Committee will come to order. I apologize to our witnesses, particularly Madam Secretary, but the one thing we do not control around here are the voting schedules. The good news, however, is that we just had the last vote of the day, so we will be uninterrupted henceforth.

On behalf of the Subcommittee, I would like to welcome all of our witnesses to this hearing today. I thank particularly the Deputy Assistant Secretary for making time to appear before us and look forward to as well to our panel of private experts.

With 238 million inhabitants and over a million square miles of territory, the Republic of Indonesia is the giant of Southeast Asia and the world's largest Muslim majority country. It emerged from authoritarianism only 6 years ago, during an extended period of acute economic and social turmoil. Since then, it has consistently defied the dire predictions of some outside skeptics. Indonesia has neither disintegrated nor become a failed State. It has instead begun a dramatic transition from the authoritarian and corrosively corrupt structures of the Suharto era toward those of a functioning, decentralized democracy.

Indeed, 2004 was pivotal for democratic institution-building in the country. Indonesia conducted three complex national elections, including its first direct Presidential election. Over 80 percent of the eligible public participated in what became the largest single-day election in history. The people of Indonesia are deservedly proud of the credible, orderly, and peaceful process that occurred, which would have been unimaginable just a few years ago.

Some observers have correctly cited Indonesia as proof that Islam and democracy can coexist. But it is more than that. Civil Islam in Indonesia has not been merely passive or coincidental with democratization, it has been a catalyst. Here on behalf of the Congress, I would like to emphasize how appreciative this body is of the critical role that Islamic civil society has played over the

past several years in promoting democracy in Indonesia. I fully expect that Islamic organizations, universities, schools, and NGOs will continue to play an important part in developing the political culture and public expectations necessary to make Indonesia's nascent democratic institutions stable and sustaining.

Six months into their new administration, President Yudhoyono and Vice President Kalla have begun addressing the numerous significant challenges facing their country. We wish them success in promoting economic growth, resolving peacefully separatist and communal conflicts, improving the implementation of decentralization and regional autonomy, improving the human rights record and accountability of their security forces, combating terrorism, and ensuring that the institutions that wield public power are fully accountable to the people of Indonesia.

In sum, we share the aspiration of the Indonesian people for expanding the process of reformasi, and foresee the reformation of public institutions away from the corruption, collusion, and nepotism that have weakened them in years past.

Unfortunately, 2004 also brought great tragedy to Indonesia in the form of the December 26 earthquake and tsunami, which devastated coastal areas of Aceh in North Sumatra. Approximately 240,000 people are dead or missing in Indonesia alone. Thankfully, due in part to the unprecedented outpouring of international support in the tsunami's aftermath, further disease-related consequences of the disaster have been curtailed. However, social and economic reconstruction will be a considerably more complex and protracted process. This Committee and the Congress have clearly stated our commitment to assist in that long-term humanitarian endeavor.

In conclusion, I would like to emphasize the profound importance of people-to-people diplomacy in present circumstances. As Indonesia and the United States witness growth in the ideals we share as large, pluralistic democracies, it is only natural that the long-standing friendship between our peoples also should expand. To that end, I hope that the United States is able to facilitate increased numbers of visitors from Indonesia, and that both nations will significantly increase the pace of educational, professional, and private exchange programs.

I thank Deputy Assistant Secretary Huhtala for appearing before us today, and look forward to her testimony.

Mr. Faleomavaega?

[The prepared statement of Mr. Leach follows:]

PREPARED STATEMENT OF THE HONORABLE JAMES A. LEACH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF IOWA, AND CHAIRMAN, SUBCOMMITTEE ON ASIA AND THE PACIFIC

On behalf of the Subcommittee, I would like to welcome our distinguished witnesses to our hearing this afternoon. I thank Deputy Assistant Secretary Huhtala for making time to appear before us today, and also look forward to our panel of private experts.

With 238 million inhabitants and over a million square miles of territory, the Republic of Indonesia is the giant of Southeast Asia and the world's largest Muslim majority country. It emerged from authoritarianism only six years ago, during an extended period of acute economic and social turmoil. Since then, it has consistently defied the dire predictions of some outside skeptics. Indonesia has neither disintegrated nor become a failed state. It has instead begun a dramatic transition from

the authoritarian and corrosively corrupt structures of the Suharto era toward those of a functioning, decentralized democracy.

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I thank Deputy Assistant Secretary Huhtala for appearing before us today, and look forward to her testimony.

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman. I, too, would like to offer my personal welcome to Secretary Huhtala and the other distinguished members of the panel that will also testify this afternoon.

Like yourself, I also would like to offer my congratulations to the 238 million people of the most populous Muslim nation in the world, for their involvement in providing for a more pluralistic society, democratic reforms and a newly-elected President and the leadership that they now have through the principles of democracy.

No doubt the legacies of Presidents Suharto and Sukarno still leave some scars concerning the history and the development of this most populous Muslim nation.

Mr. Chairman, like many of my colleagues, I am deeply concerned by the Administration's recent decision to certify full IMET for Indonesia's military. For years, the United States has restricted foreign military financing for Indonesia, and rightfully so, given the horrendous human rights record of the Indonesian military. Even in the aftermath of the devastation caused by the recent tsunami, the media has reported that the Indonesian military has withheld

food and other humanitarian assistance from those believed to be "pro-independents." It appears that the United States cannot and must not turn a blind eye to these abuses or to Indonesia's repression of the people of Aceh and West Papua, New Guinea.

While I am aware that in the year 2000, our last year, Congress narrowed the basis for its ban on IMET to a single condition requiring the State Department to certify that the Indonesian Government and military were cooperating in an FBI investigation in August 2002 which, I believe, caused the death of two American citizens in West Papua. I also believe there are equally serious reasons why the United States should renew bans on IMET and foreign military financing for the simple reason, Mr. Chairman, of the torture, and murder and killing of some 100,000 West Papuans by the Indonesian military for the past several years.

The U.S. State Department has publicly acknowledged that the brutal Indonesian military record, as noted in the latest State Department annual *Human Rights Report* on Indonesia:

> "Security force members murdered, tortured, raped, and beat and arbitrarily detained civilians and members of separatist movements, especially in Aceh and West Papua."

Retired and active duty military officers known to have committed serious human rights violations occupied, or were promoted, to senior positions in the government and within the Indonesian military structure.

Defense Minister Sudarsono recently quoted and I note, the military retains the real levers of power. From the political point of view, the military remains the fulcrum in Indonesia. This is the case now and has been the case since Indonesia seized control of West Papua, New Guinea.

In 1962, Mr. Chairman, I submit the United States mediated an agreement between Indonesia and the Netherlands in which the Dutch were to leave West Papua, transfer sovereignty to the United Nations Temporary Executive Authority, known as UNTEA, for a period of 6 years, after which time a national election was to be held to determine West Papua's future political status. However, after this agreement was reached, Indonesia violated the terms of the transfer and took over the administration of West Papua from UNTEA. In 1969 the Indonesian Government orchestrated an election that many regard as a brutal military operation, often called the "Act of Choice," I call it the "Act of No Choice," whereby some 1,000 West Papuan elders under heavy military surveillance were practically forced to agree to Indonesia's demand that West Papua become a colonial province of Indonesia, as it is now fancifully called Irian Jaya.

Mr. Chairman, despite the opposition of some 15 countries and the cries for help of the Papuans themselves, the United Nations sanctioned Indonesia's acts and on September 10, 1969, West Papua became a province of Indonesian rule. Since then the Papuans have suffered blatant human rights abuses, including exjudicial executions, imprisonment, torture and, according to Afrim Djonbalic's 1998 report before the United Nations, environmental degradation, natural resource exploitation and commercial dominance of immigrant communities.

Mr. Chairman, West Papua, New Guineans differ racially from the majority of Indonesians. West Papuans are Melanesians and are believed to have descended from West Africa, similar to the Solomon Islands, those from Vanuatu and also from Fiji. West Papuans number about 2.2 million people and almost a million are Christians.

Years ago, my own relatives, Mr. Chairman, served as missionaries on this island of Papua. One of my own relatives served there for 17 years as a missionary and a minister and three of his own children are buried there.

In 1990, Nelson Mandela reminded the United Nations that, and I quote: "It first discussed the South African question since 1946." It was discussing the issue of racism.

Mr. Chairman, I humbly submit I also believe the question of West Papua is an issue of racism.

Furthermore, I believe there is also the issue of commercial exploitation. West Papua, New Guinea is renowned for its mineral wealth, including vast reserves of gold, copper, nickel, oil and gas. In 1995, for example, the Grasberg ore mountain in West Papua operated by Australian and United States mining interests was estimated to be worth more than $54 billion, yet little or no compensation has been given to local communities, and new provisions of the law fell well short of West Papuan demands for independence.

The world knows little of the fact, Mr. Chairman, that the largest gold mining operation in the world is in West Papua, New Guinea and also one of the major environmental disasters in the world is also in West Papua, New Guinea.

Last year, Archbishop Desmond Tutu, Nobel Prize winner for peace, called upon the United Nations to act upon the issue of West Papua. On behalf of some 174 parliamentarians from all over the world, 80 non-governmental agencies also wrote to Secretary-General Kofi Anan asking for a review to be initiated for West Papua, New Guinea.

Even now, Mr. Chairman, the Indonesian military operations in the highlands of West Papua have been going on since August of last year and there are indications that this operation is spreading to other regions, forcing thousands of villagers into the forests where they lack adequate food, shelter and medicine. Indications are that this operation is spreading and intensifying and given these circumstances, I am reminded of Nelson Mandela's statement before the United Nations Special Committee Against Apartheid in South Africa in which he said, and I quote:

> "It will forever remain an indelible blight on human history that the apartheid crime ever occurred. Future generations will surely ask what error was made that this system established itself in the wake of the adoption of the universal declaration of human rights. It will forever remain an accusation and a challenge to all men and women of conscience that it took as long as it has before all of us stood up to say enough is enough."

I remember, Mr. Chairman, that a couple of my cousins were members of a national rugby team of the All Blacks in New Zea-

land. And when it came time for them to play against the Springboks of South Africa, they were refused a game because they said there were a couple of "darkies" as members of the New Zealand team. The All Blacks team was composed of Samoans and Maori Polynesians. We have a little taste of that, Mr. Chairman.

On the question of West Papua I feel similarly. I believe it is time to say enough is enough. The question of West Papua is not an internal problem, Mr. Chairman. It was our national policy to sacrifice the lives and future of some 2.2 million West Papua, New Guineans to the Indonesian military supposedly in exchange for Sukarno and Suharto support to become our friends. Yet they organized the most repressive military regime ever known in the history of Indonesia.

Almost three decades later, we continue to exacerbate the problem by making plans to certify full IMET for Indonesia as our brothers and sisters in West Papua, New Guinea live and struggle of their making.

Mr. Chairman, at this time, I would like to ask unanimous consent for the two items of communications that have been prepared. Congressman Don Payne, Congresswoman Barbara Lee and myself will be circulating a petition letter and Members of Congress will be signing this letter to Secretary-General Kofi Anan for a full reexamination of what happened in 1969. Another petition letter has also been prepared for Members of Congress to sign to Secretary of State Condoleezza Rice, fully opposing IMET authorization for Indonesia.

Mr. Chairman, again, I thank you for giving me this time to make my opening statement. I look forward to Secretary Huhtala's statement.

Thank you.

Mr. LEACH. First, without objection, those two letters will be made part of the hearing record.

[The prepared statement of Mr. Faleomavaega follows:]

PREPARED STATEMENT OF THE HONORABLE ENI F.H. FALEOMAVAEGA, A REPRESENTATIVE IN CONGRESS FROM AMERICAN SAMOA

Mr. Chairman:

I thank you for holding this hearing. Like many of my colleagues, I am deeply concerned by the Administration's decision to certify full IMET for Indonesia. For years, the U.S. has restricted foreign military financing for Indonesia and rightfully so given the horrendous human rights record of the Indonesian military. Even in the aftermath of the devastation caused by the recent tsunami, the media has reported that the Indonesian military has withheld food and other humanitarian assistance from those believed to be pro-independent. The U.S. cannot and must not turn a blind eye to these abuses or to Indonesia's repression of the people of Aceh and West Papua.

While I am aware that in 2004 Congress narrowed the basis for its ban on IMET to a single condition requiring the State Department to certify that the Indonesian government and military were cooperating in an FBI investigation of an August 31, 2002 assault on a group of U.S. citizens in Timika, West Papua, I believe there are equally serious reasons why the U.S. should renew bans on IMET and foreign military financing (FMF) for Indonesia.

In response to President Bush's State of the Union address in which he talked about "our generational commitment to the advance of freedom" and in which he said "America will stand with the allies of freedom to support democratic movements in the Middle East and beyond, with the ultimate goal of ending tyranny in our world" and that "our aim is to build and preserve a community of free and independent nations, with governments that answer to their citizens, and reflect their

own cultures," I want to bring attention to the plight of West Papua New Guinea and assert that TNI remains the central threat to democracy in Indonesia.

The U.S. State Department has publicly acknowledged the brutal TNI record. As noted in the latest State Department Annual Human Rights Report on Indonesia:

> "Security force members murdered, tortured, raped, beat and arbitrarily detained civilians and members of separatist movements especially in Aceh and Papua. Retired and active duty military officers known to have committed serious human rights violations occupied or were promoted to senior positions in the government and in the TNI."

Defense Minister Sudarsono has further noted, "The military retains the real levers of power. From the political point of view the military remains the fulcrum in Indonesia." This is the case now and has been the case since Indonesia seized control of West Papua New Guinea.

In 1962, the United States mediated an agreement between Indonesia and the Netherlands in which the Dutch were to leave West Papua, transfer sovereignty to the United Nations Temporary Executive Authority (UNTEA) for a period of six years, after which time a national election was to be held to determine West Papua's political status.

However, after this agreement was reached, Indonesia violated the terms of transfer and took over the administration of West Papua from the UNTEA. In 1969, Indonesia orchestrated an election that many regarded as a brutal military operation. Known as the "Act of Choice," 1,022 elders under heavy military surveillance were selected to vote for 809,327 Papuans on the territory's political status.

Despite the opposition of fifteen countries and the cries for help from the Papuans themselves, the United Nations (UN) sanctioned Indonesia's act and, on September 10, 1969, West Papua became a province of Indonesian rule. Since, the Papuans have suffered blatant human rights abuses, including extrajudicial executions, imprisonment, torture and, according to Afrim Djonbalic's 1998 statement to the UN, "environmental degradation, natural resource exploitation, and commercial dominance of immigrant communities."

The Lowenstein Human Rights Clinic at Yale University recently found, in the available evidence, "a strong indication that the Indonesian government has committed genocide against the Papuans." West Papua New Guineans differ racially from the majority of Indonesians. West Papuans are Melanesian and believed to be of African descent. In 1990, Nelson Mandela reminded the United Nations that when "it first discussed the South African question in 1946, it was discussing the issue of racism." I also believe the question of West Papua is an issue of racism.

Furthermore, I believe this is an issue of commercial exploitation. West Papua New Guinea is renowned for its mineral wealth including vast reserves of gold, copper, nickel, oil and gas. In 1995, for example, the Grasberg ore-mountain in West Papua was estimated to be worth more than $54 billion. Yet little or no compensation has been made to local communities and new provisions in the law fall well short of West Papuan demands for independence.

In a statement dated February 24, 2004 (attached), Archbishop Bishop Desmond Tutu called on the UN to act on West Papua and 174 parliamentarians and 80 nongovernmental agencies from around the world wrote to Secretary General Kofi Annan asking that a review be initiated. In the interim, Indonesian military operations in the highlands of West Papua have been ongoing since August 2004 and there are indications that this operation is spreading to other regions of West Papua forcing thousands of villagers into the forests where they lack adequate food, shelter and medicine. Indications are that this operation is spreading and intensifying.

Given these circumstances, I am reminded of Nelson Mandela's statement before the UN Special Committee against Apartheid in which he said:

> "It will forever remain an indelible blight on human history that the apartheid crime ever occurred. Future generations will surely ask—what error was made that this system established itself in the wake of the adoption of a Universal Declaration on Human Rights.
>
> It will forever remain an accusation and a challenge to all men and women of conscience that it took as long as it has before all of us stood up to say enough is enough."

On the question of West Papua, I feel similarly and I believe it is time to say enough is enough. The question of West Papua is not an internal problem. As early as 1961, Robert Johnson of the National Security Council Staff wrote a letter to Mr. Bundy, the President's Special Assistant for National Security Affairs, noting that the United States "must conclude that it is in our interests that a solution be devised which will lead to accession of West New Guinea to Indonesia."

In other words, it was our national policy to sacrifice the lives and future of some 800,000 West Papua New Guineans to the Indonesian military in exchange, supposedly, for Sukarno and Sukarto to become our friends, and yet they organized the most repressive military regimes ever known in the history of Indonesia. Almost three decades later, we continue to exacerbate the problem by making plans to certify full IMET for Indonesia as our brothers and sisters in West Papua New Guinea live a struggle of our making.

President Bush has publicly stated, "We are all part of a great venture—To extend the promise of freedom in our country, to renew the values that sustain our liberty, and to spread the peace that freedom brings." In my opinion, the President's mantra must and should include West Papua and I am hopeful that this means the Administration will support West Papua's right to self-determination through a referendum or plebiscite sanctioned by the UN, as was done for East Timor, and that the U.S. will end its efforts to develop closer ties with the Indonesian military.

I welcome your comments.

Mr. LEACH. They are very serious, so I am hesitant to say something less serious, but as someone who spent 7 years of my life on a rugby field, I would like to tell my distinguished Ranking Member that I cannot think of anything I would more rather be than on the same side of the scrum as he and less rather than to be on the opposite.

Madam Secretary, please proceed as you see fit.

STATEMENT OF THE HONORABLE MARIE HUHTALA, DEPUTY ASSISTANT SECRETARY, BUREAU OF EAST ASIAN AND PACIFIC AFFAIRS, U.S. DEPARTMENT OF STATE

Ms. HUHTALA. Thank you, Mr. Chairman. I have a brief oral statement. With your permission, I will read that. My complete testimony has been submitted.

Mr. LEACH. Without objection, your full statement will be placed in the record as well.

Ms. HUHTALA. Thank you, sir.

I am very happy to appear before you today to address one of the most exciting and important developments taking place in Southeast Asia today, indeed, in the world at large. The democratic transition underway in Indonesia, the largest majority Muslim country in the world and now the third largest democracy, represents an important opportunity for United States interests and for the people of Indonesia.

Indonesia's new directly elected President, Susilo Bambang Yudhoyono, has a genuine mandate from his people. He won 60 percent of the votes in the Presidential run-off in September, when more than 75 percent of eligible voters cast their ballots. To put these numbers in context, just as many Indonesians voted in their Presidential election as did Americans last fall, about 118 million in each case.

President Yudhoyono, whom everyone calls SBY, is an American University and IMET graduate, with firsthand knowledge of the U.S. and its people. He has articulated an ambitious program to reform the military, fight terrorism and control corruption. We want to see him succeed.

It is perhaps ironic, certainly a sad coincidence, that the tragic tsunami of December 26th occurred just as the new Yudhoyono Government was finding its feet, not even 100 days into the new administration.

The U.S. response to the disaster was immediate and substantial. During the relief phase, we experienced a high degree of co-

operation with Indonesia, which welcomed international assistance and opened the tsunami-affected parts of Aceh province to foreign militaries, aid workers and NGOs. The TNI, contrary to the expectations of some, did not attempt systematically to siphon off aid, prevent relief workers from reaching tsunami victims or impose onerous restrictions on them. The situation on the ground was not perfect, it was confusing and difficult, of course, to say the least, but on the whole, our Embassy, our USAID mission and most NGOs on the ground reported that the Indonesian military performed admirably, given the extreme challenges presented by the emergency.

As President Bush has stated, the success of Indonesia as a pluralistic and democratic state is essential to the peace and prosperity of the Southeast Asian region. In that context, we want to do everything we can to see Indonesia succeed and have our relationship develop to its full potential. Let me address the most important areas that we will be emphasizing.

Our first priority is to encourage continued progress on democracy, human rights and justice. As our 2004 *Human Rights Report* indicates, Indonesia's human rights record is mixed and there is much to be done.

That said, there has been progress, including an increased willingness among the Indonesian army to hold their own service members accountable for human rights violations.

In 2004, the United States provided monetary and technical assistance totaling $25 million for Indonesia's electoral process. We are building capacity in the judicial sector, combating corruption, strengthening civil society and helping with effective decentralized governance. Our programs include training for police, local government and judicial officials, internships for journalists, and special visitor exchange programs focusing on conflict resolution, human rights and rule of law.

We are also engaged in a 6-year, $157 million initiative to strengthen the education sector by which we hope to promote tolerance, counter extremism and help provide critical thinking skills so necessary in the modern world.

A second very important element of our policy is enhanced cooperation on security issues. Indonesia's police and prosecutors have arrested and convicted more than 130 terrorists since the Bali bombings. Indonesia has established an effective counterterrorism police force which is working hard to bring terrorists to justice.

Nevertheless, the threat of future attacks remains grave. The short sentence—only 30 months—that was recently handed down against terrorist mastermind Abu Bakar Baasyir was disappointing and shows that much work needs to be done in strengthening the judicial sector.

The United States is making a major effort to help Indonesia relieve poverty and embark on sound economic development. In August of last year, our Embassy signed an agreement with the Government of Indonesia for a 5-year program that will provide a total of $468 million for basic education, water, nutrition and the environment.

We are also strong supporters of enhanced trade and investment. At present, more than 300 United States companies have invest-

ments in Indonesia, totalling more than $7.5 billion. An estimated 3,500 United States business people work in Indonesia. But there is still much to do in achieving respect for the sanctity of contracts, a transparent, non-discriminatory tax system and a business climate free of corruption.

We strongly support negotiated settlements to the conflicts in both Aceh and Papua. In Aceh, the tsunami tragedy has left one consolation: The seeds of hope. We believe it is possible that this long-running conflict can be solved peacefully through negotiations that are now ongoing. We will work with Jakarta to ensure continued free access to Aceh by humanitarian groups, human rights workers and the media.

We continue to seek justice for the Americans murdered in Timika in August 2002, an issue that we view with urgency. We appreciate the cooperation our FBI has received so far in its investigation, but we acknowledge there is much more to be done. Secretary Rice recognized this in her recent certification of Indonesian cooperation for the purpose of reinstating International Military Education and Training. We will work with the Indonesian authorities to move quickly to bring those responsible for this crime to justice.

We continue to press for accountability for the crimes against humanity committed in East Timor in 1999. We support the U.N. Commission of Experts and hope that it can work with the new bilateral Truth and Friendship Commission proposed by Indonesia and East Timor.

We are hopeful that the day will come when the United States and Indonesia will be able to enjoy fully restored relations between our respective militaries. Secretary Rice's recent decision to certify IMET will, we hope, result in increased professionalism of Indonesian military officers with respect to transparency, human rights and public accountability.

We also think that under the proper conditions, U.S. assistance in the form of foreign military financing would be in the interests of both countries. However, we know that FMS cannot be considered until and unless the concerns of Congress, as laid out in section 572 of the Appropriations Act, are addressed.

Let me conclude by emphasizing how much we all look forward to working with Indonesia as it faces this exciting, challenging new chapter in its history. Although many issues and problems will have to be resolved, we have a better opportunity now than at any time in the recent past to help strengthen democracy and respect for human rights and contribute to the stability and prosperity of an important strategic partner.

Thank you, Mr. Chairman.

[The prepared statement of Ms. Huhtala follows:]

PREPARED STATEMENT OF THE HONORABLE MARIE HUHTALA, DEPUTY ASSISTANT SECRETARY, BUREAU OF EAST ASIAN AND PACIFIC AFFAIRS, U.S. DEPARTMENT OF STATE

I am happy to appear before you to address one of the most exciting and important developments taking place in Southeast Asia today, and indeed, in the world at large. The democratic transition under way in Indonesia, the largest majority Muslim country in the world and now the third largest democracy, represents an important opportunity for U.S. interests and for the people of Indonesia. How we

approach our relations at this critical moment will have far-reaching effects on our long-term objectives, not only in Indonesia but also throughout the region.

The successful series of democratic elections in Indonesia last year produced a sea change in its domestic politics. The voters brought into office a new, directly elected President, Susilo Bambang Yudhoyono, who understands the United States and who ran on a reform agenda. As a U.S. university and military college graduate, he has first-hand knowledge of the U.S. and its people. The tragic earthquake and tsunami of December 26, 2004, and the joint Indonesian-American response have made a deep impression on the Indonesian government and people, as they have on Americans. In Indonesia, the television coverage of American military, diplomats and aid workers efficiently providing massive amounts of much-needed humanitarian assistance from the air, the sea and on the ground to devastated corners of Aceh made a powerful impression. Those images showed once again that Indonesia has no better friend than the United States. We are there when it counts.

Mr. Chairman, President Susilo Bambang Yudhoyono has a genuine mandate from the Indonesian people. He won 60 percent of the voters in the presidential runoff in September of last year, an amazing feat by a challenger with only a small political party behind him running against an incumbent with a large political machine. More than 75 percent of eligible voters cast their ballots. To put those numbers in context, just as many Indonesians voted in their presidential election as did Americans last fall—about 118 million in each case. That demonstrates the very strong commitment of Indonesians to democracy.

Our two countries have a great deal in common. The United States is the world's third largest country, and the second largest democracy after India. Indonesia is the world's fourth largest country, and its third largest democracy. The majority of the people of the United States call themselves Christians, but, of course, there are many other religions represented here and we have a history of tolerance of all faiths. The majority of the people in Indonesia call themselves Muslims, but there are many other religions represented there too, and Indonesians place a high value on the diversity of their country. Indonesia's national motto, "Bhineka Tunggal Eka," ("Unity in Diversity") is roughly equivalent to "E Pluribus Unum" ("Out of the Many, One"). There is another, grimmer parallel. The United States has suffered terrible terrorist attacks in recent years that killed Americans and foreigners alike, and Indonesia too has suffered terrorist attacks that killed Indonesians and foreigners. Our two countries thus share an interest in addressing the causes of terrorism and protecting our people from further terrorist violence.

Within a generation Indonesia will overtake the United States in population, making Indonesia the third most populous country in the world. The United States has an interest in ensuring that Indonesia succeeds as a democratic power, one that acts as a positive force on the global stage and ensures prosperity for its people at home.

The Indonesian presidential election late last year was only the latest in a number of important institutional changes since 1998, when President Suharto lost power. The direct presidential election itself was a product of sweeping constitutional reforms aimed at strengthening democratic institutions, accountability and transparency, and separation of powers. Other notable reforms have included the establishment of a police force separate from the military (TNI), the end of the military's appointed seats in parliament, and the passage of legislation in 2004 to ensure that the parliament begins to exert control over the military's budget process—currently a highly opaque one. A free press and an increasingly active civil society have become important agents of change. People are debating the abuses and excesses of the Suharto years and are demanding real accountability for what happened. Citizens are demanding justice from the judicial sector. Finally, the country is going through one of the most ambitious decentralizations efforts ever. That process is empowering Indonesia's far-flung 33 provinces and 421 districts, spread over 17,000 islands and introducing unprecedented levels of transparency and accountability into local governance.

All these changes represent rather substantial forward progress for a country that many in 1998 predicted would fall into chaos. How could such a vast, multi-ethnic nation with little history of popular rule transform itself? Most observers were betting against Indonesia in those days. But Indonesia not only has survived, it has thrived, conducting not just one but three peaceful presidential transitions in a row. By any measure, the people of Indonesia have shown that they are ready for democracy. Without any doubt, they deserve recognition and support from the world's second largest democracy, the United States, and the rest of the international community. Since the late 1990s, the U.S. has indeed been a strong supporter of Indonesia's democratic transition, and we will continue to support it.

It is perhaps ironic, and certainly a sad coincidence, that the tragic tsunami of December 26, 2004, occurred just as the new Yudhoyono Government was finding its feet, not even 100 days into the new administration. As the members of this Committee are well aware, the U.S. response to the disaster was immediate and substantial, thanks in large part to the support of the Congress for making sure that our diplomats, relief professionals, and the U.S. military are adequately funded.

Also significant is the high degree of close cooperation we experienced with President Yudhoyono's government. This dramatic example of bilateral cooperation was not lost on anyone in the world with access to television or a newspaper. Once Indonesian authorities recognized the extent of the death and destruction in Aceh, they immediately asked for international help. The Indonesian Government welcomed the assistance of the United States, the United Nations, and other countries, and opened the tsunami-affected parts of Aceh province to foreign militaries, aid workers and NGOs. Indonesians and Americans worked side-by-side to rescue victims and deliver food, water and medicine. The Indonesian military, contrary to the assumptions of many in the international media, did not attempt systematically to siphon off aid, prevent relief workers from reaching tsunami victims, or impose onerous restrictions on them. The situation on the ground was not perfect—it was confusing and difficult, to say the least—and there were isolated instances of problems between soldiers and assistance workers. The military did require visiting NGOs to register their presence, which was not unreasonable given the real security concerns in Aceh. On the whole, however, our Embassy in Indonesia, including the AID mission, and most NGOs who participated in the relief work have reported that the Indonesian military performed admirably given the extreme challenges presented by the emergency.

As President Bush has stated, the success of Indonesia as a pluralistic and democratic state is essential to the peace and prosperity of the Southeast Asian region. Indonesia is truly a front-line state in a trend we see all over the world: people want to rule themselves, and they want their governments to be accountable. We see Indonesia as advancing what President Bush has called the "agenda of freedom." In that context, we want to do everything we can to see Indonesia succeed and have our relationship develop to its full potential. Let me address the most important areas we will be emphasizing.

Our first priority is to encourage continued Indonesian progress on democracy, human rights, and justice. We envision an Indonesia that is democratic in the full sense of that term, a government that is transparent and accountable to its people, respects the rule of law, and protects the human rights of its citizens. As our 2004 Human Rights Report indicates, Indonesia's human rights record remains mixed, and there is much to be done, particularity in the area of accountability for abuses committed by members of the security services.

That said, there has been progress, including an increased willingness among the Indonesian army to hold their own service members accountable for human rights violations. We have been impressed by President Yudhoyono's frequent statements regarding the importance of democracy and accountability. Late last year, in an address by videoconference to the U.S. Chambers of Commerce, he said he is driven by "the hopes of the Indonesians who entrusted me to improve their lives." He spoke of the power of good governance and said he is establishing a team that would be judged by its performance. He said he wanted to establish a system that was accountable to the people and, looking ahead, he wanted to "ensure smooth elections in 2009."

In 2004 alone, the United States provided monetary and technical assistance totaling $25 million to Indonesia's electoral process. We also are also engaged in a range of programs to build capacity in the judicial sector, combat corruption, strengthen civil society, and help with effective decentralized governance. Our programs include training for police, local government and judicial officials, internships for journalists, and special visitor exchange programs focusing on conflict resolution, human rights, and rule of law.

One of the best ways to solidify democratic principles and practices, of course, is through educational opportunity. The U.S. is engaged in a 6-year, $157 million initiative to strengthen the education sector in Indonesia. By providing support to Indonesian teachers and students, we hope to promote tolerance, counter extremism, and help provide critical thinking skills so necessary in the modern world. These programs will strengthen the management of schools, improve the quality of teaching, and increase the relevance of education to work and life skills for Indonesia's youth, the next generation of leaders.

A second very important element of our policy is enhanced cooperation on security issues. Indonesians know better than most the devastating effects of terrorist at-

tacks, such as those that have occurred in Bali and Jakarta over the last three years. We applaud the Indonesian Government's serious response to those attacks. Indonesia's police and prosecutors have arrested and convicted more than 130 terrorists since the Bali bombings. Indonesia has established an effective counterterrorism police force, which is working hard to bring terrorists to justice. Nevertheless, the threat of future attacks remains grave.

The short sentence (30 months) recently handed down against terrorist mastermind Abu Bakir Baasyir was disappointing and also shows that much work needs to be done in strengthening the judicial sector, including coordinating the efforts of police and prosecutors, and educating judges regarding the threat of terrorism. We welcome President Yudhoyono's announcements that arresting key terrorists is a priority and that he seeks to enhance international cooperation on terrorism.

We want to see an Indonesia that is open for investment and trade, and open to American investors playing a prominent role in the country's economic development. When President Yudhoyono spoke to the U.S. Chamber of Commerce, he spoke movingly of his determination to slash unemployment and poverty. These are worthy goals that deserve American support. In addition to providing aid aimed at strengthening democratic institutions, the U.S. is making a major effort to help Indonesia relieve poverty and embark on sound economic development. In August 2004, the U.S. Embassy signed an agreement with the government of Indonesia for a 5-year program that will provide a total of $468 million for basic education, water, nutrition, and the environment.

Although aid is an effective tool for economic development, there is always more money available from trade and investment than from aid. Moreover, trade and investment tend to be self-perpetuating.

At present, more than 300 U.S. companies have investments in Indonesia totaling more than $7.5 billion, and an estimated 3,500 U.S. business people work in Indonesia. Much of that investment is connected to Indonesia's rich natural resources, but there is some manufacturing as well. But while many companies have invested in Indonesia, many others are reluctant because of concerns over rule of law and corruption in the judiciary. They want respect for the sanctity of contracts, a transparent, non-discriminatory tax system, and most of all they want to do business in a climate free of corruption.

President Yudhoyono has said that attacking corruption and establishing legal certainty are key priorities for his government. We welcome those statements, and hope to assist in improving the investment climate and legal system. These issues have taken on even more urgency following the tsunami, because the international donor community expects that all funds given for the purpose of reconstruction must be closely monitored and carefully accounted for. To that end, the World Bank has created a trust fund that will include fiscal controls on the disbursal of donor funds.

On the trade side, bilateral cooperation picked up in 1996, when the U.S. and Indonesia signed a Trade and Investment Framework Agreement. That framework provides a formal basis for our discussions of detailed trade issues, and those discussions will continue this month in Jakarta. Indonesia has recently taken important steps to uphold intellectual property rights; the U.S. business community will be watching to see how those rules are enforced.

Finally, we are very interested in seeing Indonesia act as a stabilizing and responsible force in the region. Indeed, the United States has always viewed Indonesia as a pillar of regional security in Southeast Asia. In the past, Indonesia played a significant leadership role in regional institutions such as ASEAN and APEC. We look forward to seeing Jakarta reassert this prominent position in international fora and institutions. Our two countries share the important strategic objective of a stable Southeast Asian region that is free of transnational threats, including terrorism, weapons of mass destruction, smuggling, and trafficking in persons. American interests are best served by a democratic, prosperous Indonesia that respects and protects the rights of its citizens, is secure within its borders and is able to defend itself against transnational threats. For that reason, we firmly support the territorial integrity of Indonesia.

Indonesia needs to be strong in order to manage successfully the many challenges of this age. Maritime security is one of the more important challenges it faces. The strategic sea lanes that pass through and along Indonesian territory carry roughly 30 percent of the world's sea-borne trade and are key transit routes for the U.S. naval fleet. Half the world's oil passes through the Malacca Strait. Indonesia's vast archipelago is difficult to monitor. We stand ready to assist Indonesia to address this important challenge in ways that we will decide on jointly, and we already have begun the effort to encourage the growing cooperation between Indonesia and its neighbors in this important field.

As the world's largest Muslim-majority country, Indonesia has a key role to play in demonstrating the virtues of tolerance and mutual respect in a diverse, multi-ethnic polity. The ability of so many Muslims to thrive economically and pursue a democratic, just agenda respectful of other faiths serves as a powerful reminder of what a successful, tolerant society can look like. We will continue to provide exchange and training programs that promote interfaith dialogue. Our active and creative public diplomacy program for Indonesia is one of the most robust in the world today.

As elsewhere in the world, the United States must address the range of our interests with Indonesia in an integrated way. Even as we champion a strong and democratic Indonesia secure within its borders, we also support negotiated settlements to the conflicts in Aceh and Papua. With respect to Aceh, the terrible tsunami tragedy has left one consolation—the seeds of hope. Given the new developments in play, we see the possibility that this long-running conflict can be solved peacefully through negotiations that are now ongoing. We think President Yudhoyono, who has worked toward a peaceful resolution of the conflict for many years, seriously and sincerely wants to end the conflict so that the people of Aceh can recover and rebuild their communities in an environment free of violence. We hope that his administration will succeed in championing a real reconciliation in Aceh.

The tsunami disaster also demonstrated that the opening of Aceh to the international community could be a source of positive change. We will work with Jakarta to ensure continued free access by humanitarian groups, human rights workers, and the media. We also believe that to realize their democratic vision Indonesians will have to find the appropriate ways to further strengthen civilian control over the military and hold individuals accountable for human rights abuses. Again, improving the judicial process, eliminating corruption, and establishing solid professional standards will go a long way toward addressing these issues.

We continue to seek justice for the Americans murdered in Timika in August 2002, an issue we view with urgency. We appreciate the cooperation our FBI has received so far in its investigation, but there is much more to be done. Secretary Rice recognized this in her recent certification of Indonesian cooperation for the purpose of reinstating International Military Education and Training (IMET). We will work with the Indonesian authorities to move quickly to bring those responsible for this crime to justice.

These same principles hold true with regard to accountability for the crimes against humanity committed in East Timor in 1999. We encourage the Indonesian Government to cooperate with the UN Commission of Experts, which is in the process of reviewing the state of play on this issue in Dili and Jakarta. Meanwhile, the governments of Indonesia and East Timor have just announced details of a proposed bilateral truth and friendship commission. We urge Jakarta and Dili to respond positively to UN SYG Kofi Annan's initiative to have the Commission of Experts work with and advise the bilateral truth and friendship commission. With goodwill the parties will be able to achieve internationally credible accountability, put the terrible events of 1999 behind them, and proceed with their evolving good relationship.

We are hopeful that the day will come when the U.S. and Indonesia will be able to enjoy fully restored relations between our respective militaries. Secretary Rice's recent decision to certify International Military Education and Training will, we believe, result in increased professionalism of Indonesian military officers with respect to transparency, human rights, and public accountability. We also think that, under the proper conditions, U.S. assistance in the form of Foreign Military Financing (FMF) would be in the interests of both countries. However, FMF cannot be considered until and unless the concerns of Congress as laid out in Section 572 of the Appropriations Act of 2005 are addressed. That law requires accountability for the events of 1999 in East Timor as well as progress on military reform issues. We look forward to consulting with interested members of the Congress on how we might help Indonesia reach these goals.

Let me conclude by emphasizing how much we all look forward to working with Indonesia as it faces this exciting, challenging new chapter in its history. Although many issues and problems will have to be resolved, we have a better opportunity now than at any time in the recent past to help strengthen democracy and respect for human rights, and contribute to the stability and prosperity of an important strategic partner. The United States considers Indonesia a valued friend, and we hope to make that friendship with this, the largest democracy in East Asia, even stronger in the years ahead.

Mr. CHABOT [presiding]. Thank you very much, Ambassador Huhtala.

I will recognize myself for 5 minutes for the purpose of asking questions.

Given the political and economic developments of the past year, is there greater reason for optimism regarding Indonesia's long-term prospects as a stable, prosperous democracy?

Ms. HUHTALA. I believe that there is, sir. In the past year, for instance, Indonesia conducted three national elections. They elected a new Parliament, which for the first time does not have reserved seats for the military, and then they had two rounds of their very first direct Presidential election. And those elections went off beautifully without a hitch.

They also have new laws on the books to promote civil society. They are pursuing a program of judicial reform. They are working closely with us on things like police training, fighting corruption, counterterrorism. They have a great many new initiatives in the works right now.

Now, that always makes it complex for a new leader to keep all of those balls in the air, but the political will is really quite impressive and we are hopeful that with the right kind of assistance they can make some progress in these areas.

Mr. CHABOT. Thank you. How would you assess the performance of President Yudhoyono during his first several months in office? How do his style and his policies compare with former President Megawati?

Ms. HUHTALA. Well, he has a very different style, to start with, because he is a former military man and he also has studied in the United States—both at university and for IMET—so he has a very direct, hands-on style. I was fortunate to be in a meeting that he had with Deputy Secretary Wolfowitz in January and it really is impressive the way that he tackles issues forthrightly, admitting where they have shortcomings and discussing how we can cooperate to move forward.

I think his performance so far is good. It was really unfortunate for him to have that tsunami just 2 months after he took office. I think that may have thrown him off stride a little bit, but truly the reaction to the tsunami has been outstanding. They have opened up the province that had been closed for so many years, allowed free access for aid workers and the media and NGOs, and done everything they could to cooperate with all of us. We really have no complaints on that score.

Mr. CHABOT. Will President Yudhoyono's electoral mandate translate into an ability to work effectively with the Parliament, in which his party is a distinct minority? What are the most important issues that will be facing the legislature in the months ahead?

Ms. HUHTALA. Well, of course, we hope that his mandate will help him in the Parliament. I think you know that his Vice President, Yusuf Kalla, has been elected the head of the largest political party, Golkar. So to the extent that those two can work together and present a program to the Parliament, there is real hope for progress. Some of the important things that they will be tackling are reform of the judicial sector, a very serious program to fight corruption, and also counterterrorism.

We are hoping that they will consider criminalizing the Jemaah Islamiah. This is something that their Parliament has not been

able to do so far but it would be a very important step forward in terms of going after the members of that sect that are still around.

Mr. CHABOT. Thank you. Let me shift over to the military for a moment here. Has the Indonesian military made any concrete progress during the past year in increasing the transparency of its budget or in submitting to civilian oversight? What should we look for as benchmarks of substantive progress in the months ahead? How much practical oversight and control does the civilian defense establishment exercise over the operations of the military?

Ms. HUHTALA. Congressman, to be honest, this is a work in progress. There is not sufficient accountability yet, but the President and the Defense Minister have told us that they recognize the need to move in that direction and they have begun. They have begun working on it.

Frankly, that is one of the reasons that we believed it was very much in the U.S. interests to be able to restore IMET training, so that we can give them some practical training and assistance in figuring out how to do this, because when you have had a military that has not been accountable to the people, to the civilian rulers, for so many years, it is a very big job to reform it.

Mr. CHABOT. Thank you.

My time has expired and I will now recognize the gentleman from Samoa, my good friend and a great Member of Congress, Eni Faleomavaega.

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman.

I have always had an admiration for Ohio State University and its ability to play football, knowing that my good friend hales from the great state of Ohio.

We need to go back to the United Nations and attend some of the sessions that they are having there right now as former Representatives of the Congress before the United Nations.

I want to thank Secretary Huhtala for her statement.

Madam Secretary, if you were to put a sense of priorities on some of these basic issues that we have discussed this afternoon, one security, the other one the promotion of human rights, another one dealing with trade and investment, and maybe I will add a fourth one, IMET. What kind of a priority listing would you put in terms of importance from one to four, I suppose, as the least important?

Ms. HUHTALA. That is a really tough question. I think I would have to put security at the top of the list because Indonesia, as you know, has been the victim of some horrendous terrorist attacks in the past few years. Not unlike the United States, they face a determined foe and they need to be able to protect the safety of their people. As I have mentioned, we have several programs in place to help them tackle that.

But to be honest, human rights, trade and investment which is a way to alleviate poverty, are tremendously important goals as well and I think it is essential that the Government of Indonesia make progress in those areas, even as it goes about addressing its security concerns.

IMET is at the bottom of the list because it is more of a tool than a goal. We strongly feel that it is in our interests to be able to have good training programs with the Indonesian military as a way of

helping it reform. As you know, all of our IMET programs place heavy stress on teaching about human rights, about the role of a professional military in a democracy with civilian rule, and on protecting the rights of their people.

We think that it is a great loss that we have not been able to do that kind of training with the Indonesian military for around 15 years, and we think it is urgent that we begin to do this kind of training. It will have a long-term effect that will buttress the other goals that you have mentioned.

Mr. FALEOMAVAEGA. Well, I know, Madam Secretary, there is a sense of institutional memory and as a career foreign service officer, you are very familiar with the issues attending Indonesia, but I have a problem with IMET. The problem stems from the fact that, I think, the good intentions that we had in providing military training to countries like Indonesia and others resulted in different consequences. And what I mean by this is that we provided the IMET training at the time of Suharto and Sukarno, and it was during that period of time, with all due respect to the newly-elected President, he may have been a good IMET graduate, we had some IMET graduates also who were dismissed on any of the accusations that were made against the tortures and the killings that took place in East Timor—and they were IMET graduates as well and that did not stand very well as far as Indonesia's sense of justice.

My point is this: We go there with good intentions, we are Americans. The purpose of giving that person a rifle or a pistol or a piece of military equipment is to defend freedom and democracy and all that we stand for. But in that period of time, these people were not advocating democracy. And I do not know if you will agree with me, but in my readings of history, President Sukarto and Suharto were not exactly genial and kind, if you put it mildly, given the fact that 200,000 East Timorese men, women and children were tortured and murdered and killed by the Indonesian military. My point is that we trained them and we also gave them the bullet and the trigger.

And so that is where my concern comes in. With our intentions there is no question, but it is the issue of what these countries do with the training because you can easily use a weapon either to defend yourself or to kill another person. If some 300,000 lives of people in this country, whether you are from East Timor or from West Papua, as accounted by the fact of the actions taken by the Indonesian military, I find it very difficult to justify how we can continue doing this.

As I stated in my statement earlier, it continues. The Indonesian military right now in West Papua, New Guinea has caused thousands of West Papuans to leave their homes, run into the jungles and become outcasts in their own land and I would not be surprised if killings continue even to this day.

So please convey this to Secretary Rice. I do not see how we could justify giving the military again another added measure of power and authority. And I might also add the next question: What percentage of Indonesia's economy and businesses are run by the Indonesian military at this point in time?

Ms. HUHTALA. Well, sir, if I could make a few comments?

Mr. FALEOMAVAEGA. Please.

Ms. HUHTALA. And I will certainly convey to the Secretary what you have said.

Mr. FALEOMAVAEGA. Please.

Ms. HUHTALA. We very strongly support accountability for the human rights abuses that occurred in East Timor and the other human rights abuses that have occurred over the years, and we are pressing the Indonesian Government very hard to work with the Commission of Experts that Kofi Anan is sending out and to deliver true accountability, even though they are not happy about this, they do not want to do it. We think that it is essential for this to happen.

As you know, of course, our IMET training never taught anyone to commit abuses. We all know that. I think one of the problems has been, first of all, that our engagement has been episodic. We first canceled our IMET, I believe it was in 1991, so when the abuses happened in 1999, there was not at that time a very strong U.S. influence over the behavior of TNI.

As you know, you have passed legislation since then to require very serious human rights vetting for any candidates now who would receive IMET from us in the future, and we will carry that out with very great care to be sure that we are not providing training to anyone who has any kind of stain on their record with regard to human rights violations or other crimes.

Mr. FALEOMAVAEGA. Madam Secretary, could you submit for the record, as much as you can get, exactly to what extent the Indonesian businesses and the economy of that country is controlled and run and operated by the Indonesian military.

[The information referred to follows:]

WRITTEN RESPONSE BY THE HONORABLE MARIE HUHTALA, DEPUTY ASSISTANT SECRETARY, BUREAU OF EAST ASIAN AND PACIFIC AFFAIRS, U.S. DEPARTMENT OF STATE, TO QUESTION ASKED DURING THE HEARING BY THE HONORABLE ENI F.H. FALEOMAVAEGA, A REPRESENTATIVE IN CONGRESS FROM AMERICAN SAMOA

Data on the share of the Indonesian economy represented by Indonesian military business is incomplete and often unreliable. There is little TNI activity in the oil and gas or manufacturing sector. Formal businesses represent only a portion of total military economic activity, and there is no reliable data on the informal, or illegal, activities of the military.

Our Embassy does try to obtain and assess data on military business activity as part of its normal economic reporting responsibilities; this is a topic of interest to Washington agencies, as well as to the Congress.

Indonesia's 2004 defense budget was USD 2.3 billion, about 8 percent of total budget expenditures and about 1 percent of GDP. Estimates of the share of military expenditures that come from the budget vary from 30 to 50 percent.

It is important to note that, as part of ongoing democratic reforms in Indonesia, the Ministry of Defense is publicly exploring options for establishing control and accountability of military businesses.

Mr. FALEOMAVAEGA. Another related question that adds onto this is the illegal logging that is going on, the billions of dollars. And, by the way, on an annual basis I think China is the major purchaser of logs that come out of Indonesia—you are talking about $600 million a year, I believe, that China is doing this.

It talks about the environment, but I also understand that the Indonesian military has a lot of control on the illegal logging that continues to go on in that country.

I would appreciate if you could submit that for the record.

Ms. HUHTALA. I will, sir.

Mr. FALEOMAVAEGA. In terms of exactly how that is coming along.

Ms. HUHTALA. Yes.

[The information referred to follows:]

WRITTEN RESPONSE BY THE HONORABLE MARIE HUHTALA, DEPUTY ASSISTANT SECRETARY, BUREAU OF EAST ASIAN AND PACIFIC AFFAIRS, U.S. DEPARTMENT OF STATE, TO QUESTION ASKED DURING THE HEARING BY THE HONORABLE ENI F.H. FALEOMAVAEGA, A REPRESENTATIVE IN CONGRESS FROM AMERICAN SAMOA

I do not believe anyone knows the actual value of illegal logging in Indonesia, or of exports of illegal logs to China, but both are high. The Indonesian Government estimates that illegal loggers cut down about 60 million cubic meters of timber each year, which represents lost tax revenue of US$3 billion.

A 2002 memorandum of understanding between the governments of Indonesia and China to curb export of illegal timber has had little real effect.

The Indonesian Government under President Susilo Bambang Yudhoyono has made the fight against illegal logging one of its top environmental priorities. The key to winning the battle against illegal loggers will be enforcement. Successful enforcement will require clear regulations, greater human resources, and the political will to break up vested interests that have long profited from this activity.

Mr. FALEOMAVAEGA. Here is a historical perspective I want to share with you, Madam Secretary. East Timor was a former colony of Portugal. People there speak Portuguese, they do not speak Indonesian, by the way. And, if they did, they were forced to speak Indonesian. Indonesia was a former colony of the Dutch, we all know that. West Papua, New Guinea was also a former colony of the Dutch, then it became a colony of Indonesia. I can tell you as a matter of history and fact, Madam Secretary, it just blares out that the United Nations exercised what I would not only call inequity and unfairness but the height of hypocrisy, the fact that it provided sanction and authorization for East Timor, both colonies, now, of Indonesia, the right to self-determination and yet not a squirt or even an understanding that here we have another colony sitting right next to it and not one cent of appreciation given to the fact that 2.2 million West Papuans should be given the same right of self-determination as East Timor. That is where I am having very serious problems. To suggest that it is all in the past, let us not bring it up again, West Papua is a province and it is an internal matter, Madam Secretary, I submit this is not an internal matter. The United Nations was party to the problems that now attend—the problems that we are faced with in West Papua.

West Papuans have nothing to do ethnically, culturally, nationally, and even historically with Indonesia. They were Dutch colonies.

So I am respectfully requesting if you can convey this to Secretary Rice, not only will I vehemently object to IMET authorization for the Indonesian military, but it is my sincere hope that Secretary Rice would also take this matter to Secretary Kofi Anan. We need to reexamine the entire history, especially what happened in 1969 on how West Papua, New Guinea ended up the way it is right now. And I say this on behalf of some 2.2 million West Papuans who have no representation whatsoever, not even in any forum in the United Nations. Thank God for the Portuguese Government because they were the strongest advocates for the rights of the people of East Timor. But the poor West Papuans have nobody to speak on their behalf, not only before the United Nations, but any re-

gional organization. So that is the problem I am having right now, Madam Secretary. And I would really, really appreciate it if you could convey that to Secretary Rice and see if we could work something out. I sincerely hope that we will have this, but I really do appreciate your statement. I look forward to working with you, hopefully, at finding some solution to this problem. Like I said, I have the highest admiration for the people of Indonesia at this point now in their achievement of pluralistic society and democracy, but somehow we have this load here that we just cannot ignore and pretend like it does not exist.

I might also add that I sincerely hope that the Chairman and I might have a chance to visit West Papua and Aceh. I do not know if the President might be willing, but any rate, Madam Secretary, thank you very much.

Thank you, Mr. Chairman.

Ms. HUHTALA. Thank you, sir. I will convey those remarks and I do encourage you to come and make a visit to Indonesia.

Mr. FALEOMAVAEGA. Thank you. And end up getting shot. Thank you.

Ms. HUHTALA. No, we will take care of you there.

Mr. LEACH [presiding]. Madam Secretary, what is your assessment of the newly resumed talks between the Free Aceh Movement and the Government? Do you think that the feelings about the tsunami and its aftermath, and how the country of Indonesia and the international community responded, are helpful or hurtful to this process? Do they give grounds for more optimism or are they irrelevant to this process?

Ms. HUHTALA. Mr. Chairman, to us, it really looks as if the horrible shock of the tsunami in which the GAM and the Indonesian local government forces and TNI, they all had very serious losses. We think that shock has been a catalyst for both sides to once again come to the negotiating table and try to work out a serious settlement to their differences.

The talks that have been going on in Helsinki have been headed up by a very high-powered Indonesian Government delegation headed by their Coordinating Minister for Security. They have not engaged at this level before on the Government of Indonesia side and they have already had two rounds of discussions, one in January and one in February. They have a third round scheduled for April. And we understand they have begun to delve into some of the really serious issues that are of concern here, things like the difference between self-government and autonomy and the need for the GAM to drop a claim to independence if they are going to be able to achieve an agreement with the Indonesian Government.

These, as you well appreciate, are extremely thorny issues and it will take them a while to work them out, but we have been encouraged by the progress that they have made so far and we have no role in this at the moment, although if we were asked to take a role I am sure we would give it very careful consideration, but in fact this is truly something between the Indonesian Government and the GAM. And we are hopeful that it will continue to move all the way to a negotiated settlement.

Mr. LEACH. In terms of the United States presence in Indonesia, we currently do not have a Peace Corps mission. Is that correct?

Ms. HUHTALA. I believe that is true.

Mr. LEACH. And do the Indonesians, have they indicated any desire for this?

Ms. HUHTALA. Not to my knowledge. No.

Mr. LEACH. The only reason I raise it at this time, last week was a major birthday of the Peace Corps and its track record in the world is very impressive.

Ms. HUHTALA. Yes.

Mr. LEACH. And I think it is worthy of consideration whether we think it would be appropriate and if we thought it were appropriate whether we ought to speak with the Indonesian Government about it.

I emphasize this because the other issue that is a little different in international relations, and it is not Indonesian specific but it certainly includes Indonesia, are new conceptualizations of international responsibility in the education arena. What I mean by this is that historically as public officials we have always thought of education as our responsibility for our kids and we have a decentralized way in America of delivering education with the primary responsibility being local, a lot of State involvement, and some Federal, but the Federal part is pretty small. In fact, it is 6–7 percent of the total education budget.

But it is now dawning on us that how other people educate their children have implications for United States security as well as their own ability to get ahead in the world. So one of the questions is: What role will the United States play, and should the emphasis be on primary education, secondary, post-secondary—is it something that is all of the above and, if it is all of the above, what is the role of U.S. institutions as well? And here, again, we all know the national security concerns that exist on certain kinds of visas. On the other hand, we have historically found that kids that get educated here have beneficial consequences for themselves and for our society as well. And I am wondering if, from an Indonesian perspective, the State Department has focused on the education issue and just how have you focused on it and what set of balances and priorities do you apply?

Ms. HUHTALA. In 2003, President Bush, during a visit to Indonesia, introduced a major new Presidential Initiative to assist them in their educational system. It is $157 million over 6 years, focused primarily on the primary schools.

As you know, in Indonesia, primary education is done through a network of religious-based institutions where young people study the tenets of the Islamic faith, but they also get a complete education. Our program will aim to help them in developing critical thinking skills, building up the professionalization of their educational program at that level.

It is an ambitious program. We will not go near the religious education part of it. We will stick to the more secular subjects, of course. And this is really a major commitment on our part in the primary education in Indonesia.

At the same time, we have a modest Fulbright program. Like most Fulbrights, we would love to see it expanded, if we had additional resources. It sends over some scholars every year to the United States. And we also have our program of American Corners

now where we have set aside parts of the libraries in various provinces in Indonesia, stocked them with American books and periodicals, provide a Web hookup so that students can contact the American Embassy in Jakarta, ask questions, do their research. And this, we hope, will help stimulate young minds around the country.

With a country as vast as Indonesia, these efforts are not sufficient, obviously, but they do represent one of the largest investments in education that we have in the entire region.

Mr. LEACH. Well, let me say on behalf of the Congress, we also want to indicate the reciprocal aspect of this. This Subcommittee was provided, through an exchange of services, a distinguished rector of a fine Indonesian university, so he has come and taught the Subcommittee a great deal about Indonesia and we are very appreciative of that. So education is a two-way circumstance.

In any regard, we do have other witnesses and I want to get to them, but I want to just stress on the Subcommittee's behalf our appreciation for the Department's work in this area. I have been very impressed with the professionalism of our foreign service in Indonesia and I would be mistaken not to particularly emphasize the extraordinary professionalism that was demonstrated at the time of the tsunami by the Department of State officials in Indonesia. Without doubt our military did a wonderful job, but the coordination and other work done by our USAID people in particular deserves mention. And I think sometimes we forget that Americans serving in professional capacities abroad have an unbelievably important task, and at times of great difficulty—as in the last 6 months—have shown real mettle, and I would particularly like this appreciation extended to them.

Ms. HUHTALA. Thank you very much.

Mr. LEACH. Mr. Faleomavaega?

Mr. FALEOMAVAEGA. Would the Chairman yield?

I would like to add to the Chairman's statement, also, Madam Secretary, my own personal experience, having visited, with the Chairman, Sri Lanka and also India in looking at the tsunami disaster that occurred there. It was a very unfortunate experience for me because I am probably one of the few Members of Congress that has actually witnessed or seen what a tidal wave looks like and how it starts. My understanding is that thousands of women and children could have saved their lives if they understood, or if they were educated, that when they see the ocean sucked out of the reefs, thousands of yards away from the beaches—an unfortunate result was that the children watched the fish flapping all over the place as a result of this and not knowing they should be running in the opposite direction—a lot of those lives could have been saved if they knew what to do when they realized that it was a tsunami or tidal wave.

I might also say that I got a present from Sri Lanka with 25 staples on my knee because I did not see the hole that was next to the helicopter. That is what you call a stupid rugby player that should know better.

But with that said, Mr. Chairman, I do want to thank Secretary Huhtala for her testimony and I do look forward to working with her office on some of these issues that I have with Indonesia.

Thank you.

Ms. HUHTALA. Thank you.

Mr. LEACH. Thank you, Madam Secretary.

Ms. HUHTALA. Thank you.

Mr. LEACH. If the second panel could assemble?

The second panel consists of Ambassador Alphonse La Porta, who is President of the United States-Indonesian Society, a 38-year veteran of the United States Foreign Service. He has served as United States Ambassador to Mongolia and at numerous posts in Asia, including tours as principal officer of the United States consulate in Medan, Indonesia, and chief of the consular section in Jakarta. Ambassador La Porta is a graduate of the National War College, Georgetown University School of Foreign Service and New York University.

Dr. Douglas Ramage is the Asia Foundation's representative to Indonesia and Malaysia and the author of several books on Indonesian politics and the relationship between Islam and democracy. He has previously-held research and teaching appointments at the East-West Center and the University of Hawaii. Dr. Ramage was a Fulbright Scholar in Indonesia and is a graduate of the University of Maryland and the University of South Carolina.

Mr. Edmund McWilliams is a member of the board of directors of Indonesia Human Rights Network, as well as Secretary of the U.S. East Timor Society and a member of the West Papua Advocacy Team at the RFK Memorial Center for Human Rights. A decorated 26-year veteran of the United States Foreign Service, Mr. McWilliams previously served as political counselor at the Embassy in Jakarta and as Director for International Labor in the Bureau of Democracy, Human Rights and Labor.

Unless there is a previous arrangement, I will go in the order in which I have introduced you and we will begin with Ambassador La Porta.

Thirty-eight years is a long time in the foreign service, Ambassador.

STATEMENT OF THE HONORABLE ALPHONSE F. LA PORTA, PRESIDENT, UNITED STATES–INDONESIA SOCIETY

Mr. LA PORTA. Thank you very much, Mr. Chairman. Thank you for the opportunity to appear before you today and also, Mr. Chairman, I would like to cite your own remarks, if I may, in talking about Indonesia as the largest single country in the world where the United States remains only tangentially involved. And that is the theme of my testimony today.

I would like to abbreviate my oral remarks, if I may, sir, and I have provided a full text for the record.

Mr. LEACH. Without objection, your full statement will be placed in the record, as will the full statements of the other two witnesses.

Mr. LA PORTA. Thank you very much.

My remarks today are my own and, as you correctly recalled, based on my service in the State Department and much of that time spent on Indonesian relations. I think that it is essential for the United States, at this particular time, to strengthen our relationship with Indonesia and to support Indonesia on its journey of democracy.

Indonesia, as this Committee is well aware, plays an important role in the region and I do not need to belabor that any further.

There are three points that I think deserve mention: First, to strengthen Indonesia's political system and regard for human values through legislative and executive cooperation; secondly, to assist tsunami reconstruction; and, thirdly, expand cooperation in education.

I would also submit, Mr. Chairman, that it is high time to upgrade our defense cooperation with Indonesia in order to advance democracy and civilian control.

I think it is a truism to say that Indonesia is a nation striving for democracy. It is true that in the three elections held last year that the Indonesian armed forces and police did not involve themselves in the political processes, although there were a few very minor local incidents. But from my own observation as an observer, grassroots democracy is prospering and accountability will be further strengthened by the election of local officials beginning this year.

Also, I would like to second a remark that was made earlier about democracy and Islam. There is a vigorous debate in Indonesia today about the role of Islam in both the national and personal life of Indonesians and I think the United States should support that discussion in every way possible.

Also, Mr. Chairman, I would like to make mention of and support the work that USAID is doing in providing for the direct election of provincial and local officials, the promotion of democratization measures, and working with the Parliaments. I think all of this is essential to strengthening democracy.

United States assistance in tsunami relief has been formidable, and I think there is already beginning to be seen a turning of opinion in Indonesia as cited in a recent Terror-Free Tomorrow poll. This is a United States non-governmental organization. Based on a poll of 1,200 respondents, 65 percent answered that there was indeed a positive impression of the role of the United States armed forces in tsunami relief.

I daresay while it is too early to say that this will result in a turning of overall opinion in favor of the United States, it certainly is an initial indicator.

I would like to go on and just mention a few areas where I think the United States can enlarge its support of democracy. First is in relations of this body, the United States Congress, with the Indonesian Parliament. Some Members of Congress met with a delegation from the Indonesian Parliament last week, and I think the encounters were very informative on both sides. But Indonesia should take part in more fulsome interparliamentary exchanges, whether through the IPU or through the Congress' own Democratic Assistance Initiative.

Consideration should also be given to establishing a high-level continuing leadership dialogue with Indonesia comprising the public sector, the United States Executive Branch, Congress, business and industry, academia, media and civil society representatives similar to those that we have with China, Australia and others in the Asia region.

On the tsunami reconstruction, I think there are several things that are quite important to pay attention to, and I think that my initial discussions with people in Jakarta and discussions with people in our Embassy and in the Departments of State and USAID indicate that there are a number of areas where the United States and Indonesia can work together.

First, though, I think that the planners for the reconstruction have to listen to the people in Aceh and North Sumatra.

Secondly, I think the efforts to pursue a political settlement of the insurgency have to be continued, if not stepped up, but also a wide consultative process involving local leaders and the people's elected representatives—for example, the Acehnese members in the national Parliament—need to be consulted in order to try to form a new consensus on the special autonomy law.

There also needs to be effective accountability and transparency. The help of the foreign and private sectors as well as the Indonesian private sector needs to be effective.

I would also like to go on just to use my remaining time, Mr. Chairman, to talk a little bit about education. And this in particular devolves on a conference which USINDO, the U.S. Indonesian Society, is holding in Jakarta next week to try to develop an increasing number of higher educational partnerships. We hope that a Presidential Scholars Initiative will result from that.

Lastly, Mr. Chairman, I think it is time to look for a new era of cooperation in defense relations. I think that a lot of the critics have made much of the fact of the alleged abuses and other problems that have been evidenced in Indonesia, and I think it is now time for the critics to join with the United States in having a new collaborative relationship with the democratic Government of President Susilo Bambang Yudhoyono in trying to make gains in improving Indonesian defense capabilities, in improving accountability, and improving the civilian control of the military.

In particular, Mr. Chairman, we need a crash program to train middle-grade officers. We need to improve air transport and logistics and interoperability for maritime security and other operations. We need to improve United States assistance to Indonesia for maritime security.

There are also opportunities to help Indonesia construct a modern command, control and communications network to strengthen the role of the Presidency's civilian control, to assist in the formation of a national defense council, expert staff and reporting system. We also need to help in the development of competencies in the civilian ministry of defense and in this respect, Minister Juwono Sudarsono, the Defense Minister, will be in Washington next week.

Also, there are opportunities for NGO assistance in helping to promote public discussion on security matters, NGO assistance to help work on the interface between the civil and military justice systems, also providing legal and advisory assistance to the Truth and Friendship Commission with East Timor, Aceh and Papua demobilization—basically retraining and resettling insurgents, increasing the number of policemen in Indonesia to over 1 million, more in line with the U.N. standard, and to assist the Government in privatization of the military-run businesses to bring them under

control, full Government surveillance and prepare them for privatization.

We are working with a new and democratic Government in Indonesia, one that has a very strong mandate. As Professor Karl Jackson of Johns Hopkins has said in relation to the United States working with Indonesia, "If not with SBY, who; if not now, when?"

Thank you, Mr. Chairman.

[The prepared statement of Mr. La Porta follows:]

PREPARED STATEMENT OF THE HONORABLE ALPHONSE F. LA PORTA, PRESIDENT, UNITED STATES-INDONESIA SOCIETY

OPPORTUNITIES FOR UNITED STATES RELATIONS WITH INDONESIA

Mr. Chairman and distinguished Members of the Committee, I welcome the opportunity to appear before this committee today to discuss United States relations with Indonesia—a country which you, Mr. Chairman, aptly observed is the "single largest country in the world where the U.S. remains only tangentially involved."

My remarks today are my own and are based on over 38 years of diplomatic experience in the U.S. Foreign Service and close involvement with Indonesia. They do not necessarily reflect those of USINDO and its Board of Trustees.

Mr. Chairman, we have a tremendous opportunity before us to strengthen our relationship with Indonesia and to support Indonesia in its journey of democracy. With the recent free and open election of President Susilo Bambang Yudhoyono last September, and a new determination among the Indonesian government and people to pursue fundamental democratic reforms, we can truly say that Indonesia is a nation striving for democracy. Furthermore, the tragic earthquake and devastating tsunami of December 26, 2004 has provided both the United States and Indonesia with a new opportunity for positive cooperation. It is essential that the United States take advantage of these opportunities so that we can support Indonesia in its efforts at democratization and pursue our mutual interests.

I need not remind this committee of the important role that Indonesia can play in our world at this time. It is not only the largest democratic nation in the world with a predominantly Muslim population. But as an Asian nation Indonesia is a vital partner for the United States in a new century where an expanding Asia indisputably has a main economic and political role.

Today I would like to share with you some views on Indonesia's recent efforts at democratization and in the process discuss how the United States can further support Indonesia by offering some specific policy recommendations in four key areas:

- Strengthen Indonesia's political system and regard for human values through legislative and executive cooperation;
- Assist tsunami reconstruction in northern Sumatra, following on the crucial assistance provided by the United States in the immediate relief phase;
- Expand United States-Indonesian cooperation in education; and
- Upgrade defense cooperation to achieve real gains in Indonesian military professionalism and capabilities, together with strengthening civilian control.

Indonesia is a Nation Striving for Democracy.

Mr. Chairman, the Indonesian government and people have demonstrated that they are now a nation truly striving for democracy. In the past few years, Indonesia has held three free and open political elections, has put an end to *dwifungsi* or "dual function," signifying the end of direct involvement of the military in politics and society, has increased the freedom of the media and press, has created a stable macroeconomic environment, and has demonstrated progress in implementing the rule of the law.

It is especially significant that the armed forces and police did not involve themselves in the three elections held in 2004, except for a very few minor localized instances. As I observed as a member of the Carter Center's delegation for the first round presidential election last July, grassroots democracy is prospering and accountability will be further enhanced by the first-ever popular election of provincial and local officials beginning this year.

Indonesia's democratic experience since the fall of Soeharto and the first free elections in 1999 clearly show that Indonesia is not only on the road to democracy, but that democracy and Islam can exist side by side. Indonesia exemplifies to the world how Islam can play a positive and healthy role in a society. Within Indonesia, as

well as elsewhere in Southeast Asia, there exists vigorous discussion over the nature of how Islam should be practiced. Indonesians think critically about Islam and the role of religion in their lives. The positive role it has played in Indonesian society, with its strong and unique culture, far outweighs the negative consequences generated by fringe groups of the Muslim body politic.

The United States has already played a significant role in contributing to Indonesia's progress both as a democratic nation and progressive Muslim nation. Most welcome is the continuing support that USAID is providing for the direct election of provincial and local officials beginning this year and continuing assistance to develop local government capabilities and political party effectiveness. On the national level, maintaining U.S. assistance to the Parliament (DPR), civil society organizations, and pushing forward on judicial reform and other measures to promote the Rule of Law are likewise to be applauded.

Mr. Chairman, I wish to underscore that U.S. assistance in tsunami relief has been exemplary and a strong determinant in generating support among the Indonesian people for improved ties with the United States. Indeed, there may already be a turning of the tide of public opinion as shown in a poll sponsored by a U.S. non-governmental organization, Terror Free Tomorrow, which was conducted by the authoritative Indonesian Survey Institute (*Lembaga Survei Indonesia*). The results, released only last Friday, March 4, indicate that the role of the U.S. armed forces in tsunami relief was viewed positively by 65% of the 1,200 poll respondents. Moreover, the poll showed that appreciation of U.S. counter-terrorist actions has increased and regard for Osama bin Laden has dropped to less than half of former levels. It is important to note however, that while this poll found overall U.S. popularity increased from 15% in 2003 to almost 34%, we still have a long way to go in establishing an overall positive opinion of the United States.

Recommendations

I would like now to suggest how the United States can enlarge its support of democracy in Indonesia and Indonesia's role as a progressive Muslim-majority society by implementing policies in four key areas: legislative and executive level exchanges; continuing to assist in tsunami recovery and reconstruction; assistance to higher education; and defense cooperation.

1. Continuing to Strengthen Indonesia's Democratic Political System

Mr. Chairman, the United States can continue to strengthen Indonesian democratization through interactions on the executive and parliamentary levels. High level dialogue not only fosters increased understanding of democracy and its global benefits, but also increases the political will and enthusiasm of elected Indonesian officials for sound democratic practices.

As you may know, last week a delegation of Indonesian parliamentarians, members of the People's Consultative Assembly or DPR, visited Washington and had a wide range of meetings with Members of Congress. Dialogues and exchanges such as this lead to knowledge-sharing in key areas such as foreign affairs and defense, a transfer of skills in budgeting, legislative drafting and research, and the promotion of sound oversight practices. It is important that the United States continue to promote interaction through Inter-Parliamentary Union (IPU) mechanisms and through Indonesian participation in the new congressional Democracy Assistance Initiative. The United States Congress should also send a strong delegation to the Asian Parliamentary Union (APU) meeting to be held in Indonesia in January 2006.

The continued advancement of democracy in Indonesia depends on establishing a closer pattern of relations and mutual understanding with the Yudhoyono government. Recent visits of high administration officials and Members of Congress have been instrumental in identifying areas of common concern, and these contacts have a beneficial public impact. Consideration also should be given to establishing a high level continuing Leadership Dialogue, comprising the public sector, business and industry, academia, the media and civil society representatives, similar to the bilateral dialogues with China, Australia and others in the Asia region.

2. Earthquake and Tsunami Reconstruction.

Mr. Chairman, the terrible disaster that struck northern Sumatra on December 26, 2004 has drawn an unprecedented response from the American people and around the world. The Yudhoyono government is grappling with the enormous task of reconstruction planning, the management of millions, indeed billions, of dollars in external assistance, and establishing the processes to guide the rebuilding effort. Based on my visit to Indonesia two weeks ago, reports from USINDO colleagues who have visited Aceh and other information available to us, we hope that our government will collaborate closely with and support the Yudhoyono government in the following five areas to help ensure success in the reconstruction:

- Listen to the people to ensure that reconstruction projects, planning for new human settlements and economic recovery have a sound popular basis;
- Energetically pursue efforts to achieve a political settlement of the long-festering insurgency, but also change the model. In addition to political talks with the expatriate leaders of the Free Aceh Movement *(Gerakan Aceh Merdeka or GAM)*, there should also be a wide consultative process involving local leaders and the people's elected representatives in the regional assembly and the national Parliament. A new consensus should be found to implement the special autonomy law in order to fulfill Aceh's potential *within* a united Indonesia;
- Ensure that there is effective accountability and transparency in the use of external assistance flows; the United States can make special expertise available to ensure that maximum possible financial integrity is maintained and institutions are strengthened against corruption. The millions of Americans who have contributed to this northern Sumatra relief and reconstruction effort demand no less.
- Enlist the help of the Indonesian and foreign private sectors by establishing a "one-stop shop" for project approvals to rebuild schools and other public facilities, restore economic livelihoods and promote dignity and self-reliance. The projected U.S. "private sector summit," now envisaged for May will be an important step in ensuring public and business support for long term reconstruction needs. USINDO is cooperating with the Asia Society, the Asia Foundation, the U.S.–ASEAN Business Council and the U.S. Chamber of Commerce in this private sector initiative.
- Keep Aceh open to *bona fide* organizations, experts and visitors assisting in reconstruction. International media coverage is also important to tell the story of Aceh reconstruction to the world, among other things to engender long term support. Although exercising prudence regarding personal security is necessary in certain areas, the people of Aceh will benefit from working closely with foreign donors in ways that will open up new choices other than siding with the GAM rebels.

Mr. Chairman, based on my experience as principal officer of the U.S. Consulate in Medan in the late 1970's, the people of Aceh and neighboring areas are resourceful, direct and action-oriented. Aceh's human resources should be mobilized through community development, civil society organizations and open-handedness to create a new society in the stricken areas and to strengthen the integration of reconstructed communities into the regional economy and infrastructure of northern Sumatra as a whole.

Indeed, there is already good news. A USINDO colleague who is developing our Aceh school reconstruction project visited the devastated west coast of Aceh last week. On the ruins of the flattened town of Calang, Indonesian Marines were establishing schools for orphaned and homeless children and were helping local citizens to construct temporary housing. Signs of new growth, both physical and psychological, are beginning to emerge and the always resourceful Acehnese are developing their own plans for reconstituting their communities.

I would submit that opportunities also should be found, through the wise use of external assistance, to upgrade priority *national* sectors, particularly tertiary education, Islamic schools and universities, and secondary schools so that *no region is left behind*. Creating a "gold standard" for only the hardest-hit disaster areas will not contribute in my view to national solidarity or democracy building.

3. Education, Education, Education

USINDO Co-Chair Edward Masters testified before this committee a year ago about the importance of human resource development to strengthen United States-Indonesian relations. As recommended in the National Commission report 18 months ago, there is a pressing need to expand cooperation between educational institutions of our two countries as existed in the 1970's and 1980's when U.S. assistance programs were better funded and centered on a web of university-level collaborations. Reductions in U.S. development assistance, public diplomacy and other programs in the 1990's have taken a serious toll.

President Bush's initiative to channel US$157 million into mainly basic education over the next six years is an excellent start, but U.S. educational assistance should be increased to focus especially on developing university centers of excellence to increase the numbers of Ph.D.'s, vastly upgrading tertiary-level teacher training, and enhancing English language and other academic skills. Attention should also be given to encourage the development of first-class academic research capabilities and enlarging the flow of students to the United States (presently less than 9000 Indo-

nesians are in American colleges and universities in contrast to 60,000 Chinese and 80,000 Indians). Finally, it is important that the United States continue to assist mainstream Islamic schools, universities and civil society organizations in a balanced and non-intrusive way.

Mr. Chairman, USINDO has been very active during the past year to promote university-to-university partnerships, the development of which will be pursued further in a conference in Jakarta on March 17–18, 2005. The United States should provide additional assistance to Indonesian higher education, and it is hoped that concrete proposals for a *Presidential Scholars Initiative*, named for President Bush and President Yudhoyono, will emerge from these deliberations, together with expanded individual university cooperative programs. Other bi-national and multilateral donors should also contribute to this effort, which is also aimed at restoring tertiary education in badly hit institutions in Aceh where over 100 Ph.D. scholars were lost in the tsunami disaster.

4. New Cooperation in Defense Relations

Mr. Chairman, the administration of President Susilo Bambang Yudhoyono—still less than six months old—and its renewed commitment to democratic reforms offer unparalleled opportunities to expand bilateral defense cooperation. It is little secret that Indonesian military capabilities have suffered from nearly 15 years of constrained assistance and contacts with the United States. This was seen in command and control deficiencies, airlift and technical shortcomings, and diminished interoperability skills during the recent disaster relief operations.

The reasons for the downturn in military-to-military cooperation have also permeated the overarching U.S.-Indonesian political relationship. But let me be clear: *no one is arguing for impunity* in alleged abuses that have been cited over the years, whether related to East Timor, domestic insurgencies, the suppression of democratic rights in connection with the *reformasi* movement beginning in 1999, inter-ethnic and inter-religious strife, or the killings of Americans and others in the well known Timika incident of August 2002 in Papua. Accountability, personal and national reconciliation, new efforts to promote political accommodation, and the application of internationally accepted human rights standards should pervade the more intensive relations now manifest between our two nations.

Mr. Chairman, within this frame of reference, there are important opportunities not to be lost.

An experts' review of United States-Indonesia defense relations, supported by a private foundation, was issued by USINDO in December 2004 and was discussed in conferences held in Washington, D.C. and Jakarta. USINDO soon will publish three monographs in the important areas of internal stability and defense reform, counter-terrorism and maritime security. The overriding conclusion of these experts (copies of their report are available) was that urgent and overlapping interests regarding maritime security and counter-terrorism in Southeast Asia require expanded U.S. assistance to the Indonesian armed forces in addition to substantial upgrading of police (POLRI) capabilities. Furthermore, access to U.S. training in order to upgrade the professionalism of middle grade officers is a cardinal requirement, combined with assistance to modernize logistical and other systems, in order to promote defense reform and contribute to internal stability, taking into account the new roles of the TNI and POLRI in a democratic society.

Mr. Chairman, my view is that future United States assistance should be addressed in two ways: first, *build up TNI capabilities*, and second, *advance defense reform* in the government and civil sectors.

Core military priorities are:

1. *Training:* IMET, Enhanced IMET and Foreign Military Financing (FMF) should be devoted to a five-year "crash" program to retrain captains, majors and lieutenant colonels in essential military skills, the humanitarian and other roles of today's military forces, and international standards of conduct. Improved military professionalism not only will lead to better individual performance, but also will promote interoperability with foreign forces (a need evidenced in Aceh relief operations), update international peacekeeping skills, and enhance sensitivity to the human rights aspects of military operations. This upgrading of military skills across the board is needed to fulfill the TNI's valid internal security role until police capabilities can be considerably improved.
2. *Air transport and logistics:* It is gratifying to know that, due to the U.S. release of impounded spare parts and equipment, 13 C–130 aircraft are operating now in contrast to 4 before the tsunami disaster. Other forms of air transport and logistical systems of the air force, navy and ground forces

should be upgraded to minimum operational standards. If there is to be effective regional cooperation in counter-terrorism and maritime security, the TNI must have the support platforms necessary to sustain patrolling and interdiction operations.

3. *Maritime security:* The full US$6 million in FMF, as proposed in 2004, should be provided for the Indonesian Navy in 2005 to upgrade its sea patrolling operations. Additional assistance should be sought from South Korea and Japan, which also have important interests in maintaining maritime vigilance in Southeast Asia. The United States should also assist Indonesia and its neighbors to develop a Common Maritime Picture, entailing the integration of information from all sources, to track ship traffic in the Malacca Strait and critical sea space in the surrounding region. Secure, compartmented and reliable communications are also required to facilitate exchanges of information relating to counter-terrorism and maritime law enforcement. Consequently, I recommend that the United States fund a modern multinodal communications network whereby military, intelligence and law enforcement officials in the region can readily exchange sensitive operational information.

Mr. Chairman, an essential part of the advancement of democracy is capacity building to promote effective command and control of the armed forces as well as to enhance civil society's role in national defense and security affairs. My suggestions for priority U.S. assistance in the civil sector would include:

1. *National command authority:* The Aceh experience showed that Indonesia's command and control system requires upgrading and connectivity with the President's Office, the Coordinating Minister for Justice, Political and Security Affairs, the Ministry of Defense, TNI headquarters at all levels, the Police, associated national security bodies, and disaster management agencies. Any chief executive in today's world must have reliable and redundant means of communicating with all key elements of government. The United States is uniquely qualified to help Indonesia construct a modern command, control and communications (C3) network to provide connectivity with the top-most level of government that would also include an effective, real-time reporting system for all echelons of the national security structure.
2. *National Defense Council and expert staff:* There already is provision in law for the creation of a National Defense Council and U.S. experience is directly applicable to Indonesia's needs. The United States should provide advisory assistance to establish a system in the President's Office to ensure that the chief executive is able to coordinate with his key national security advisors and that processes are in place to expedite essential advice on important policy and operational matters.
3. *Ministry of Defense:* Training and advisory assistance, in addition to expanded technical staffs in strategic planning, management, budgeting, logistics, and force planning are needed to enable the ministry under its present farsighted and experienced leader, Minister Juwono Sudarsono (who will visit Washington next week) to fulfill its essential constitutional role. The United States should set up special programs at the U.S. Naval Postgraduate School in Monterrey and elsewhere to provide intensive assistance and training on a multi-year basis. Additionally, the Center of Excellence of the Pacific Command should provide intensive training and other assistance to develop an effective national disaster management system.
4. *Civil Sector:* U.S. assistance should not only be confined to the government and armed forces, but civilian capacities also should be built up, perhaps through a qualified non-governmental organization (NGO) or think tank, to expand academic courses and research for the study of military affairs, civil-military policy development and institutional reform. Elevating public discussion of important politico-military policy matters will enrich national policy making as appropriate in a democratic society.
5. *Military Justice System:* In a little heralded development last September, the military justice system was placed under the Supreme Court which is undergoing its own wide-scale reform and restructuring. Targeted U.S. assistance could be provided through a qualified NGO to help mesh the military and civil systems, provide cross-training, enhance judicial accountability, and sponsor training in international humanitarian law and the law of armed conflict.

6. *Parliamentary Oversight:* As evidenced in the visit to Washington of a parliamentary delegation last week, there is scope for improving linkages between the U.S. Congress and the DPR, as well as providing training and orientation in key defense and foreign relations subjects, international human rights law and practice, legislative drafting and research support. USAID assistance and direct Congress-DPR programs should be expanded to promote effective oversight by Indonesia's democratically elected representatives.
7. *Reconciliation with East Timor:* With the imminent launching of a Commission of Truth and Friendship (CTF) by Indonesia and East Timor, it should be possible for the United States to provide legal and other advisory assistance through a qualified NGO to make this process more meaningful. As the former head of the U.S. Department of State's Cambodian Genocide Initiative, I believe that American specialists can offer a great deal to enrich the work of the commission in a non-intrusive and politically neutral fashion, while correctly upholding the responsibility of the two governments to guide this process.
8. *Aceh and Papua Demobilization:* As done in the southern Philippines, the United States should support qualified organizations to retrain and resettle demobilized insurgents in war-torn Aceh and also in Papua. Providing insurgents with new livelihoods, reuniting them with their families, and relocating them in stable and non-threatening environments would facilitate political accommodations within the framework of Indonesia's special autonomy law.
9. *Police Assistance:* The United States should help marshal international assistance to increase the size national police (POLRI) to over 1 million officers, closer to the United Nations civil policing standard. Community policing should also be expanded, as should the number of indigenous police officers in Aceh and Papua taking into account special autonomy provisions. U.S. counter-terrorism assistance to the police should also be maintained.
10. *Privatization:* The Ministry of Defense, under national law, has already begun to regularize the status of military-run businesses and to try to supplant extra-budgetary support with annual allocations from the national budget. This process should be enhanced and there is an opportunity for the United States to provide assistance, perhaps in connection with the World Bank, to bring military businesses under appropriate national surveillance, prepare them for privatization, and provide compensatory budgetary support.

Mr. Chairman, I fully realize that the foregoing menu of areas for potential U.S. engagement with Indonesia is extensive, if not overly ambitious. We at USINDO are hopeful that next week's visit to Washington of Defense Minister Juwono Sudarsono, who is a well-recognized authority on defense reform, will launch the United States and Indonesia on a path of collaborative, multi-year cooperation to address foremost professional, capabilities, structural and civil sector needs. Strong United States commitment to advance democracy is fully justified in light of developments in Indonesia since 1999. In my personal view, the Bush Administration's decision to lift restrictions on U.S. training and assistance is timely, if overdue, in terms of pressing joint interests in maritime security and counter-terrorism as well as the recent earthquake and tsunami tragedy.

Concluding, Mr. Chairman, my assessment is that the government of President Susilo Bambang Yudhoyono offers the best opportunity in well over a decade to deepen cooperation along a broad front for the purpose of locking in democracy for all the people within a united Indonesia. As Professor Karl Jackson of Johns Hopkins University, a prominent expert on Indonesia, remarked at a USINDO seminar last November, "If not SBY, who? If not now, when?"

Thank you, Mr. Chairman, for the time and attention of this eminent committee.

[Ambassador La Porta's remarks are his own and do not necessarily represent those of the USINDO boards of trustees and advisors, corporate supporters or Friends of the Society.]

Mr. LEACH. Thank you, Ambassador.

Dr. Ramage?

STATEMENT OF DOUGLAS E. RAMAGE, PH.D., REPRESENTATIVE, INDONESIA AND MALAYSIA, THE ASIA FOUNDATION

Mr. RAMAGE. Thank you, Mr. Chairman, for inviting me to testify before this Subcommittee on Indonesia's democratic transition. It is an honor to be here today.

As you know, I reside in Indonesia, in Jakarta, where I have been the Asia Foundation's representative since 1996. Since that time, I have been fortunate to witness Indonesia's remarkable transition to democracy over the past 8 or 9 years.

It is my experience and support for Indonesia's democratic transition through the foundation's support for democracy programs that informs my testimony this afternoon.

Given time constraints, I will summarize my remarks and, as my colleagues have requested, ask that my written statement be placed in the record.

Indonesia in 2005 is not a nation in crisis any longer. Following an enormous amount of turmoil over the past several years, Indonesia has emerged, as you have stated in your opening remarks, as a relatively stable country with a democratic system of government. It is also a highly decentralized system of government.

As we have just heard other witnesses mention, Indonesia under its recently-elected President, Susilo Bambang Yudhoyono, is continuing on a path of democratic consolidation and, importantly, is also taking steps to improve Indonesia's economic performance. And despite the earthquake and tsunami devastation in Aceh, we must consider Indonesia to be in relatively good shape, particularly when we compare Indonesia today to the things we worried about with regard to Indonesia over the past several years. The state of United States-Indonesian relations is stable, mature, cordial and, I believe, mutually beneficial.

It is worth asking how this could be the case. Why should we be somewhat upbeat about Indonesia today, especially because they only ended their authoritarian period a few years ago, and particularly when here in Washington a lot of our concerns were that Indonesia was either disintegrating—some would say Balkanizing—or being taken over by radical Islam, Talibanizing, as one Member mentioned to me a couple of years ago?

That Indonesia is not that way, that in the wake of free and fair elections last year, Indonesia is democratic, unified and at peace is remarkable.

Having said that, Indonesia faces enormous problems of governance, terrorism, poverty, unemployment, and threats to the environment. But let us briefly consider what has been achieved, it is worth mentioning very briefly, since 1998: A thriving free media, free labor unions, free political parties, a powerful Parliament, passing a batter of reforms, checking the power of the Presidency, and, finally, modest economic recovery.

Some other forms I would like to mention with a little more specificity because they have moved with an alacrity and a commitment that was unimaginable just a couple of years ago. The first I want to highlight are reforms in the Indonesian judicial system. The Indonesian judiciary is in the midst of a thorough going reform process. The reform-oriented chief justice has launched a far-reaching restructuring and reform process with support from the Asia Foun-

dation and USAID, an important step in achieving a judiciary free from political interference. Even though we tend to focus on the bad decisions of the court, as was mentioned earlier—the light sentencing of Abu Bakar Baasyir last week—few have noted the way the courts have been busily convicting and sentencing scores of terrorists. I think we can say it arguably has the best record in the region.

The issues now and the problems for the courts in Indonesia are dealing with pervasive corruption and criminal interference in the judiciary, but the one thing we can say for sure, the Indonesian courts are not used to enforce the political will of the Government as they were during the authoritarian period.

As has already been heard from previous witnesses, the Indonesian armed forces have also begun to reform and although there is still a pressing agenda for further civil military reform, we must acknowledge the Indonesian military out of Parliament and secundments to civilian posts have ended.

Importantly, and this will probably be an issue which will come up in your discussions with the Minister of Defense in his visit to Washington this week, there is a degree of defense budget transparency emerging in Indonesia which was unimaginable just a year or 2 ago.

Just a year ago, I would not have told this Committee that the Indonesian national police is also on a surprisingly firm reform path. The reform started with the separation of the police from the Indonesian armed forces 4 years ago. They are now increasingly under civilian control and are undertaking ambitious community-oriented policing programs for the first time in years in actual response to citizen needs. The Indonesian police now for the first time is focusing on reducing crime, something they had not really been focused on for a long time, and the police have also demonstrated their competence by showing they can investigate complicated terrorism cases. What that is doing is prompting Indonesian citizens to say, if you can do that, if you can handle complicated terrorism cases, then you can reduce crime in our neighborhoods. Now that is starting to happen in a number of Indonesian cities.

I think the most striking reform, and you highlighted it in your opening remarks, Mr. Chairman, is the adoption of free and fair elections which resulted in such a peaceful change of government now on several occasions. As we know, these are the hallmarks of any stable, mature democracy.

It is worth reemphasizing that last year more Indonesians voted in more elections for more candidates and more peacefully than any other citizens anywhere in the world. It is ironic to me, residing in Indonesia, to hear Indonesians complain that voter turnout dropped from 90 percent in 1999 to only 80 percent last year. They think this is a problem and it shows their democracy is not as vibrant as it should be. A culture of democracy to my mind has clearly taken root in Indonesia.

I think the other important thing to emphasize on the elections is that citizens did not vote based on Islam. People did not choose political parties based upon their religious affiliation. Instead, con-

cerns about good governance and corruption seemed to most animate the way people voted.

Let me mention in my concluding remarks two things that I think indicate the way the Government under President Yudhoyono is on a reform path. The appointment of a competent cabinet, particularly in the areas of human rights and law enforcement. Indonesia now has a noted legal aid campaigner as its Attorney General and it has a noted human rights activist as its Minister for Justice and Human Rights. Again, this was unimaginable a few years ago and a sharp difference from the Megawati Government.

I think the other important thing to mention is evidence that the President will make tough, politically unpopular decisions to help reform the economy. He just reduced the fuel subsidies, resulting in a 30 percent increase in fuel prices, but this was a critical move to remove distortions from the Indonesian economy.

In conclusion, in returning to the overall theme of Indonesia's successful democratization, I would like to emphasize that even though Indonesia democratized because of Indonesians' political will and commitment, it is also United States development assistance which has made a difference and been important in Indonesia's democratic transition.

Indonesia is a country where the United States has gotten it right. In other words, through assistance to build democracy starting back in the 1980s, a full decade before Suharto fell, the United States invested in civil society organizations and importantly, many of them were Muslim organizations, and individuals who have since become leaders of today's democratic Indonesia. I think it is a record and a relationship to be proud of.

Thank you very much.

[The prepared statement of Mr. Ramage follows:]

PREPARED STATEMENT OF DOUGLAS E. RAMAGE, PH.D., REPRESENTATIVE, INDONESIA AND MALAYSIA, THE ASIA FOUNDATION

"INDONESIA IN 2005: STABLE, DEMOCRATIC AND DECENTRALIZED"

I. Introduction

Thank you for inviting me to testify before this Subcommittee on Indonesia's democratic transition. It is an honor to be here today. I reside in Jakarta, Indonesia where I have been the Representative of The Asia Foundation since 1996. I have been fortunate to witness, and as the Foundation's Representative, to provide support for, Indonesia's remarkable transition to a stable democracy during this time. My experience supporting Indonesia's democratic transition through the Foundation's technical assistance and grants to both Indonesian democracy organizations, as well as in support of reformist Indonesian government agencies, informs much of my testimony today. Given time constraints I will summarize my remarks in the time allowed and I ask that my written statement be placed in the record.

Indonesia in 2005 should *not* be seen as a nation in crisis. Following a lot of turmoil over the past several years, Indonesia has emerged as a relatively stable country, with a highly decentralized, democratic system of government. Indonesia, under its recently elected President Susilo Bambang Yudhoyono, is continuing on a path of democratic consolidation and slowly improving its economic performance. *Despite* the earthquake and tsunami devastation in Aceh, Indonesia should be considered to be *in relatively* good shape—particularly given the fairly dire predictions and worries of the past several years. And the state of U.S.-Indonesian relations is also stable, mature, cordial and mutually beneficial.

Yet how could this be the case? Why should we be somewhat upbeat about Indonesia today? After all, it's been only seven years since the end of *four decades* authoritarianism under President Soeharto. Especially when over the past several

years many observers feared that Indonesia was either disintegrating—Balkanizing—or being taken over by radical Islam—Talibanizing.

II. Context: Indonesia's Emergence as a Stable Democracy

In the past seven years Indonesia has experienced a severe economic recession and hyperinflation brought on by the 1997–98 Asian Financial Crisis, shocking episodes of communal violence, and political instability. And yet in 2005, in the wake of three free and fair elections last year, Indonesia is more stable, democratic, unified, and at peace than it has been for years. In short, Indonesia feels more like a "normal" country than it has for years, struggling with the normal, albeit challenging, and in some instances, severe problems of governance, poverty, slow economic growth and unemployment, social welfare and environmental protection.

But let us consider briefly what has been achieved since Indonesia threw off authoritarianism in 1998 and has been rarely captured in journalists' reporting: a thriving free media, free labor unions, free political parties, a powerful parliament passing a battery of reform legislation and checking the power of the presidency, and modest economic recovery. Some reforms have even moved with alacrity and commitment that could not have been imagined even a few years ago, and tend to be only barely recognized now. Let me focus in further on these particularly striking examples of reform and democratization:

1. The Indonesian *judicial system* is in the midst of thorough-going reform. The Chief Justice of the Supreme Court has launched a far-reaching reform and restructuring process, which The Asia Foundation and USAID have supported through our law reform programs. This is an important step toward achieving an independent judiciary free from political interference. (Many observers have focused on the "bad" decisions, such as light sentencing of Abu Bakar Ba'asyir last week; but few have noted the way the courts have been busily convicting and sentencing scores of terrorists—arguably the best record in the region.) Corruption and "criminal" interference in the judiciary are the issues now, but the courts are absolutely *not* used to enforce the political will of the government as they were under Soeharto.
2. The Indonesian *armed forces* have also begun to reform. The military gave up much of their political power under pressure from civil society and voters and with a speed that is striking when compared with situations in some other post-authoritarian states. Though there is still a pressing agenda for further civil-military reform, it must be acknowledged that the military are now out of parliament, secondments to civilian posts have ended, there is the very beginning of a degree of defense budget transparency unimaginable a few years ago, and the military is increasingly under civilian control. While much remains to be done to further entrench a professional armed forces in the context of a democratic Indonesia, but clearly a lot of the hard work has begun, *and* begun to take root.
3. Just two years ago I would not have told this Committee that the *Indonesian National Police* would, today, be on a surprisingly firm reform path. And this reform started with the separation of the police from the armed forces four years ago. The police are now are also increasingly under civilian control, and are undertaking ambitious "community-oriented policing" programs in response to citizens' needs—focusing increasingly on the need to reduce crime and improve services to citizens. The police have also repeatedly demonstrated their increasing competence in investigating acts of terrorism and apprehending perpetrators of recent bombings—Bali, Marriot, and the Australian Embassy bombings. It's a relatively strong record, one of the better police records in the region on the terrorism issue.
4. Of all the reforms, one of the most important is the change from Jakarta-centric government to a *highly decentralized system*. Most government authorities have been rapidly shifted to districts—essentially counties—and municipal or city governments, over 440 in total. Most citizens can now effectively interact with their government and where communities are best able to hold government accountable. Now citizens know who is responsible, who is accountable—and its no longer distant bureaucrats in Jakarta. The challenge now is for citizens and local governments to use these new authorities and to show that democracy in Indonesia will also lead to tangible improvements.
5. Finally, the most striking reform is the adoption *of free and fair elections* resulting in peaceful changes of government. Peaceful, transparent, transfers of power, from one government to the next, from one leader to another, are hallmarks of stable, mature democracies. Transfers of power in Indonesia

> have in the past been wrenching and violent, in 1942, 1945 and 1965/66. In May 1998, many fully expected Soeharto to use force to remain in power. The fact that he did not, and at the end of the day, quietly stepped aside will likely be acknowledged in history. His successor, hand-picked B.J. Habibe graciously conceded his electoral loss in 1999, and in ,the past year President Megawati has quietly left the presidency after the people passed judgment on her government and found it wanting.

And in 2004, in the first direct presidential elections in Indonesian history voters gave an overwhelming popular mandate to Susilo Bambang Yudhoyono, Indonesia's 6th, and first-ever popularly elected, president.

It is worth reemphasizing: In 2004, *more* Indonesians voted in *more* elections and for *more* different candidates—and *more* peacefully—than any other country's citizens, *anywhere* in the world. In fact, Indonesians actually *complained* that voter turnout "dropped" from the world's highest in a free society (over 90 percent in the 1999 elections) to about 75 percent in 2004 (still one of the world's highest voter turnout rates). A culture of democracy has not only taken root in Indonesia, but begun to flourish, in ways often not seen in supposedly "mature" democracies.

And moreover, when Indonesians got the chance to vote freely and fairly for the first time in nearly fifty years, citizens did *not* choose parties and candidates based on their religious affiliations. In other words, people did not vote based upon Islam *per se*. The emergence of terrorism, inspired by radical groups mis-appropriating Islam, led some analysts to worry that voters would be attracted to parties espousing an Islamist perspective. However, these observers failed to separate the decades-long growing *piety* of Indonesians, *from* militancy and radicalism. That is, terrorism in no way demonstrated any popular, citizen base of support for the *theology and politics* of the terrorists. Clearly, there is no broad-based support for militant Islam.

Voters instead chose based on a more "modern" combination of interests—concern about good governance and corruption and, of course, personality and perceptions of "leadership."

Yet our impressions, drawn from headlines and images, and from analysis we can now see as off-base, have been of a nation disintegrating and radicalizing. In 1998–99, some analysts and plenty of journalists talked of the "Balkanization" of the nation, buying the line that Indonesia had been "held together" through coercion and that national unity was a facade, maintained and enforced by the military-backed New Order regime. Images of separatist movements in East Timor and Aceh were extrapolated and assumed to reflect the situation in much of the nation.

When the Habibie government crafted and passed a package of radical decentralization measures, the "woe is me" crowd pronounced that the planned rapid devolution of most political and financial authority to over 440 district and municipal governments would be disastrous. The nation would soon be in the grips of "warlords", "little Soehartos" and other unaccountable mini-dictators. And to further dramatize the prediction of a splintered, ravaged Indonesia, observers also assumed that corruption would actually increase in the post-Soeharto period. (In fact, we see today that while corruption is extremely widespread and pervasive, it has also "decentralized,"—and it has become easier to tackle at the local level. In West Sumatra, for instance, 43 members of the provincial assembly have been convicted and sentenced for graft—boondoggles of $700,000 uncovered thanks to the efforts of a local NGO.

So why has Indonesia endured so well in recent years, confounding these apocalyptic forecasts? How did Indonesia shrug off so quickly the repression of the New Order? There are three likely answers:

First, many of Indonesia's reformers knew prior to Soeharto's fall that the over-concentration of power in Jakarta threatened the integrity of the nation, thus devolution of that power—the voluntary and wholesale surrender of authorities by the central government—occurred remarkably swiftly. The result of this transfer of power to local governments immediately removed one of the longstanding complaints of citizens—that Jakarta controlled "everything." Now, responsibility and accountability of government to citizens rested primarily in districts and municipalities. Does this mean that local governments are providing better services to citizens? No, in most cases not yet, but local government is now structured in a way that will eventually allow better provision of improved services and higher accountability to voters.

Observers also failed to consider a link between centralized politics and governance and communal violence. Why didn't the vicious post-Soeharto communal violence, some of it based on religious and ethnic conflict (in Ambon, for example), spread throughout the archipelago? Because the problems of Indonesia may have never been really based in what former President Abdurrahman Wahid called the

"primordial" issues of race, religion and ethnicity, but were instead derived from highly localized economic and political problems. Local problems did not lend themselves to Jakarta-based solutions. Indeed, once Indonesia decentralized there was an accompanying decline in local, supposedly "religious" and "ethnic" conflict. While such a decline in conflict may be coincidental, it is more likely because of the brilliance of a democratic Indonesia devolving problem-solving to local communities.

Second, much of the basic structure of a modern state was already in place. The New Order bore the structure and language of a democratic state—such as regularized elections—but not the content. And, somehow, citizens knew what was missing.

Third, rhetoric matters. During the New Order the government never ceased to use the language and institutions of democracy—representation, peoples' sovereignty, legislatures, elections, rule of law, courts, and the constitution—to buttress its legitimacy. But precisely because under the New Order Indonesia remained a relatively open society, with access to information, mass media, and even entertainment from around the world, citizens knew what a democracy should look like and how a democracy should be implemented. The first nationwide survey of Indonesian understanding of democracy in 1999—it was conducted by The Asia Foundation—showed that citizens had a remarkably well-informed view of what values constituted a democratic state, and which parts were lacking in Indonesia. Similarly, in 2001 in the first-ever nation-wide survey of citizen attitudes towards the judiciary and police, also conducted by the Foundation, we also saw that citizens knew how police should behave and what kind of treatment courts should give citizens.

These surveys provided a remarkable snapshot of the persistence, and even development, of a "culture of democracy" in Indonesia throughout the New Order. Therefore, when we consider again the question "Why has Indonesia made such a remarkably swift and peaceful transition to democracy?" we must look harder at the New Order itself and how it may have, ironically, bequeathed to Indonesia, in part, its current democracy.

Indonesia's democratization movement did not begin with the fall of the New Order. Rather, it began with the overthrow of the Sukarno and those citizens who envisioned a country that deserved more than the dictatorship known as "Guided Democracy" under Sukarno. Perhaps ironically, Soeharto's New Order itself, by improving lives through expanded education, improved infrastructure, telecommunications, and better health, gave Indonesians a *cushion*—thereby allowing Indonesian civil society to plan for the day when Soeharto left the scene.

One of the lessons of the authoritarian New Order for Indonesia's new democracy may be that ideas matter. Ideas and language and discourse about a democratic Indonesia, born in the struggle against feudalism and against colonial rule and then continued against dictatorship and authoritarianism, amply prepared Indonesians to flesh out the democratic outline the New Order had, paradoxically, indoctrinated into them.

"Formal" politics may have been stilted, repressed and the freedom to mobilize the masses severely restricted, but now, well into Indonesia's new democratic era, we can see that repression diverted citizens' energies, and creativity flowed into areas of civic life that were not conspicuously "political."

Religious organizations and civil groups flourished. NGOs under the umbrella of Islamic mass organizations were particularly dynamic. Islam in Indonesia began a thorough-going theological and social renaissance, in which enormous innovation went into re-thinking the role of religion in democratic life, and the relationship between Islam and politics in a pluralist Indonesia. Almost unique in the Muslim world, Indonesian Muslim intellectuals and community leaders came to the forefront of what later became the democratization movement. The quiet resistance of some Muslim organizations to the New Order's intervention in their affairs established these groups and their leaders as key forces for a democratic Indonesia from the 1980s on. In fact, it was precisely these leaders of Islamic organizations that came to play such a critical, reform-oriented role in Indonesia's new democracy.

In the foreword to a forthcoming book, *Indonesia in the Soeharto Years: Issues, Incidents and Images*, Goenawan Muhammad states that "control of community life was almost total" in the New Order. Indeed, *almost*. It was in the intellectual, community, civil society, religious, and arts communities that the idea of a better, more just, more open, and more democratic Indonesia remained vivid. Thus, when Soeharto fell, the nation did not fall. In the New Order the state was perceived to have tried to control most, if not all, aspects of national and community life. And yet either because the Soeharto regime may have consciously decided not to try to control everything, or simply because they tried and failed, the end result was the same: the decades of the New Order were highly varied in terms of social and political control, control was *never* uniform, constant, or total, despite episodes of appalling violence, repression, and restrictions on civil liberties. By the mid-1990s, when

Soeharto was his most powerful, Indonesia boasted over *12,000* active non-governmental organizations, many working since the early 1970s to strengthen community development, to improve human rights, to provide legal services to the poor and politically disenfranchised, to protect the environment, and even to monitor elections. The arts also flourished and, like religion, became an outlet for political dissent and creativity.

Ironically, the New Order's obsession with democratic "structure" (if not content), democratic language and rhetoric (if not reality), and an unwillingness, or inability, to control all aspects of community life, has somehow left Indonesia more stable, democratic, and hopeful than could have been imagined just a few years ago. For the first time in modern Indonesia's history, government has been held accountable to ordinary citizens, spectacularly so, through peaceful, orderly processes. Indonesia's severe problems of poor governance, environmental degradation, and poverty are the challenges—and opportunities—of a normal nation. The crisis has passed. And seven years into Indonesia's new democracy, Indonesians have surprised the naysayers and the analysts, and perhaps even themselves, and emerged as an increasingly self-confident, democratic nation.

Given this overall context of Indonesia's relatively rapid transition to a stable democracy, let's turn to brief overview of how Indonesia is faring under the first four months of the Administration of President Susilo Bambang Yudhoyono. Five developments in recent months merit note:

1. *The appointment of a reasonably competent cabinet*, with some outstanding choices, particularly in the justice, politics, and human rights sectors. A noted legal aid campaigner and law reform advocate was named as Attorney General. And a recognized human rights activist became Minister of Justice and Human Rights. A highly respected civilian is now Minister of Defense.
2. The appointment of a *professional, competent, reasonably apolitical, trio of military service chiefs*. There was a clear rejection by the President of the more hardline, politicized officers.
3. *There is also evidence that the President will make tough, politically unpopular decisions to help reform the economy*—seen in his decision to significantly reduce fuel subsidies (key to improving the budget and removing distortions in the economy) that resulted in a 30% increase in fuel prices.
4. The President and the government appear to have a *commitment to an anti corruption program*—seen in the appointment of the Attorney General, and permission of the government to try the Governor of Aceh on corruption charges (the prosecution is seeking an eight year sentence);
5. President Yudhoyono has also kept to his campaign commitment to *refocus attention on Indonesia's infrastructure and investment needs*—and to highlight the need for Indonesia to attract much greater foreign investment.

It is also relevant to take note of how the Indonesian government has responded to the December 26th Tsunami, particularly in terms of how Indonesia allowed and facilitated immediate and massive international assistance to flow into Aceh—an area that has been wracked by conflict for decades, including an on-going insurgency and on-going military operations against it. Despite the massive loss of life and destruction in Aceh, the Yudhoyono administration also demonstrated that it continues its overall Indonesia-wide development and reform agenda. In other words, I believe the government deserves accolades for *not* focusing *solely* on Aceh, at the expense of other pressing reform issues, particularly related to the economy. President Yudhoyono resisted some suggestions from the international community to postpone his much-promoted "infrastructure summit" and the annual Consultative Group on Indonesia (CGI) meeting, of which Indonesia was, for the first time, the Host this year. The overall effect: demonstration that this government is competent and *professional at managing multiple issues and agendas.*

I know the committee is already deeply aware that the American relief operations have also *strengthened US-Indonesian bilateral relations*—which, as I noted in my introduction, were already stable, mature, cordial and mutually beneficial. But there was clearly a positive demonstration effect of massive US public and private assistance in Aceh. Indonesians have explicitly noted their appreciation for not only the American, but especially the huge five year Australian commitment of one billion Australian dollars, as well as other bilateral pledges.

This disaster also presents an opportunity, to some extent, to resolve the Aceh conflict—restating of negotiations with the Free Aceh Movement. The President also surprised observers with the appointment of new negotiating team, with Hamid Awaluddin, Minister of Justice and Human Rights, and Chief Negotiator, and oversight by Coordinating Minister for Political and Security affairs, retired Admiral

Widodo. It is a fresh team, hopefully bringing new approaches and style to the negotiations.

In conclusion, and returning to the overall theme of Indonesia's successful democratization—I would also like to emphasize that, although Indonesia democratized because of widespread *Indonesian* political will and commitment, U.S. development assistance, much of it in collaboration with The Asia Foundation, has also made a difference and has been important in Indonesia's democratic transition.

Mr. Chairman, Indonesia is a country where the U.S. has gotten it right—In other words, through assistance to build democracy starting in the 1980s, a full decade before Soeharto fell, the United States invested in organizations—many of them Islamic organizations—and individuals who have since become the leaders of today's democratic Indonesia. It is a record and a relationship to be proud of.

Thank you.

Douglas E. Ramage has been The Asia Foundation Representative to Indonesia since 1996. The author of Politics in Indonesia: Islam Democracy and the Ideology of Tolerance *(London: Routledge, 1995 Second Edition 1997), Ramage first came to Indonesia as student in 1983 and has lived and worked in Indonesia for over twelve years.*

Mr. LEACH. Thank you, Dr. Ramage.

Mr. McWilliams?

STATEMENT OF MR. EDMUND MCWILLIAMS, BOARD OF DIRECTORS, INDONESIA HUMAN RIGHTS NETWORK AND FORMER POLITICAL COUNSELOR WITH THE U.S. EMBASSY, JAKARTA

Mr. MCWILLIAMS. Thank you, Mr. Chairman, for this opportunity to talk to the Committee and to the people in the room about the situation in Indonesia.

Essentially, you have heard the good news and I am afraid by virtue of the topic I have been assigned to talk about, that is, human rights, this is the bad news.

We have in Indonesia a new Government, a fragile, fledgling Government that unfortunately is not prepared and not capable of defending fully the fundamental human rights of their own people. The principal menace to those fundamental human rights and also to this Government is posed by essentially the Indonesian military.

The U.S. State Department in its annual *Human Rights Report* described the military force, and I would just quote as follows from that report:

> "Security force members murdered, tortured, raped, beat and arbitrarily detained civilians and members of separatist movements especially in Aceh and Papua. Retired and active duty military officers known to have committed serious human rights violations occupied or were promoted to senior positions in the government and in the TNI."

The Indonesian military operates a huge bureaucratic infrastructure that reaches from the central Government down to the village level. It is essentially a shadow government that challenges the civilian infrastructure at all levels.

The Indonesian military also operates a vast business empire which includes many illegal businesses, to include drug trafficking, extortion of foreign firms and also domestic firms, prostitution rings, illegal trafficking in timber and endangered species and also human trafficking.

The Indonesian military uses this very large business enterprise and specifically the income from it to provide funding for over 75 percent of its budgeting on an annual basis. This income enables

it to avoid the controls of civilian budgetary advisors and implementers.

Defense Minister Sudarsono, who has no effective power over the Indonesian military, recently said very candidly, "The military retains the real levers of power. From the political point of view, the military remains the fulcrum in Indonesia."

Over the last decade or more, the U.S. Congress, recognizing the situation regarding human rights in Indonesia, has imposed very severe restrictions on our capacity to work the Indonesian military. Originally, the concern was raised by an incident in 1991 when the Indonesian military in East Timor slaughtered over 270 peaceful demonstrators. Since that time, the conditionality that has been imposed by the Congress, and I might say under bipartisan consensus, has been extended.

In 1999, as was mentioned earlier, the Indonesian military and its militias responded to a vote by the people of East Timor for independence by slaughtering over 1,400 East Timorese, forcefully displacing 250,000 of them from their homes and destroying 70 to 75 percent of the infrastructure of that small country.

In recent years, while conditionality has remained in place on FMF and other matters of relationships between our two militaries, IMET conditionality has been reduced to a single condition.

In 2002, as has been mentioned earlier today, a small group of American teachers were attacked by people still unknown on a militarily-secured road in Timika in West Papua. Two American citizens were killed, also one Indonesian citizen was killed, and eight Americans were wounded.

Reacting to the very slow cooperation on the part of the Indonesian Government with the FBI, the Congress imposed a requirement that before IMET could be extended to the Indonesian military, the Secretary of State would have to certify that cooperation had improved. And indeed there was full cooperation between the Indonesian Government, military and our FBI.

On February 26th, Secretary Rice actually offered that certification.

With due respect, sir, I would say that that certification is bogus. In point of fact, the Indonesian cooperation has been inadequate and, in fact, we can speak of obstruction in terms of the Indonesian reaction to that investigation. For example, in 2004, a United States grand jury indicted one single Indonesian individual for the attack in Timika in 2002. The Indonesians for their part, however, have not indicted anyone at all and indeed specifically have not indicted the Indonesian that our courts indicted; moreover, they have not even detained this one individual.

In addition, the Indonesians have delayed for 8 months the return of the FBI team to Indonesia to conduct its investigations into this murder which is still unresolved.

I think also it is important to note, sir, that the TNI has itself been alleged to be involved in that murder. Indeed, the initial Indonesian police investigation pointed to the TNI as being involved in the murder.

I would also note, sir, that we have a situation in which the TNI, according to recent evidence supplied to the Administration, was actually directly related to the one indicted individual.

This growing embrace of the TNI by the U.S. Administration ignores other realities, specifically, ongoing human rights depredations in Indonesia.

Congressman Faleomavaega spoke eloquently earlier about what is going on in West Papua, where military operations since last summer have forced thousands of civilians into the forests. Their villages have been burned, their stocks destroyed, their livelihood basically destroyed. Moreover, it has been impossible for church organizations and other human rights organizations to get assistance in to these people because of the travel ban imposed by the military.

In Aceh, where Secretary Huhtala has said that basically they have had an admirable performance, the TNI in fact has a very bad record. As you probably know, for the last three decades, they have run a military operation which has cost the lives of over 12,000 Acehnese. Many people thought in the wake of the tsunami that there would be a chance to basically get to a more peaceful resolution of the conflict between GAM, the Free Aceh Movement, and the Indonesian military. Unfortunately, the Indonesian military, despite calls from President Bambang Yudhoyono for a cease-fire, have continued military operations. This is a continuing problem in Aceh.

I would also like to speak very briefly, sir, about the notion that the United States would like to seek from the TNI a partnership in the war on terror. It is important that we understand the Indonesian military has been directly involved in terrorizing and intimidating its own population. This has been in part through the formation of militias and more recently essentially Islamic fundamentalist militias who have been direct participants in fighting in places like Maluku and Centra Sulawesi, where in the last few years thousands of people have died.

It raises the question of whether a military such as the TNI that has been directly involved with terrorist militias, such as Laskar Jihad and Laskar Mujahideen in Indonesia, would make worthwhile partners for the United States.

I would say in conclusion, sir, that it is important to understand that the Indonesian people themselves, despite this backdrop of terror and intimidation, have shown great courage in basically confronting the corrupt and often undemocratic elements in their own society and in the military, but this courage has had its costs. A number of human rights advocates, perhaps the most prominent of them being Munir, have been killed for their efforts. Munir was poisoned with arsenic back in September of this past year. Another individual, Jafar Siddiq, known to many people in this room, who was actually a U.S. permanent resident, returned to Aceh to fight for human rights in 2000. He was kidnapped, tortured and murdered. Both for Munir and for Jafar and for 12 other human rights advocates who have been killed since 2000, there has been no justice. There have been no prosecutions, no one has been detained in any of these incidents.

I would recommend very shortly, sir, that we continue to speak out against intimidation of these human rights activists. I would also suggest, sir, that the United States should demand full accountability for the TNI, that we should encourage the Government

to deal with grievances of the people of Aceh and West Papua and other areas through dialogue, rather than resort to the use of military. We should continue with our restrictions on FMF, and I would strongly recommend that we reinstate the ban on IMET for 2006.

Thank you for your attention, sir.

[The prepared statement of Mr. McWilliams follows:]

PREPARED STATEMENT OF MR. EDMUND MCWILLIAMS, BOARD OF DIRECTORS, INDONESIA HUMAN RIGHTS NETWORK AND FORMER POLITICAL COUNSELOR WITH THE U.S. EMBASSY, JAKARTA

THE INDONESIAN MILITARY'S THREAT TO HUMAN RIGHTS AND DEMOCRACY

The Annual Human Rights Report regarding Indonesia, recently released by the State Department accurately portrays the Indonesia as a fragile, fledgling democracy whose government is not yet capable of protecting the fundamental human rights of its people. As documented clearly in the State Department's report, the principal menace to those rights and to that fledgling democratic government itself is a rogue institution with vast wealth and power that has committed crimes against humanity and perhaps genocide and which remains unaccountable.

That institution, the Indonesian military, recently saw its stature dangerously enhanced by a decision of the U.S. administration to end a bipartisan Congressionally imposed sanction against the military, imposed over a decade ago.

The decision, announced by Secretary of State Rice, restored International Military Education and Training (IMET) assistance to the Indonesian military. The Congress banned that assistance in 1992 in response to the military's murder of 276 peaceful demonstrators in East Timor. The Congress reinforced the ban in 1999 in response to the military's ravaging of East Timor following the Timorese people's courageous vote for freedom. In 2004, the Congress narrowed the ban to a single condition. It required that the State Department certify that the Indonesian government and military were cooperating in an FBI investigation of an August 31, 2002 assault on a group of U.S. citizens at the Freeport copper and gold mine in West Papua that saw two U.S. citizens killed and eight wounded.

Dr. Rice's February 26 certification that the Indonesians were cooperating manifestly misrepresents the obstructions and malign inaction of the Indonesian side with regards to that investigation. Contrary to the State Department's contention that the Indonesian side is "cooperating," the Indonesians have failed to bring charges against or even detain the one individual indicted by a U.S. grand jury in the attack. Moreover, for over eight months it has stalled a return of the FBI team to Indonesia to continue its investigation.

This Indonesian obstruction of the FBI investigation is possibly explained by indications that the Indonesian military itself was involved in the attack. The initial Indonesian police report, as well as reports by independent researchers, journalists and others, all point to military involvement. Recently, evidence of ties between the one indicted individual and the military was provided to the FBI and the State Department. Moreover, the military's presentation of false evidence and subsequent military threats and intimidation targeting those Indonesian human rights advocates who had assisted the FBI also suggest the military's culpability.

Ms. Patsy Spier who was wounded and widowed in the attack has asked me to share with you her concern about the importance of genuine Indonesian cooperation in the investigation:

"The investigation into the Timika Ambush, a terror attack, is completely in Americans interest. Two American citizens who were working in Indonesia for an American company were murdered on a secure road. The ambush lasted from 35 to 45 minutes before help came. The eight Americans wounded were American citizens working in Indonesia (the eighth American being a 6 year old girl). The investigation, and cooperation needed, is in Americans interest to assure the safety of the other thousands of Americans working and living in Indonesia. The Indonesian authorities must cooperate fully with our US investigators. American companies working, and thinking of working, in Indonesia must be assured that the murder of Americans is taken seriously by the Indonesian Government . . . and cooperating with our investigators would show that."

In addition to being indefensible on the basis of the "cooperation" criterion established by the Congress, the decision was also a practical blunder. Restoration of IMET assistance removes the only leverage available to the U.S. to press for the

genuine Indonesian cooperation essential to a successful completion of the FBI's investigation.

On the basis of this erroneous certification alone, the Congress should restore the ban on IMET in FY2006. It is also imperative that the Congress maintain the ban on FMF for the Indonesian military which remains in place despite the restoration of IMET.

But there are broader issues in play than even the critical matter of ensuring justice in this case of murdered and wounded U.S. citizens.

The restoration of IMET dangerously conveys to the Indonesian military that long-standing U.S. concerns about its notorious and continuing human rights abuses, its threats to its neighbors, illegal business empire and its impunity in committing these acts is no longer on the U.S. agenda. Such a U.S. exoneration of the Indonesian military removes a well-founded international censure that has given Indonesian government and civil society members the political space to press for reform of that notorious institution. It is not surprising that leading Indonesian human rights activists reacted with dismay to the U.S. action.

The notorious record of the Indonesian military is well documented by reliable reporting of well-respected human rights organizations such as Amnesty International, Human Rights Watch, Tapol as well as in the State Department's Annual Human Rights Reports. Therefore, I will only summarize that record here and then focus the rest of my remarks on the current activity of the Indonesian military, specifically its ongoing abuse of human rights, its involvement in a broad range of criminal enterprises, its contempt for and threat to democratic institutions and its unaccountability.

In 1965–68 the Indonesian military engineered the slaughter of more than a half million Indonesians whom it alleged had been involved in a "coup" against the sitting President Soekarno. Employing a tactic it would resort to again in the current period, the Indonesian military allied itself with Islamic forces that did much of the actual killing. The Soeharto regime which rose to power as a consequence of the coup and which directed the massive killings sought to justify them in U.S. and western eyes by labeling the victims as "communists."

Following the Indonesian military's invasion of East Timor in 1975, an estimated 200,000 East Timorese, one quarter of the population, died as a consequence of living conditions in TNI-organized re-location camps or as direct victims of Indonesian security force violence.

In West Papua, it is estimated that over 100,000 Papuans died in the years following the forced annexation of West Papua under a fraudulent "Act of Free Choice," perpetrated by the Soeharto regime in 1969. An April 2004 study by the Allard K. Lowenstein International Human Rights Clinic at the Yale Law School concluded that the atrocities in West Papua are "crimes against humanity" and may constitute genocide.

In Aceh, over 12,000 civilians have fallen victim to military operations that have included mass sweeps and forced relocations. These operations, almost constantly since the late 1970's, have entailed brutal treatment of civilians including extra judicial killings, rape, torture and beatings. While the military's quarry in these attacks, the pro-independence Gerakan Aceh Merdeka or GAM has also been responsible for human rights abuses, the State Department's Annual Human Rights reports have consistently reported that most of those civilians died at the hands of the military.

Throughout this period, extending from 1965 to the early 1990's the U.S. military maintained a close relationship with the Indonesian military, providing training for thousands of officers as well as arms. From the late 1970's to 1992, that training included grant assistance under IMET. The arms provided by the U.S. were employed by the Indonesian military not against foreign foes (the Indonesian military has never confronted a foreign foe except for brief clashes with the Dutch in West Papua) but rather against their own people. In the 70's and 80's, U.S.-provided OV–10 Broncos bombed villages in East Timor and in West Papua. Military offensives conceived and directed by IMET-trained officers against usually miniscule resistance caused thousands of civilian deaths.

Even with the end of the cold war, the U.S. embrace of the dictator Soeharto and his military continued as if U.S. policy were on auto pilot. That relationship endured largely unquestioned until 1991 when the Indonesian military was caught on film by U.S. journalists slaughtering peaceful East Timorese demonstrators. The murder of over 270 East Timorese youth by Indonesian soldiers bearing U.S.-provided M–16's so shocked the U.S. Congress that in 1992 it imposed tight restrictions on further U.S. military-to-military aid, including training for the Indonesian military.

Since the imposition of those restrictions various U.S. Administrations, with the support of non-governmental organizations bankrolled by U.S. corporations with

major interests in Indonesia have sought to expand military to military ties. Those efforts were accompanied by claims that the Indonesian military had reformed or was on a reform course.

Claims of Indonesian military reform were confounded in 1999, when, following an overwhelming vote by East Timorese for independence from Indonesia, the Indonesian military and its militia proxies devastated the tiny half island. U.N. and other international observers were unable to prevent the killing of over 1,500 East Timorese, the forced relocation of over 250,000 and the destruction of over 70 percent of East Timor's infrastructure. The Indonesian justice system has failed to hold a single military, police or civil official responsible for the mayhem. That failure to render justice demonstrated that even when confronted by unanimous international condemnation, the Indonesian military remained unaccountable.

Moreover, TNI abuse of human rights is not a matter only of history. Indonesian military operations that began in mid-2004 in West Papua continue. Burning villages and destroying food sources, the Indonesian military has forced thousands of villagers into the forests where many are dying for lack of food and medicine. A government ban on travel to the region by journalists and even West Papuan senior church leaders has limited international awareness of this tragedy. More critically, the ban has prevented Papuan church leaders and others from distributing humanitarian relief to the thousands forced into the forests. A similar campaign in West Papua in the late 1990s led to the death of hundreds of civilians who did not survive their forced sojourn in the deep jungles of West Papua.

The recent devastating Indian Ocean tsunami turned international attention to Aceh, another primary arena in which the Indonesian military continues a brutal military campaign. Notwithstanding calls by President Yudhoyono for a ceasefire and declaration by GAM of unilateral ceasefire the Indonesian military has continued to conduct operations. These operations jeopardize relief operations and will likely stall rehabilitation and reconstruction. Both GAM and the Government appear to be genuinely pursuing a settlement through talks organized by former Finish President Martti Atahisaari. But as the former Finnish President has emphasized, to be successful, both sides must act with restraint in the field. With boasts that it has killed over 230 GAM members since the tsunami struck, the TNI clearly is not acting with restraint.

Throughout the Soeharto period (1965–1998) critics and dissenters generally were not tolerated. Despite the genuine democratic progress made since the fall of the Soeharto dictatorships, critics of the military and those whom the Indonesian military regard as enemies are in grave jeopardy. Reflecting the Indonesian military's power in "democratic" Indonesia, those critics who meet untimely ends are often the most prominent. Indonesia's leading human rights advocate, Munir, a prominent critic of the Indonesian military died of arsenic poisoning in 2004. An independent investigation authorized by the Indonesian President has uncovered evidence of Government involvement in this murder. In recent years Jafar Siddiq, a U.S. green card holder who was in Aceh demanding justice for Achenese suffering military abuse was himself tortured and murdered. Theys Eluay, the leading nonviolent Papuan proponent of Papuan self-determination was abducted and strangled to death. In a rare trial of military officials, his Indonesian Special Forces (Kopassus) killers received sentences ranging up to three and one half years. Yet Army Chief of Staff, Ryamazad Ryacudu publicly described the murderers as "heroes." Farid Faquih, a leading anti-corruption campaigner who has targeted military and other government malfeasance recently was badly beaten in Aceh by military officers as he sought to monitor tsunami aid distribution. He was arrested and is now facing charges of theft of the assistance he was monitoring. Papuan human rights advocates who supported FBI investigations of the U.S. citizens murdered in 2002 in West Papua are under continuing intimidation by the military and were sued by the regional military commander.

More generally, the Indonesian military poses a threat to the fledgling democratic experiment in Indonesia. It receives over 70 percent of its budget from legal and illegal businesses and as a result is not under direct budget control by the civilian president or the parliament. Its vast wealth derives from numerous activities, including many illegal ones that include extortion, prostitution rings, drug running, illegal logging and other exploitation of Indonesia's great natural resources, and as charged in a recent Voice of Australia broadcast (August 2, 2004), human trafficking. With its great institutional wealth it maintains a bureaucratic structure that functions as a shadow government paralleling the civil administration structure from the central level down to sub-district and even village level.

There are also reasons why many of us should be directly concerned about the TNI's lawlessness. As investors—through our pension and mutual funds—our hard-earned wealth is invested with U.S.-based corporations: ExxonMobil and Freeport

McMoRan Copper & Gold, Inc., among others—that are subject to extortion of "protection money" from the TNI for their Indonesian operations. Recognizing the reputational risks and potential and actual shareholder liabilities resulting from these financial relationships between U.S. companies and the TNI, institutional investors including all of New York City's employee pension funds have brought shareholder resolutions this year calling on Freeport and ExxonMobil management to review and report to shareholders about the risks associated with corporate ties to the TNI. In short, investors should be concerned, too, about the TNI's human rights record and the implications for the bottom line.

For much of the last decade, advocates of closer ties between the Indonesian military and the U.S. military have contended that a warmer U.S. embrace entailing training programs and education courses for TNI officers could expose them to democratic ideals and afford a professional military perspective. This argument ignores the decades of close U.S.—Indonesian military ties extending from the 1960's to the early 1990's when U.S. training was provided to over 8,000 Indonesian military officers. This 30-year period also encompasses the period when the Indonesian military committed some of its gravest atrocities and when a culture of impunity became ingrained.

The argument for reform through engagement also ignores the fact that the U.S. Defense Department already maintains extensive ties and channels for assistance under the guise of "conferences" and joint operations billed as humanitarian or security-related.

In the wake of 9/11, proponents of restored U.S.-Indonesian military ties have also argued that the U.S. needs the Indonesian military as a partner in the war on terrorism. This argument overlooks the Indonesian military's close ties to and support for domestic fundamentalist Islamic terror groups, including the Laskar Mujahidin and Front for the Defense of Islam. The Laskar Jihad militia, which the Indonesian military helped form and train, engaged in a savage communal war in the Maluku Islands in the years 2000 to 2002 that left thousands dead. Many thousands more died in Central Sulawesi in the same period, in fighting that involved militias with security force ties.

Absent tangible evidence of Indonesian military action to curb abuses, to allow itself to be held accountable, to end corruption, to submit itself to civilian rule and to end its sponsorship of terrorist militias, the Indonesian military should be seen for what it is: a rogue institution that directly threatens democracy in Indonesia. Existing restrictions on military-to-military ties between the United States and Indonesia must remain in place, conditionality should be strengthened and the IMET ban reinstated in FY 2006.

Finally, a word about the future. The Indonesian people, Indonesian non-governmental organizations, the Indonesian media and individual Indonesians have demonstrated great courage in standing up to the intimidation of entrenched corrupt interests in their society and most especially its security forces to demand their right to live in a democratic society. The brave students who rallied in the streets in 1998 wrought a revolution, though since that historic victory, entrenched undemocratic elements have sought to undo reforms. Sadly, in some parts of Indonesia the 1998 reforms have had little meaning. The military, often employing terrorist militias, have most brutally repressed the popular struggle for reform in Aceh, West Papua and the Maluku Islands. It is vital that the central government engage civil society in these areas in peaceful dialogue and, in order to make such a dialogue viable, demilitarize those areas.

The U.S. should encourage reform and peaceful dialogue where it can. It should encourage the Government to enforce worker rights, to make far more serious efforts and to end injurious exploitation of child labor and human trafficking. The U.S. should encourage the Indonesian Government to pass legislation implementing the U.N. Convention on the Elimination of All Forms of Discrimination Against Women. The U.S. should also urge an end to intimidation of journalists through physical threat and intimidation through misuse of the courts. Moreover, the U.S. Government should itself recognize the importance of social, economic and cultural rights and encourage the Government of Indonesia to pursue development strategies that address the urgent health, education and shelter needs of the poor.

But direct U.S. involvement in Indonesian affairs would be unwelcome and most likely ineffective. Critical questions such as the role of Islam in modern Indonesia and the shape and character of its economy are for Indonesians to decide. The most pro-active course for the U.S. at this time is to step back from its growing embrace of the Indonesian military that remains the gravest threat to democracy and human rights throughout the archipelago.

Mr. LEACH. I want to thank you all for your excellent testimony.

Let me just begin with you, Mr. McWilliams, because you are the last. I think everyone recognizes a historical problem with Indonesian human rights. Is there any barometer that you can provide of whether since the election of the new President there has been improvement or would you say that it is static or would you say it has gone backwards? How would you assess this?

Mr. MCWILLIAMS. I think, sir, that there is hope for improvement, hope in the sense that from all accounts Bambang Yudhoyono is a thoughtful man who is devoted to reform. He has appointed men like Defense Minister Juwono Sudarsono, who has a very good reputation. The new potential chief of the armed forces or at least chief of the army, Joko Santoso from Maluku, is actually reported to be a relatively good military officer.

The problem is at this point there is no indication that the President or his Defense Minister are going to be able to control the TNI. And until some mechanism is established whereby they can control the TNI, I am not sure that human rights will improve significantly in Indonesian.

Mr. LEACH. Dr. Ramage or Ambassador La Porta, would you like to comment on that?

The perspective I want to raise is not the understood one, that we have had great difficulties in the past, but where are we today and what are the prospects for the immediate future?

Mr. LA PORTA. Yes, Mr. Chairman. I think that I would like to just pick up from where Mr. McWilliams left off in the sense that I believe that the election of SBY, the appointment of the officials that he has mentioned and indeed some initial indications of what is happening in the defense ministry in terms of asserting control, will eventually lead to an amelioration of a lot of the difficulties that have been mentioned.

It seems to me that building up the civilian defense capabilities, encouraging greater public dialogue, NGO involvement, supporting civil society institutions, getting the military justice system right—it is a little known fact that last September the military justice system was placed under the Supreme Court. People tend to overlook that, but there is an opportunity there in making the civil structure and the military structure mesh.

I think also there is a great deal of work to be done in creating instruments of civilian control, including the establishment of the national defense council that is already provided in law, as well as fulfilling the terms of the current defense law which provides for greater transparency and the eventual shift of military-run businesses to privatized status, let us say.

On the other hand, I think that it is true that a lot of the indiscipline, corruption in the military and a lot of the local level abuses are there to be dealt with, but that can only be done by strengthening the hands of the civilian leadership.

It is also worth noting that there has been some progress. In Aceh, for example, at least a dozen military cadres have been tried or disciplined for alleged abuses. I cannot give you all the details, but there is at least an awareness of those issues.

Mr. LEACH. Do you share the judgment on IMET?

Mr. LA PORTA. In terms of maintaining restrictions? I do not. It is in my view very clear that we have to remove both the psycho-

logical and real impact of the IMET restrictions by joining in a new and collaborative arrangement with the Indonesians to retrain their officer corps, give them the exposure that they have been, basically, denied during the past more than a decade, 13 years I think. I think the military has to join the ranks of democratic military forces in Asia. They have to get it right on disaster management, which is not something that they have heretofore paid attention to, and the United States has a very important role to play in those respects in terms of improving their capabilities as well as improving transparency and respect for human rights.

Mr. LEACH. Dr. Ramage, would you want to comment on the same?

Mr. MCWILLIAMS. I wonder if I could just make a brief response.

Mr. LEACH. Yes, you may, Mr. McWilliams.

Mr. MCWILLIAMS. I think we have heard from several of the participants today the concept that perhaps exposure to IMET training would in some manner help reform the Indonesian military. It is important that we remember that the Indonesian military had decades of contact with IMET. Moreover, they have even today a very extensive relationship with the U.S. military through anti-terror training programs and so on.

I think the notion that somehow by exposure to U.S. techniques in combat skills, for example, they would become more of a reformed institution is not realistic. Again, just holding out for evidence the fact that they had decades of exposure to U.S. IMET, for example, and there was no significant improvement in their performance through the 1970s, 1980s and early 1990s.

Mr. LEACH. Thank you.

To my colleague, Eni, we are going to lead a congressional rugby team over there. Please, go ahead.

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman. My apologies, I was taken away necessarily for another meeting, but I want to thank the members of our panel for testifying this afternoon and I suppose I can ask some questions based on my earlier discussions with Secretary Huhtala.

Back to the issue of the Indonesian military. I know Mr. La Porta is supportive of this idea that we provide the military training for this.

Do you think that providing this military training, Mr. La Porta, is going to help the Indonesian military even better? In what respect?

Mr. LA PORTA. Mr. Congressman, I think that the IMET is only one part of the puzzle because there are a number of instruments or tools, as Assistant Secretary Huhtala mentioned. There is IMET, enhanced IMET, which is aimed at upgrading skills for peacekeeping purposes, as well as foreign military financing.

IMET itself is not going to solve the problem or provide the scope of training, retraining, and other things that are required. Basically a 5-year crash program to retrain captains, majors, lieutenant colonels, in not only combat skills but other kinds of skills, including management and logistics, and also humanitarian and other things done by today's military forces and international standards of conduct and professionalism, I think, will have a positive effect.

Basically, we have excluded a generation of military officers from this kind of training and it is time to get back in and help them do the job that the civilian leaders, the Government of President SBY wants them to do.

Mr. FALEOMAVAEGA. It seems to me that you had mentioned something about management training. The process that you have indicated is that we have excluded a generation of military officers from training. However, it seems to me that we have done such a good job, and one reason why the Indonesian military has such a good control of the economy and the businesses, is in my humble opinion perhaps it has no business being involved in that aspect. Which again, as I had asked Secretary Huhtala, to what extent, how pervasive is the Indonesian military's involvement with the economy and the businesses that are currently being operated out of Indonesia? My guess, Mr. La Porta, is very extensive. I would say not necessarily for military purposes, but there seems to be a network on how the military officers not necessarily shooting and firing, but doing it from an economic point of view where the structure is still in tight format. You do not have to shoot a person, but certainly can squeeze them when it comes to economic opportunities and that is the reason why there was the need for the question that I raised earlier. Are you aware of how extensive is the Indonesian military's involvement with the businesses?

I understand the mining and the companies that currently operate out of West Papua, New Guinea by Australian and United States companies, are the largest corporate taxpayers in the Indonesian Government today. My curiosity also raises another question as to what extent are those mining operations also controlled by the Indonesian military?

Mr. LA PORTA. Mr. Congressman, I think on the very last point, I do not think there is any evidence that those mining operations are controlled by the Indonesian military. I think that it is well known that for almost all economic facilities in Indonesia, the military does provide security and is compensated for that. But on the other hand, I myself have served in Embassies where we basically hired local police or local paramilitary forces to protect our diplomatic installations and have provided funds to do that. So it seems to me that the TNI, the Indonesian armed forces, are what is there and right now they have the capabilities.

I think it is important to look at the civil security aspects as a process whereby, if there is an effort to build up the police, the Indonesian armed forces' role in internal security and ordinary civilian security functions would be expected to decrease. But right now, the police are nowhere able to provide the extent of security that they should.

On the other areas, military-run businesses, I am not aware of any data or any really good estimates as to the overall economic value of military-run businesses. I do not think there have been any systematic studies, although my friend, Mr. Ramage, might be aware of some.

What we do know is that a lot of the military-run businesses have not necessarily been the most successful in terms of simply generating profits. Rather, they have been more—as they were originally started out to be in the late 1960s and early 1970s—to

be military cooperatives that gradually expanded into running hotels and running local transportation or whatever. But it is the clear intent of the Indonesian law to bring those military-run businesses under national control and I think that is the important thing. I would submit that not only the United States but other friendly governments and the World Bank should help to encourage this process in various ways.

With regard to illegal activity and abuses, I would be the last person sitting before you, Mr. Congressman, Mr. Chairman, to argue for impunity. There should be no impunity and I would be the last person to do that. I think there has to be accountability but I think now is the time to join with the Government to help improve the processes, to mitigate the problems that do occur, to bring the military forces under effective civilian oversight and control and to establish the kind of structures where you have effective command and control that reaches down to the lowest levels.

Mr. FALEOMAVAEGA. Mr. Ramage?

Mr. RAMAGE. The only thing I would like to add relates to the Indonesian police. I think it bears underlining that the Indonesian police were separated from the armed forces 4 years ago and that began quite a dramatic divergence in their functions. The Indonesian police are increasingly focused on providing better services in their communities. There are some terrific statistics already available to suggest that the Indonesian police, by adopting a community-oriented policing approach in central Java, has reduced crime by 25 percent in the city of Yogyakarata. This is great news and it is tangible. These are also programs supported by the United States.

The Indonesian police have also been rather successful in reducing the levels of force that they use in controlling demonstrations, for example. There was a time, and we all know it, when the Indonesian police would fire indiscriminately into a crowd to control a demonstration or a riot and that has not happened for a number of years, if I am not mistaken. And it is directly attributed to training that is provided by primarily the United States and Japan in terms of levels of force, how to handle crowd control and things like this.

So I think that in our discussions of the Indonesian armed forces, that we make some of these distinctions between the police, which are reforming, I would say, at a rather rapid clip, although they are coming from an extremely low base. I would endorse what the Ambassador said, that I believe with the police, as with the military, the reform trajectory is heading in the right direction, but from a very low base.

Mr. MCWILLIAMS. If I could just speak briefly on two things that were raised by my colleagues here, one about impunity and the other about extortion. With regards to impunity for the military, yes, we are in a new era, hopefully, but nonetheless, on Monday, the Supreme Court overturned the conviction of Tono Suratman, Brigadier General Tono Suratman. He was the 17th official to be charged with responsibility for the mayhem in East Timor in 1999. All 17 of those who were charged have been released. No one has served any time in jail, not a day in jail, for the crimes of East Timor in 1999.

I would also like to describe, in a little different way, the relationship between the military and the Freeport operation in Papua, this very large gold mine you discussed earlier.

In 1996, when I was there, the Indonesian military felt they needed more money from Freeport, so they organized a demonstration. It was violent and one person died in that demonstration and they got the money. This is the nature of the relationship as it was then and it has continued now in many ways. So I think we should not think about the Indonesian military as simply providing security. This is a force that actually extorts from U.S. and other foreign companies.

Mr. FALEOMAVAEGA. I am not going to repeat with Mr. La Porta and Mr. Ramage what we have already discussed with Secretary Huhtala.

I think this is just something that we will have to continue looking into, Mr. Chairman, and I do have very strong feelings about the fact of the issue of West Papua, New Guinea. It is not a closed book. It is my sincere hope that in the coming weeks and months that more will come out of this as far as bringing it to the forefront and hopefully that the people of West Papua will be given their right of self-determination, just as the United Nations has given the same opportunity and privilege to the people of East Timor.

Thank you, Mr. Chairman.

Mr. LEACH. Thank you, Eni.

If I could turn to another question——

Ambassador La Porta, do you want to respond?

Mr. LA PORTA. Thank you, Mr. Chairman. If I could just add a point. Several months ago, after the spate of decisions on dismissing cases and so forth against military people accused of various abuses, USINDO provided travel grants to two civilian researchers—I don't know these people, I do not know their qualifications—to go to Indonesia to conduct a wide range of interviews with prosecutors, with judges, and other officials there.

Their conclusions were that the judges we spoke to, this is their words, were very candid about their lack of expertise in international human rights law. The problem was that most of the career judges had no training in international law and that the ad hoc judges, while academic experts, had never been judges.

The prosecutors did not present strong enough cases and, while there were obviously some cases of pressure where the judges and the prosecutors said that their decisions had more to do with the lack of training than political interference, they admitted that there needed to be a strengthening of the rule of law in the judiciary but did not believe that an international legal process was required in order for justice to be rendered to the victims in East Timor.

The results of this research have not yet been published, to the extent I am aware, but that was their report to us based on the work that we supported.

Mr. LEACH. Thank you very much.

I would like to just turn to one last subject and particularly to Dr. Ramage. I have always been intrigued that Indonesia is the one country in the world of significance that is making a defined central Government effort for decentralization. I think that is a

very profound thought. And I would like to ask a couple of questions related to it. One, there are some that argue that this is the one hope to bring some sort of resolution in the Aceh region, that if you can implement what is a defined goal of the central Government for greater decentralization, if you can define this further in a little bit of regional autonomy kinds of terms, that that might have some prospect for making all sides come to an agreement.

The other is just decentralization in general, and you have apparently some definitional issues in Papua and going back and forth on just how to proceed, but just as a Member of Congress, I will tell you I have often thought that a decentralized democracy might fit a country like China better than many might suspect. Is there any aspect of the Indonesian model that might be of interest to a greater China?

But let me first ask you about decentralization and how it is working in Indonesia. What is the commitment of the Government? What is the tone in which people talk about it, and is it in the framework of accountability at local levels in ways that are a little bit implicit in the American system? And I will finally conclude, when I mention the American system, everybody knows we have a "federal system," but one of the lectures I give to my college students and they are always surprised by this is that when we study American history and when foreigners study American history the one thing we know is that we had separation of powers between Executive, Legislative and Judicial Branches. The one thing nobody thinks about is that we basically quadruplicated this. That is, we did the same thing at the State level, the same thing at the city levels and at county levels. And so we have four levels of separation of power and so that defines a decentralized mode of operation of government in some competition at each level between the groupings and then within the groupings. And so that has kind of been the American dynamic.

I just wonder how the discussion has gone on in an Indonesian context.

Mr. RAMAGE. Thank you for the question, Mr. Chairman. In my written statement, in fact, I addressed this because I think one of the most important reforms in the past several years in Indonesia has been the rapid devolution of authorities from the central Government to about 440 or 450 local governments.

The rationale for decentralization was that Indonesia needed to move from one of the most highly centralized States in the world to one of the most decentralized in order to preserve the Republic of Indonesia. The rationale was that the complaints were against Jakarta and abuse from a distant bureaucracy which was not sensitive to local needs. So after the fall of Suharto, the new Government under Habibie had a team of American-educated political scientists, most from the midwest, most with their degrees from Northern Illinois University and Iowa State and Ohio, who comprised the team.

Mr. LEACH. The middle group were the wise ones.

Mr. RAMAGE. They argued that if you gave authority to basically county- and city-level governments, that these units would have a greater stake in staying part of Indonesia. If you did not do that, province-size units would want to split away and become inde-

pendent and the republic would unravel and you would indeed have Balkanization, the fear that a lot of us had after 1998.

There was also a sense that you had to locate government at the lowest possible level to provide citizens with access to their representatives. And, in fact, the decentralization process, they proceeded with what they call a big bang approach, overnight, 4 years ago, they devolved almost all authorities except for foreign affairs and finance and trade issues to local authorities.

What is the result? Over the past several years, the Foundation has commissioned a series of rolling assessment of what Indonesians think of decentralization and also importantly how it is going.

The overwhelming reaction from both citizens throughout Indonesia at the district level, at the local level, as well as bureaucrats at the local level, is that people now know where the buck stops. This is what people say again and again and again makes most sense to them. They know who is responsible for trash collection. They know who is responsible for safety and security in their community. They know who is responsible for whether or not the local primary school gets rebuilt or not. And this seems to be the biggest change and citizens tell us again and again through surveys and polling that this is a huge change.

What has not happened yet is that this new system has not improved services to citizens, but the criticism of it a few years ago was that services would dramatically decline, that there would be no way that poorly-trained local officials could provide services to citizens as good as they got in the Suharto period. Well, the big surprise of this is that the level of services has either remained constant and in a few areas, a small number of the governments, it has actually started to improve.

I think this is the story of decentralization and this is where all the elections are going to happen.

Ambassador La Porta mentioned that Indonesia in the next year—you did not say it, but I will say it this way—it is going to be all elections all the time. There will be about 250 elections this year, about 150 next year. It is everything from basically what we would think of as county executives to mayors, to governors, will all be directly elected. And for the first time, they are going to have to answer to a relatively small number of constituents as to whether or not they are providing better services or not. And I think that is where the trend is in Indonesia and you are going to see a lot more accountability in the next several years among Indonesian Government at the local level.

Mr. LEACH. Maybe one of the others can add, what about the Aceh issue? Is this hopeful? With regard to decentralization.

Mr. MCWILLIAMS. If I could just make a comment about Aceh and also West Papua?

Mr. LEACH. Yes. Of course. Absolutely.

Mr. MCWILLIAMS. Doug, I think, has spoken very eloquently and very accurately about the whole process of decentralization in Indonesia, but you almost have to think of Aceh and West Papua as being fundamentally different.

In Aceh, of course, you have an ongoing negotiation, essentially trying to have the difference between self-government and special

autonomy. Neither term is well defined by either side, so it is very unclear where that is going.

Unfortunately, that discussion is taking place largely between, as it has in the past, the militants on both sides, the GAM and basically the TNI-led forces on the other side. What we need to do is involve the civil society in those discussions, as I think Ambassador La Porta mentioned.

So there is hope there, but right now, to the extent those talks involve everyone else but the people of Aceh, it is not too hopeful in that regard.

I would say on West Papua it is a very different situation. What has happened there is, rather than self-government or anything approaching devolution of power from the center to the regions, the central Government, against the will of the people of West Papua, have started to divide that one province into now two and potentially three or five. This very much violates the interests and the will of the people of West Papua.

Essentially, West Papua is being treated as—forgive me for saying it, but Congressman Faleomavaega said it earlier—almost as a colony.

I recall being in West Papua in one of my early visits there and I asked, "Do you consider yourselves Indonesians?" And the West Papuans that I was talking to were saying that is not the right question. The point is Jakarta does not consider us Indonesians. Until Jakarta begins to consider West Papua part of Indonesia and gives it the same kinds of powers at the local level that it is now giving to the rest of Indonesia, West Papua will always be estranged.

Mr. FALEOMAVAEGA. Mr. Chairman? May I have——

Mr. LEACH. Yes.

Mr. FALEOMAVAEGA. I am sorry.

Mr. LEACH. Please.

Mr. FALEOMAVAEGA. I just got inspired after hearing from Ambassador La Porta, Dr. Ramage and Mr. McWilliams.

Mr. LEACH. The gentleman is recognized for an inspiration.

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman. Mr. McWilliams, you had indicated earlier and there seems to be a desire on the part of the Indonesian Government to divide West Papua into three separate subdivisions or separate provinces. What does this do to the people there in West Papua as far as this new proposal to divide West Papua into subdivisions now?

Mr. MCWILLIAMS. Well, it has already prompted fighting. We have had people basically killed over this issue. What you see, basically, are significantly Jakarta interests, essentially economic interests but also military interests that recognize this is a very, very rich province and they want to be in a position to control the outflow of natural resources and that is why creating these provinces is to their advantage.

I think another consideration that is very real for the individual people of Papua is that with the creation of three new or five new provinces, you get three or five new military commands so that in addition to the 25,000 troops already in West Papua, you are likely to get more.

Mr. FALEOMAVAEGA. 25,000 troops?

Mr. MCWILLIAMS. The 25,000 troops are confronting what the military describes as a force of 650 oppositionists.

Mr. FALEOMAVAEGA. So this idea of having a police force and trading and all of that does not in any way apply to West Papua, what has just been shared with us from Dr. Ramage?

Mr. MCWILLIAMS. West Papua is different.

Mr. FALEOMAVAEGA. A few more questions I have—I remember meeting with former President Magawati when she was here. I was very honored by the fact that she invited me to personally come to West Papua. Unfortunately, she did not get re-elected, so I do not know if President SBY may want me there. But I do very much want to know, Mr. McWilliams, in terms of this new autonomy status that the Indonesian Government has proposed for West Papua, what is your understanding of that new autonomy status? Because my understanding from the West Papuan leaders, it is a farce, it is a sham.

Mr. MCWILLIAMS. Well, in fact, sir, when offered, it was a wonderful idea, but unfortunately the central Government has now pulled back on most of the promises entailed in that offer.

It was made back initially under the administration of President Wahid, who appeared to have some genuine sympathy and understanding of the problems of Papua, but in the succeeding administrations, that offer essentially has been reneged upon so that what is left of special autonomy is pretty nebulous.

Mr. FALEOMAVAEGA. Does that seem to indicate that there is a strong business industrial interest in this from Jakarta for somewhat flip-flopping in their policies toward West Papua?

Mr. MCWILLIAMS. Perhaps West Papua is simply too rich a province to be left to its own deserts.

Mr. FALEOMAVAEGA. I think Ambassador La Porta might want to add something to this.

Mr. LA PORTA. If I may, I would like to just simply add a couple of points, Mr. Chairman.

First of all, there are special autonomy laws on the books now for both Papua and Aceh and they are different, and so the question in Aceh is how to push forward with the special autonomy provisions. I will have to say in this regard it did not appear that the Megawati Government was willing to move very far in that direction to fulfill the provisions of the law that were on the books, but one of the things that is under discussion with the GAM high command in Stockholm in these talks in Helsinki is the definition of special autonomy and what would be involved therein. For example, having a preponderance of Acehnese in the police force is one of the provisions of the law.

With regard to Papua, the SBY Government has come out and said very clearly that the first requirement is to constitute the people's consultative council, a council made up of all the tribes and ethnic groups in Papua. The Government has also said that they would review the provisions of the law to divide up the province in that light. In fact, a court has ruled against the further division of Papua, and so that is on hold. The only province that has been created thus far is in West Papua.

So as Assistant Secretary Huhtala mentioned earlier, this is still very much a work in progress, but here again I think the SBY Gov-

ernment has to be supported in those efforts to make sure that they get sound solutions.

President SBY was in Papua, in fact, on December 26th when the tsunami occurred and he was consulting with the people, the leaders there on the formation of this new basically tribal council.

Mr. MCWILLIAMS. If I could, Congressman?

Mr. FALEOMAVAEGA. Please.

Mr. MCWILLIAMS. That tribal council which was promised in the initial special autonomy offer by President Wahid has been denatured to the point where it is basically a cultural institution. For example, that body was supposed to pass on legitimacy of candidacies running in the future elections. It no longer has that power. As the most visible offer from special autonomy, it is a great disappointment to the people of West Papua.

Mr. FALEOMAVAEGA. You mean that the council has been neutered? Is that another way of saying it?

Thank you, Mr. Chairman.

Mr. LEACH. Let me thank our three distinguished witnesses who have provided excellent testimony and a nice balance.

Mr. McWilliams, we are honored you could join us.

Dr. Ramage, good to see you again.

Ambassador La Porta, there is reason you have such a distinguished record, it is obvious.

Thank you all.

The Committee is adjourned.

[Whereupon, at 4:37 p.m., the Subcommittee was adjourned.]

APPENDIX

MATERIAL SUBMITTED FOR THE HEARING RECORD

PREPARED STATEMENT OF THE HONORABLE DAN BURTON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF INDIANA

Mr. Chairman, thank you for convening this important and timely hearing to highlight the importance of the world's third largest democracy, fourth largest nation, and home of the largest Muslim population.

The Government of Indonesia (GOI) is one country that should be a major focus of American foreign policy. When so many positive stories in the Muslim world are obscured by protracted violence in areas of historic conflict, it is high time to take notice of the important strides Indonesia is making. As you are well aware, Indonesia has embarked on a dramatic transition to democratic governance over the past six years, culminating in the country's first directly elected President. Indonesia serves as a role model for democracies throughout the world.

A major secular state with a Muslim majority, Indonesia is the world's third largest democracy and is gaining International recognition for its strides towards complete democratization, making progressive political and constitutional reforms while also demonstrating that Islam and democracy are not mutually exclusive and can—in fact—successfully work in tandem. Moreover, newly elected President Susilo Bambang Yudhoyono (SBY) has made clear his intentions to actively work to rid Indonesia of its problems with corruption, pledging to bring to an end a "culture of impunity" while enforcing greater transparency throughout his government.

In one calendar year, Indonesia has successfully demonstrated its commitment to embrace democracy on three separate occasions: Parliamentary elections in April; a first round of Presidential elections in July; and of course the September 20th Presidential runoff that ultimately determined the first directly-elected Indonesian President.

Now the real work begins. Economic growth and political reforms can and must occur in tandem, and we wish the new leadership in Jakarta great success in both areas. More foreign investment in this resource-rich country will not only create new employment opportunities, but it will also help improve the standard of living for many Indonesians. The positive role that U.S. business and investment can play is enormous.

Currently, the United States actively supports the Indonesian Navy to protect the vitally important sea lanes of Southeast Asia, through which an estimated 60 percent of global shipping tonnage passes. The threat of terrorism in Southeast Asia is real and Indonesia has suffered from several major attacks in recent years. In order to quell terrorist threats, Indonesia's government is discovering new ways of working with regional law enforcement and intelligence communities in hopes of rooting out homegrown radicalism. We should continue to work closely with the GOI on counterterrorism operations to thwart the efforts of Jemaah Islamiyah (JI)—Al-Qaeda's Southeast Asia franchise—and other groups bent on creating a Pan-Islamic state within the region. The most impressive successes have been in the area of law enforcement; hundreds of JI members have been arrested, thus disrupting the network's command and control structure.

On December 26, 2004, the American public—and International community at large—was forced to learn a lot about Indonesia as a result of the tsunami that left behind a path of devastation and destruction throughout Indonesia and other East African, South and Southeast Asian nations. This unfortunate natural disaster was a seminal event in both of our nation's histories and ultimately demonstrated that our governments, civil society institutions, and militaries can effectively come together and work towards a common goal. We were pleased to witness such a positive signal for the future relationship between the U.S. and Indonesia, and were re-

assured that this cooperation is one of many indications that both of our countries will continue to benefit from increased engagement.

As you already know Mr. Chairman, one of the many consequences of this devastating disaster was the call for renewed military cooperation between the United States and Indonesia. While the GOI has made dramatic reforms to weed out corruption and increase transparency, the same unfortunately cannot be said for several rogue units within Indonesia's Army (ABRI). Previously existing patterns of behavior by these rogue elements continue to persist in very troubling ways. Currently, it is estimated that only 30 percent of TNI's budget comes directly from the GOI itself, and the military engages in private and sometimes illegal businesses in order to make up their budget shortfall. Furthermore, in the aftermath of the recent tsunami, TNI utilized their resources to airlift members of the militant group Front Pembela Islam (Islamic Defenders Front) to Aceh. Reports still surface from Aceh and West Papua implicating elements of the TNI in human rights abuses. We are deeply concerned about the slow pace of military reforms within Indonesia as members of the TNI continue to avoid justice in cases involving gross violations of human rights, whether committed in East Timor, Aceh, Papua, or elsewhere in the archipelago.

The U.S. State Department's decision to certify Indonesia for International Military and Education Training (IMET) is one step in our long-term goal of broadening and strengthening our military relationship with Indonesia. However, we must support deeper reform efforts by the GOI to institutionalize professionalism, respect for human rights, weed out corruption and increase transparency in the Indonesian Armed Forces (TNI). It is my sincere hope that our government will continue to practice careful and diligent oversight with regards to IMET funding for all nations.

Regardless, I am still particularly concerned about the slow pace of legal resolution of cases involving gross violations of human rights, whether committed in East Timor, Aceh, Papua, or elsewhere in the archipelago. The reinstatement of IMET was predicated on the GOI's cooperation with the FBI in their investigation of a brutal attack that occurred on August 31, 2002, when 10 schoolteachers and a 6 year old child were ambushed—with heavy gunfire—as they were returning from a picnic to their residences in Tembagapura, Indonesia. The attack resulted in the death of two American citizens, Rick Spier and Leon Burgon, and one Indonesian citizen—Bambang Riwanto. Seven of the eight surviving Americans were seriously wounded. Initial investigations led some to believe that a rogue group from the military was involved in the ambush. Regardless, a joint U.S.-Indonesian investigation culminated in the indictment by a U.S. grand jury of Anthonius Wamang, an Indonesian citizen purportedly with connections to rogue militant groups in the region. However, to our disappointment, Anthonius Wamang remains free to this day, and the Indonesian authorities—as we have been informed—have not issued an indictment for Wamang's arrest.

I am also particularly concerned about the trafficking of women and children—especially since the recent Tsunami. Following the Tsunami, I was pleased to see that President Susilo issued a decree that prevented children under the age of 16 from leaving the country without their parents to prevent traffickers from praying on these vulnerable orphans. Furthermore, the Minister for Social Affairs ordered that all orphaned children be taken to the Home for Social Protection of Children (RPSA), where they were offered protection and medical care until reunited with their families.

On June 14, 2004, the U.S. Department of State's Office to Monitor and Combat Trafficking in Persons released their annual report, stating that "Indonesia is a source, transit and destination country for persons trafficked for the purposes of sexual exploitation and forced labor. Indonesian victims are trafficked to Malaysia, Saudi Arabia, Kuwait, United Arab Emirates, Hong Kong, Taiwan, Japan, South Korea, Singapore, and Australia. Extensive trafficking occurs within Indonesia's borders for forced labor and sexual exploitation." Since that report was issued, I am encouraged by the Indonesian's increased law enforcement efforts and greater convictions for trafficking-related offenses. We must continue to work with the GOI to ensure that there are continued improvements within their judiciary in order to ultimately make certain that there is effective prosecution of traffickers.

With regards to U.S. and other international investment, we must not forget that Indonesia's economy was battered in the financial crisis of 1997 and governing this sprawling archipelago has not been easy in the wake of the economic meltdown and dramatic political change we have witnessed in the seven short years of post-Soeharto *Reformasi*. Much remains to be done, particularly in the areas of judicial reform, corruption, human rights and social welfare.

U.S. investment in the country totals some $25 billion, and more than 300 major American firms do business there as a massive decentralization process is being im-

plemented. The United States should continue providing support to help Indonesia stabilize and consolidate these political and economic gains. Through a combination of strategic development supports and more effective public diplomacy we can engage Indonesia well into the future.

Thank you again, Mr. Chairman, for holding this hearing. I look forward to hearing the testimony of all of our witnesses today. It is my hope that by the end of the day we will have a better understanding of Indonesia's transition towards complete democratization.

MATERIALS SUBMITTED FOR THE RECORD BY THE HONORABLE ENI F.H. FALEOMAVAEGA, A REPRESENTATIVE IN CONGRESS FROM AMERICAN SAMOA

Congress of the United States
House of Representatives
Washington, DC 20515

March 14, 2005

The Honorable Condoleezza Rice
U.S. Secretary of State
Harry S. Truman
2201 C Street, NW
Washington, DC 20520

Dear Madame Secretary:

We urge you to oppose plans to allow International Military Education and Training (IMET) with Indonesian officers to proceed. For years, Congress has restricted foreign military financing for Indonesia and rightfully so given the horrendous human rights record of the Indonesian military (TNI).

While we are aware that in 2004 Congress narrowed the basis for its ban on IMET to a single condition requiring the State Department to certify that the Indonesian government and military were cooperating in an FBI investigation of an August 31, 2002 assault on a group of U.S. citizens in Timika, West Papua, we believe there are equally serious reasons why the U.S. should renew bans on IMET and foreign military financing (FMF) for Indonesia.

In response to President Bush's State of the Union address in which he talked about "our generational commitment to the advance of freedom" and in which he said "America will stand with the allies of freedom to support democratic movements in the Middle East and beyond, with the ultimate goal of ending tyranny in our world" and that "our aim is to build and preserve a community of free and independent nations, with governments that answer to their citizens, and reflect their own cultures," we want to bring to your attention the plight of West Papua New Guinea and assert that TNI remains the central threat to democracy in Indonesia.

The U.S. State Department has publicly acknowledged the brutal TNI record. As noted in the latest State Department Annual Human Rights Report on Indonesia:

> "Security force members murdered, tortured, raped, beat and arbitrarily detained civilians and members of separatist movements especially in Aceh and Papua. Retired and active duty military officers known to have committed serious human rights violations occupied or were promoted to senior positions in the government and in the TNI."

Defense Minister Sudarsono has further noted, "The military retains the real levers of power. From the political point of view the military remains the fulcrum in Indonesia." This is the case now and has been the case since Indonesia seized control of West Papua New Guinea.

In 1962, the United States mediated an agreement between Indonesia and the Netherlands in which the Dutch were to leave West Papua, transfer sovereignty to the United Nations Temporary Executive Authority (UNTEA) for a period of six years, after which time a national election was to be held to determine West Papua's political status.

However, after this agreement was reached, Indonesia violated the terms of transfer and took over the administration of West Papua from the UNTEA. In 1969, Indonesia orchestrated an election that many regarded as a brutal military operation. Known as the "Act of Choice," 1,022 elders under heavy military surveillance were selected to vote for 809,327 Papuans on the territory's political status.

Despite the opposition of fifteen countries and the cries of help from the Papuans themselves, the United Nations (UN) sanctioned Indonesia's act and, on September 10, 1969, West Papua became a province of Indonesian rule. Since, the Papuans have suffered blatant human rights abuses, including extrajudicial executions, imprisonment, torture and, according to Afrim Djonbalic's 1998 statement to the UN, "environmental degradation, natural resource exploitation, and commercial dominance of immigrant communities."

The Lowenstein Human Rights Clinic at Yale University recently found, in the available evidence, "a strong indication that the Indonesian government has committed genocide against the Papuans." West Papua New Guineans differ racially from the majority of Indonesians. West Papuans are Melanesian and believed to be of African descent. In 1990, Nelson Mandela reminded the United Nations that when "it first discussed the South African question in 1946, it was discussing the issue of racism." We also believe the question of West Papua is an issue of racism.

Furthermore, we believe this is an issue of commercial exploitation. West Papua New Guinea is renowned for its mineral wealth including vast reserves of gold, copper, nickel, oil and gas. In 1995, for example, the Grasberg ore-mountain in West Papua was estimated to be worth more than $54 billion. Yet little or no compensation has been made to local communities and new provisions in the law fall well short of West Papuan demands for independence.

In a statement dated February 24, 2004 (attached), Archbishop Bishop Desmond Tutu called on the UN to act on West Papua and 174 parliamentarians and 80 nongovernmental agencies from around the world have also written asking that a review be initiated. In the interim, Indonesian military operations in the highlands of West Papua have been ongoing since August 2004 and there are indications that this operation is spreading to other regions of West Papua and intensifying.

Given these circumstances, we are reminded of Nelson Mandela's statement before the UN Special Committee against Apartheid in which he said:

> "It will forever remain an indelible blight on human history that the apartheid crime ever occurred. Future generations will surely ask -- what error was made that this system established itself in the wake of the adoption of a Universal Declaration on Human Rights.
>
> It will forever remain an accusation and a challenge to all men and women of conscience that it took as long as it has before all of us stood up to say enough is enough."

On the question of West Papua, we feel similarly and we write to say, "Enough is enough." The question of West Papua is not an internal problem. As early as 1961, Robert Johnson of the National Security Council Staff wrote a letter to Mr. Bundy, the President's Special Assistant for National Security Affairs, noting that the United States "must conclude that it is in our interests that a solution be devised which will lead to accession of West New Guinea to Indonesia."

In other words, it was our national policy to sacrifice the lives and future of some 800,000 West Papua New Guineans to the Indonesian military in exchange, supposedly, for Sukarno and Sukarto to become our friends, and yet they organized the most repressive military regimes ever known in the history of Indonesia. Almost three decades later, we continue to exacerbate the problem by making plans to certify full IMET for Indonesia as our brothers and sisters in West Papua New Guinea live a struggle of our making.

President Bush has publicly stated, "We are all part of a great venture – To extend the promise of freedom in our country, to renew the values that sustain our liberty, and to spread the peace that freedom brings." In our opinion, the President's mantra must and should include West Papua and we are hopeful that this means the Administration will support West Papua's right to self-determination through a referendum or plebiscite sanctioned by the UN, as was done for East Timor, and that you will oppose efforts to develop closer ties with the Indonesian military.

Sincerely,

Arnold Pugu Barbara Lee

Bobby L Rush Eni Faleomavaega Jr.

John Conyers Jr.

Corrine Brown

Maxine Waters

Major R. Owens

James E. Clyburn

Barbara Lee

Carolyn C. Kilpatrick

Eddie Bernice Johnson

Julia Carson

Danny K. Davis

Stephen Pitts Jr.

Eric McCarthy

Jackie Speier

Artur Davis

Wm. Lacy Clay

Diane E. Watson

Charles B. Rangel

Gene Green

Fortney Moore

Kendrick B. Meek

United States Department of State

Washington, D.C. 20520

APR 11 2005

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Dear Mr. Faleomavaega:

This is in response to your letter of March 14 expressing your views regarding our relationship with Indonesia, the resumption of full International Military Education and Training (IMET), and the situation in Papua.

In the first-ever direct presidential election in October 2004, over 117 million Indonesian voters exercised their democratic rights to choose their nation's leader. President Susilo Bambang Yudhoyono was elected, in part, due to his commitment to reform, including reform of the Indonesian military and judicial system. As part of this reform process, he has appointed a civilian Minister of Defense, Dr. Juwono Sudarsono, a leading advocate of, and thinker on, such reform. In addition, he appointed Abdul Rachman Saleh, who is an independent and respected human rights lawyer, as Attorney General.

Indonesia's new leadership has publicly committed to take on the challenge of overcoming the legacy of more than 30 years of authoritarian military rule. There is now an opportunity to selectively and appropriately assist Indonesia to break from the past and move on to a new chapter of its history. IMET is a critical tool for promoting such change and will help the military-reform process by offering training in areas such as civilian oversight and human rights. As you noted in your letter, the military remains a powerful institution in Indonesia. A better trained and more professional military is more likely to respect civilian authority and to observe international norms of human rights. In this way, resumption of IMET will enhance our ability to promote democratic reform in a key institution at a critical time in the world's largest Muslim-majority nation. There are no plans at this time to resume Foreign Military Financing with Indonesia. Section 572(a) of the Foreign Operations, Export Financing and

The Honorable
Eni F.H. Faleomavaega,
House of Representatives.

Related Programs Appropriations Act, 2005, outlines the areas in which concrete progress still needs to be made.

We take very seriously reports of human rights abuses, as you noted by referring to the Department of State's 2004 Country Reports on Human Rights Practices. We believe the conflicts in Aceh and Papua cannot be solved through military means, and a peaceful resolution must be found for the future of Indonesia's democracy to be strong. President Yudhoyono recognizes the importance of resolving these conflicts. He has expressed his intent to implement the law on Special Autonomy for the province of Papua, which had been delayed by previous administrations. This law draws on proposals made by a number of Papuan leaders, and should help address economic and political inequities felt by the people of Papua. In addition, President Yudhoyono has charged the Parliament to move forward with establishing the Papuan People's Council (MRP) to give a renewed and national voice to native Papuan leadership. The United States strongly supports the implementation of Special Autonomy as the best means of addressing Papua's current problems, and also welcomes President Yudhoyono's commitment to the MRP. At the same time, the United States has consistently supported the territorial integrity of Indonesia.

Increasing respect for human rights and the strengthening of Indonesia's democracy are among our key foreign policy goals for Indonesia. We will continue to monitor closely the situation in Papua, and to raise our concerns with the Government of Indonesia at senior levels. We hope this information has been helpful to you, and thank you for your interest in our policy toward Papua and the future of Indonesia. Please let us know if we can be of further assistance on this or any other matter of concern to you.

Sincerely,

Matthew A. Reynolds

Matthew A. Reynolds
Acting Assistant Secretary
Legislative Affairs

Congress of the United States
House of Representatives
Washington, DC 20515

March 14, 2005

His Excellency Kofi Annan
Secretary General
United Nations
42nd and 1st Avenue
New York, NY 10017

Dear Mr. Secretary General:

We are writing to ask for a review of the United Nation's conduct in West Papua. In 1962, the United States mediated an agreement between Indonesia and the Netherlands in which the Dutch were to leave West Papua, transfer sovereignty to the United Nations Temporary Executive Authority (UNTEA) for a period of six years, after which time a national election was to be held to determine West Papua's political status.

However, after this agreement was reached, Indonesia violated the terms of transfer and took over the administration of West Papua from the UNTEA. In 1969, Indonesia orchestrated an election that many regarded as a brutal military operation. Known as the "Act of Choice," 1,022 elders under heavy military surveillance were selected to vote for 809,327 Papuans on the territory's political status.

United Nations (UN) Ambassador Ortiz-Sanz, who was sent to West Papua to observe the process, issued the following statement:

> "I regret to have to express my reservation regarding the implementation of Article XXII of the (New York) Agreement relating to 'the rights, including the rights of free speech, freedom of movement and of assembly of the inhabitants of the area.' In spite of my constant efforts, this important provision was not fully implemented and the (Indonesian) Administration exercised at all times a tight political control over the population."

Despite Ambassador's Ortiz-Sanz's report, testimonials from the press, the opposition of fifteen countries and the cries for help from the Papuans themselves, the UN sanctioned Indonesia's act and, on September 10, 1969, West Papua became a province of Indonesian rule. Since the Indonesian government seized control of West Papua, the Papuans have suffered blatant human rights abuses, including extrajudicial

executions, imprisonment, torture and, according to Afrim Djonbalic's 1998 statement to the UN, "environmental degradation, natural resource exploitation, and commercial dominance of immigrant communities."

The Lowenstein Human Rights Clinic at Yale University recently found, in the available evidence, "a strong indication that the Indonesian government has committed genocide against the Papuans." West Papua New Guineans differ racially from the majority of Indonesians. West Papuans are Melanesian and believed to be of African descent. In 1990, Nelson Mandela reminded the UN that when "it first discussed the South African question in 1946, it was discussing the issue of racism." We believe as the UN discusses the West Papua question, it will also be discussing the issue of racism.

Furthermore, we believe the UN will be discussing the issue of commercial exploitation. West Papua New Guinea is renowned for its mineral wealth including vast reserves of gold, copper, nickel, oil and gas. In 1995, for example, the Grasberg ore-mountain in West Papua was estimated to be worth more than $54 billion. Yet little or no compensation has been made to local communities and new provisions in the law fall well short of West Papuan demands for independence.

In a statement dated February 24, 2004 (attached), Archbishop Bishop Desmond Tutu called on the UN to act on West Papua and 174 parliamentarians and 80 nongovernmental agencies from around the world have also written to you asking that a review be initiated. In the interim, Indonesian military operations in the highlands of West Papua have been ongoing since August 2004 forcing thousands of villagers into the forests where they lack adequate food, shelter and medicine. Indications are that this operation is spreading to other regions of West Papua and intensifying.

Given these circumstances, we are reminded of Nelson Mandela's statement before the UN Special Committee against Apartheid in which he said:

> "It will forever remain an indelible blight on human history that the apartheid crime ever occurred. Future generations will surely ask -- what error was made that this system established itself in the wake of the adoption of a Universal Declaration on Human Rights.
>
> It will forever remain an accusation and a challenge to all men and women of conscience that it took as long as it has before all of us stood up to say enough is enough."

On the question of West Papua, we feel similarly and we write to say, enough is Enough. It is time to bring an end to violence, racism and commercial exploitation in West Papua. In his State of the Union address before the U.S. Congress this year, President Bush said, "America will stand with the allies of freedom to support democratic movements in the Middle East and beyond, with the ultimate goal of ending tyranny in our world." In our opinion, the President's mantra must and should include West Papua and we are hopeful that this means the Administration will support West Papua's right to

self-determination through a referendum or plebiscite sanctioned by the UN. As an organization which promotes and protects basic human rights, including the right to self-determination, we are also hopeful that the UN will review the question of West Papua and act immediately.

Sincerely,

James E. Clyburn

Eleanor Holmes Norton

Barbara Lee

Carolyn C. Kilpatrick

Eddie Bernice Johnson

Julia Carson

Sheila Jackson Lee

Danny K. Davis

Alpha Trivette Gillis

Albert R. Wynn

Carolyn McCarthy

Wm. Lacy Clay

Diane E. Watson

Sheila Jackson Lee

Charles B. Rangel

Gregory W. Meeks

Al Green

Gwen Moore

Kendrick B. Meek

Congress of the United States
House of Representatives
Washington, DC 20515

May 5, 2005

The Honorable Condoleezza Rice
U.S. Secretary of State
Harry S. Truman Building
2201 C Street NW
Washington, DC 20520

Dear Madame Secretary:

In response to Acting Assistant Secretary Reynold's letter dated April 4, 2005 regarding our letter to you dated March 14, 2005, we are writing to once again express our views about West Papua.

This year, President Bush stated in his Inaugural Address that "it is the policy of the United States to seek and support the growth of democratic movements and institutions in every nation and culture, with the ultimate goal of ending tyranny in our world." We believe the President's great mission of American diplomacy today should include West Papua's right to self-determination and are disappointed to learn that the U.S. State Department supports Special Autonomy instead.

Historically, the Dutch granted independence to the colonies of the former Dutch East Indies, including the Republic of Indonesia, in 1949. But the Dutch retained West Papua New Guinea and in 1950 prepared the territory for independence. However, upon achieving independence, Indonesia demanded all former territories of the Dutch East Indies and Portuguese Colonial Empires, including West Papua and East Timor. When President Sukarno's demands were not met, he sent Indonesian troops to occupy both territories slaughtering and murdering some 100,000 West Papuans and over 200,000 East Timorese.

In 1962, the United States mediated an agreement between the Dutch and Indonesia but without any West Papuan representation. Under terms of the agreement, the Dutch were to leave West Papua and transfer sovereignty to the United Nations Temporary Executive Authority, known as UNTEA, for a period of 6 years, after which time a national election would be held to determine West Papua's political status. But almost immediately after this agreement was reached, Indonesia violated the terms of the transfer and took over the administration of West Papua from the United Nations.

In 1969, Indonesia orchestrated an election that many regarded as a brutal military operation. In what became to be known as an 'act of no-choice,' 1,025 West Papua

elders under heavy military surveillance were selected to vote on behalf of 809,327 West Papuans on the territory's political status. The UN Representative sent to observe the election process produced a report which outlined various and serious violations of the United Nations Charter. In spite of the "duly noted" report and in spite also of testimonials from the press, the opposition of fifteen countries and the cries of help from the Papuans themselves, West Papua was handed over to Indonesia in November 1969.

Across the border, inhabitants of Papua New Guinea achieved full independence in 1975. East Timor achieved independence in 2002. For the Indonesian government or the U.S. State Department to now suggest that Special Autonomy is the best means of addressing West Papua is offensive to men and women of conscience. Since the Indonesian government seized control of West Papua, the Papuans have suffered blatant human rights abuses including extrajudicial executions, imprisonment, torture and, according to Afrim Djoubalic's 1998 statement to the United Nations, "environmental degradation, natural resource exploitation, and commercial dominance of immigrant communities."

The U.S. State Department has also acknowledged that Indonesia's record on human rights is poor noting in its latest report that "security force members murdered, tortured, raped, beat, and arbitrarily detained civilians and members of separatist movements especially in Aceh and Papua." Furthermore, Congress has expressed its concerns about human rights abuses perpetuated by the Indonesian military, or TNI, and in section 597 of the Foreign Operations Bill which became Public Law 108-199, only allows military financing funds to be expended if the President certifies to Congress that that TNI is actively suspending, prosecuting and punishing those responsible for human rights abuses.

Congress also made it clear that International Military Education and Training (IMET) should not be made available for Indonesia unless the Secretary of State certifies that Indonesia is cooperating with the FBI's investigation into the attack on Americans at Timika, Papua. Given that the investigation remains incomplete and, as of March 2005, the only perpetrator so far indicted by the U.S. remains at large and un-indicted in Indonesia, we are disappointed in your decision to resume IMET funding based on the election of President Susilo Yudhoyono, his public commitment to "take on the challenge of overcoming the legacy of more than 30 years of authoritarian military rule," or because the U.S. State Department believes that resumption of IMET will "enhance our ability to promote democratic reform in a key institution at a critical time in the world's largest Muslim-majority nation." Christians in West Papua are facing genocide and, to date, no correlation has been found between TNI officers' participation in the IMET program and their human rights performance afterward.

As we noted in our previous letter, more than 174 parliamentarians and 80 nongovernmental agencies from around the world have called upon the United Nations to instigate a review of the UN's conduct in relation to the now-discredited Act of 'Free' Choice. We are also calling upon the U.S. State Department and the Administration to support this review rather than Special Autonomy. Special Autonomy is no answer.

Special Autonomy is simply an effort to divide and conquer and further disenfranchise a people who differ racially from the majority of Indonesians.

West Papuans are Melanesian and believed to be of African descent and, we reaffirm our position that when we are discussing the issue of West Papua, we are discussing the issue of racism. Therefore, no matter what proposals the newly-elected President of Indonesia may put forth, no matter how the U.S. welcomes President Yudhoyono's commitment to the Papuan People's Council (MRP), we will support nothing less than West Papua's right to self-determination.

The issue of West Papua is not an internal matter or an issue of territorial integrity as was suggested by Acting Assistant Secretary Reynolds. West Papua was a former Dutch colony just as East Timor was a former Portuguese colony just as Indonesia was a former colony of the Netherlands. The historical evidence is clear on this matter and it is therefore disconcerting that the State Department would suggest that Indonesia's military invasion and brutal rule of East Timor and West Papua is an issue of territorial integrity which the U.S. supports.

We cannot support such a conclusion and for this reason and, as a result of the continued human rights abuses that have been perpetuated against the people of West Papua by the Indonesian military since 1949, it is our intention to introduce a resolution expressing our serious concerns about why West Papua's cry for justice and freedom has fallen on deaf ears. Upon introduction of this resolution, we are hopeful that the State Department will work with us and support West Papua's right to self-determination through a referendum or plebiscite sanctioned by the UN as was done for East Timor not by the barrel of a gun but by the casting of a vote.

Sincerely,

ENI F.H. FALEOMAVAEGA
Ranking Member
International Relations Subcommittee
on Asia and the Pacific

DONALD M. PAYNE
Ranking Member
International Relations Subcommittee
on Africa, Global Human Rights and
International Operations

cc:
The Honorable Patrick Leahy, U.S. Senator
The Honorable Barack Obama, U.S. Senator
The Honorable James Leach, Member of Congress
The Honorable Christopher Smith, Member of Congress

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