

INDONESIA IN TRANSITION: IMPLICATIONS FOR U.S. INTERESTS

HEARING BEFORE THE SUBCOMMITTEE ON EAST ASIA AND THE PACIFIC OF THE COMMITTEE ON INTERNATIONAL RELATIONS HOUSE OF REPRESENTATIVES ONE HUNDRED SEVENTH CONGRESS FIRST SESSION

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WEDNESDAY, JULY 18, 2001

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

The Subcommittee met, pursuant to call, at 10:04 a.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.

On behalf of the Subcommittee, I would like to extend a warm welcome to Deputy Assistant Secretary Boyce.

As many in this audience know, Skip Boyce is one of the premiere Southeast Asian hands at the Department of State, having previously served as deputy chief of mission in both Singapore and Thailand and we are delighted to have him with us today.

Skip, you have the full confidence of the Committee.

There is no country in the world of such vital significance to the United States that is less understood than Indonesia. The purpose of our hearing today is to improve that understanding, review the complex challenges confronting Indonesia in its transition from authoritarianism to democracy and assess the implications of recent developments in that vast country for American national interests.

By background, a little more than 2 years ago, Indonesia appeared to have completed a successful transition to democracy after more than three decades of dictatorship under the Suharto regime. In June 1999, free elections were held for the national legislature. That fall, the People's Consultative Assembly, a 695-member body that has the constitutional authority both to elect the President and withdraw a mandate, chose a new President, the moderate Islamic cleric, Abdurrahman Wahid, and Vice President Megawati Sukarnoputri, daughter of Indonesia's first President Sukarno.

Today, however, a beleaguered President Wahid appears to be on the cusp of impeachment. There are credible fears that Jakarta and other urban centers could be convulsed by violent protest. At the same time, the protracted political turmoil in Jakarta has stymied needed financial reforms and threatens to undermine the broader economy.

The future is uncertain whether Wahid's widely assumed successor Megawati will prove better able to build coalitions and bolster democratic institutions, ensconce civilian control of the mili-

tary, peacefully resolve acute regional tensions, as well as stabilize and reform the economy, remains in doubt.

In this difficult circumstance, it should be stressed the U.S. supports a peaceful, constitutional resolution of the crisis and that Congress identifies with the people of Indonesia and their aspirations for economic opportunity and democratic governance.

As we have all come to recognize, Indonesia is clearly one of the great countries in the world, blessed with an astonishing mosaic of rich cultural and artistic traditions, an extraordinary breadth of peoples and a wealth of human capacity, breathtaking geographic and environmental diversity, as well as bountiful natural resources.

It is strongly in the interest of America and the world for Indonesia to succeed. With some 225 million people, Indonesia is the giant of Southeast Asia. If its transition to democracy takes root, Indonesia will take its place as the world's third largest democracy and perhaps, more consequentially, the world's largest Muslim democracy.

A peaceful, prosperous and democratic Indonesia could also be expected to resume its historic leadership role in ASEAN, help advance principles of open trade, as well as contribute to strengthening regional security in Southeast Asia.

While the outcome of its democratic transition is fundamentally for the Indonesian people to decide, nothing could be worse than for the international community to withdraw for engagement and efforts to help foster the consolidation of democratic institutions within a stable, unified and economically viable Indonesia. While we need to be as helpful and constructive as we can, how to effectively do so is a daunting question in a challenging circumstance.

In this regard, a wide range of policy proposals has been put forward for consideration by the Administration and Congress. These including focusing U.S. efforts on peaceful resolution of separatist tensions and implementation of far-reaching decentralization laws, supporting institutional development in the crucial realm of civilian control of military and in the administration of justice, promoting democracy through the development of civil society and independent media, utilizing international financial institutions to support credible Indonesian efforts to stabilize the economy and accelerate critical corporate and financial sector reforms, as well as prudent management and protection of Indonesia's spectacular environmental resources.

In conclusion, we look forward to Deputy Assistant Secretary Boyce's assessment of the situation in Indonesia today and the outlook for American policy toward a country with such looming significance for U.S. interests and the future of Southeast Asia.

Would you care to make any opening comments?

[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 EAST ASIA AND THE PACIFIC

On behalf of the Subcommittee, I would like to extend a warm welcome to Deputy Assistant Secretary Boyce. As many in this audience may know, "Skip" Boyce is one of the premier Southeast Asia hands at the Department of State, having previously

served as Deputy Chief of Mission in both Singapore and Thailand, and we are delighted to have him with us today.

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By background, a little more than two years ago Indonesia appeared to have completed a successful transition to democracy after more than three decades of dictatorship under the Suharto regime. In June 1999, free elections were held for the national legislature. That fall, the People's Consultative Assembly—a 695-member body that has the constitutional authority both to elect the president and withdraw his mandate—chose a new president, the moderate Islamic cleric Abdurrahman Wahid and Vice President, Megawati Sukarnoputri, daughter of Indonesia's first president, Sukarno.

Today, however, a beleaguered President Wahid appears to be on the cusp of impeachment. There are credible fears that Jakarta and other urban centers could be convulsed by violent protests. At the same time, the protracted political turmoil in Jakarta has stymied needed financial reforms and threatens to undermine the broader economy. The future is no less uncertain. Whether Wahid's widely assumed successor, Megawati, will prove better able to build coalitions and bolster democratic institutions, ensconce civilian control of the military, peacefully resolve acute regional tensions, as well as stabilize and reform the economy, remains in doubt.

In this difficult circumstance, it should be stressed that the U.S. supports a peaceful, constitutional resolution of the crisis, and that Congress identifies with the people of Indonesia and their aspirations for economic opportunity and democratic governance.

As we have all come to recognize, Indonesia is clearly one of the great countries in the world, blessed with an astonishing mosaic of rich cultural and artistic traditions, an extraordinary breadth of peoples and wealth of human capacity, breathtaking geographic and environmental diversity, as well as bountiful natural resources.

It is strongly in the interest of America and the world for Indonesia to succeed. With some 225 million people, Indonesia is the giant of Southeast Asia. If its transition to democracy takes root, Indonesia will take its place as the world's third largest democracy and, perhaps more consequentially, the world's largest Muslim democracy. A peaceful, prosperous and democratic Indonesia could also be expected to resume its historic leadership role in ASEAN, help advance principles of open trade, as well as contribute to strengthening regional security in Southeast Asia.

While the outcome of its democratic transition is fundamentally for the Indonesian people to decide, nothing could be worse than for the international community to withdraw from engagement and efforts to help foster the consolidation of democratic institutions within a stable, unified and economically viable Indonesia. While we need to be as helpful and constructive as we can, how to effectively do so is a daunting question in a challenging circumstance.

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In conclusion, we look forward to Deputy Assistance Secretary Boyce's assessment of the situation in Indonesia today, and the outlook for American policy toward a country with such looming significance for U.S. interests and the future of Southeast Asia.

Mr. KERNS. Thank you, Mr. Chairman. Actually, I am looking forward to learning more and I appreciate the witness taking his time to be with us today.

Mr. LEACH. Well, we welcome you, Mr. Secretary. Please proceed as you see fit.

**STATEMENT OF RALPH L. BOYCE, DEPUTY ASSISTANT
SECRETARY OF STATE**

Mr. BOYCE. Thank you, Mr. Chairman.

Mr. Chairman, I appreciate the opportunity to——

Mr. LEACH. Excuse me. If you could withhold for a second and make sure your microphone is turned on.

Mr. BOYCE. Now I really appreciate the opportunity.

Thank you, Mr. Chairman. You have offered me an opportunity to testify before this Subcommittee today on an extremely important matter. Events in Indonesia are moving rapidly, there are literally new developments by the day, and so I would like to offer just a very short statement on the general course of events and on U.S. longer-term objectives and then I would be happy to address any specific questions that you would like to raise.

As you mentioned, Indonesia is in the midst of an historic transition to democracy. Despite the crises that fill the headlines, there are very many signs of progress as well. Still, the process is fragile, it is reversible, and therefore it is of vital importance to the United States.

A successful democracy, as you indicated, in the world's largest Muslim nation would be a huge positive development. However, the flip side, which is instability in the world's fourth most populous nation, would threaten not only Indonesia's immediate neighbors, but also our own strategic and regional objectives.

Indonesia's 13,000 plus islands span critical sea lanes and airways and the country possesses vast natural resources, including oil and gas. Without a stable and supportive Indonesia, the Association of Southeast Asian Nations could be rendered hollow.

Growing social disarray in Indonesia could offer a regional entre through Islamic radicalism and possibly international terrorism and fragmentation of the Indonesian state would, of course, be a disaster for regional stability.

So Indonesia faces serious challenges. Political contention in Jakarta has left the central government too divided and preoccupied to address even the most pressing problems. Separatist movements plague opposite ends of the archipelago while communal violence frequently erupts in the islands in between. These conflicts tempt the military to continue with abuses of human rights which have subverted the rule of law. Economic recovery has stalled and will not resume without resolute government action and resolute government action will require resolution of the current political struggle.

Though we follow elite politics very closely, we firmly believe the current leadership crisis is a purely domestic matter and it is for Indonesians to resolve. We do hope to see the situation resolved in a way that promotes reconciliation and effective governance and we stand prepared to support any resolution that can be achieved through peaceful and constitutional means.

However, even as we view Indonesia's numerous problems, we do need to be mindful of the many positive developments that are being quietly unfolded outside of the headlines.

Since the widely successful 1999 election that you mentioned, democracy has in fact begun to take deep root. Civil society is flourishing with multiplying non-government organizations contributing

to public discourse. Governmental and social institutions have begun to strengthen as well. Most notably, Indonesia now boasts an independent and vigorous parliament.

So we should be mindful that a good measure of the contentiousness that we see in Jakarta today is not just a clash of political personalities, but rather a struggle to define the respective powers of the branches of government, not unlike we ourselves saw in our own early years.

Indonesia has also plunged into the vital task of government decentralization. And while it is proceeding unevenly and with some confusion, as might be expected, decentralization is both hugely popular and necessary to the eventual stability of this enormous and diverse nation.

So our goal, Mr. Chairman, is a united, democratic, stable, and prosperous Indonesia, but we must recognize that our ability or that of any outside actor to influence events in Indonesia is limited. The size and complexity of that nation, as well as the limits of our resources, dictate that we focus on top priorities, maintaining a long-term strategic approach that can withstand the inevitable shocks and crises that happen without losing sight of over-arching objectives.

So while strengthening Indonesian institutions, our strategy includes working wherever possible through NGOs, to continue to invigorate civil society and we want to particularly want to concentrate on judicial institutions. With the vast ethnic diversity and a long history of official abuse, Indonesia cannot long remain stable unless its citizens believe their grievances receive a fair hearing.

Our program will include a concerted effort with the police to develop a trained, equipped and capable police force which can handle most civil problems and leave the military to concentrate on its proper functions.

We also will need to carefully modulate our broader contacts with the Indonesian military, known as TNI, as a part of any co-ordinated effort to strengthen Indonesia's institutions. TNI remains a central, a truly national institution, with enormous potential to support or subvert Indonesia's democratization. So in saying this, our intention to work with them, we do not ignore the human rights abuses by many TNI members and the lack of accountability for these abuses.

The legislative restrictions on U.S. interaction with the Indonesian military are an important and useful reminder to Indonesia and its military of the importance of human rights issues to the world in general and to the United States in particular. Still, we can and we should work constructively with TNI to meet specific U.S. interests. These include regional stability, anti-piracy, policing the archipelago's economic zone waters, and, over the long term, we believe we can foster professional reform without backing away from the importance of accountability for human rights abuses.

So in the end, Indonesia's political stability cannot be maintained without economic stability and progress. Their partial recovery from the collapse of 1998 is insufficient and it will be unsustainable without politically painful reforms to alter the old system of basically sheltered oligopolies. Moreover, looming fiscal

problems mean that these reforms must begin even while Jakarta is mired in political dispute.

So on the economy, we will work to support reform-minded Indonesians who know that economic reform is vital to their nation. We will work in concert with other interested donors, particularly the international financial institutions, so that we can encourage parallel messages and carefully targeted assistance.

In sum, Mr. Chairman, while it sometimes seems in chaos, Indonesia is truly in transition and, though the obstacles are formidable, democracy is beginning to take root and, together with decentralization, this bolsters the long-term prospects for peace and unity. And for us, the United States has major interests in helping that to happen. So we will work for long term effect, recognizing that the short term will often provide disappointments, but we are committed to support Indonesia's democracy as well as its unity.

Thank you.

[The prepared statement of Mr. Boyce follows:]

PREPARED STATEMENT OF RALPH L. BOYCE, DEPUTY ASSISTANT SECRETARY OF STATE

Mr. Chairman, thank you. I appreciate the opportunity you have offered me to testify before this subcommittee today. Events are moving rapidly in Indonesia with new developments by the day. Therefore, I would like to offer this short statement on the general course of events and U.S. long-term objectives. Afterwards, I'd be happy to address any specifics Members would like to raise.

Indonesia is in the midst of an historic transition to democracy. Despite the crises that fill the headlines, there are many signs of progress. Still, the process is fragile and reversible, and it is of vital importance to the United States.

A successful democracy in the world's largest Muslim nation would be a major positive development. However, the flip side—instability in the world's fourth most populous nation—would threaten not only Indonesia's immediate neighbors, but also our strategic and regional objectives. Indonesia's 13,000 plus islands span critical sea-lanes and airways, and the country possesses vast natural resources, including oil and gas. Without a stable and supportive Indonesia, the Association of Southeast Asian Nations (ASEAN) could be rendered hollow. Growing social disarray and religious conflict in Indonesia could offer a regional entrée to Islamic radicalism and possibly international terrorism. Fragmentation of the Indonesian state would, of course, be a disaster for regional stability.

Indonesia faces serious challenges. Political contention in Jakarta has left the central government too divided and preoccupied to address even the most pressing problems. Separatist movements plague opposite ends of the archipelago while communal violence frequently erupts in the islands in between. These conflicts tempt the military to continue the abuse of human rights which has subverted the rule of law. Economic recovery has stalled and will not resume without resolute government action.

Resolute government action will require resolution of Indonesia's current political struggle. Though we follow elite politics closely, we firmly believe the current leadership crisis is a purely domestic matter for Indonesians to resolve. We do hope to see the crisis resolved in a way that promotes reconciliation and effective governance and are prepared to support any resolution that can be achieved through peaceful and constitutional means.

However, even as we view Indonesia's numerous problems, we also need to be mindful of the many positive developments unfolding quietly, out of the headlines. Since the widely successful 1999 elections, democracy has begun to take deep root. Civil society is flourishing with multiplying non-government organizations contributing to public discourse. Governmental and social institutions have begun to strengthen. Most notably, Indonesia now boasts an independent and vigorous Parliament. We should be mindful that a good measure of the contentiousness we see in Jakarta today is not just a clash of political personalities, but rather a struggle to define the respective powers of the branches of government, not unlike what we saw in our own early years. Indonesia has also plunged into the vital task of government decentralization. Though it is proceeding unevenly and with some confusion, decentralization is both hugely popular and necessary to the eventual stability of an enormously diverse nation.

Our goal, Mr. Chairman, is a united, democratic, stable, and prosperous Indonesia. But, we must recognize that our ability—or that of any outside actor—to influence events in Indonesia is limited. The size and complexity of that nation, as well as the limits on our resources, dictate that we focus on top priorities, maintaining a long-term strategic approach that can withstand inevitable shocks and crises without losing sight of over-arching objectives.

While strengthening Indonesian institutions, our strategy includes working wherever possible through NGOs, to continue to invigorate civil society. We will particularly want to concentrate on judicial institutions. With vast ethnic diversity and a long history of official abuse, Indonesia will not long remain stable unless its citizens believe their grievances will receive a fair hearing. Our program will include a concerted effort with the police to develop a trained, equipped and capable police force that can handle most civil problems and leave the military to concentrate on its proper functions.

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In the end, Indonesia's political stability cannot be maintained without economic stability and progress. Indonesia's partial recovery from the collapse of 1998 is insufficient and will be unsustainable without politically painful reforms to alter the old system of sheltered oligopolies. Moreover, looming fiscal problems mean that these reforms must begin even while Jakarta is mired in political dispute. On the economy, we will work to support reform-minded Indonesians who know that economic reform is vital to their nation. We will work in concert with other interested donors, particularly the international financial institutions, to encourage parallel messages and carefully targeted assistance.

In sum, Mr. Chairman, while it sometimes seems in chaos, Indonesia is truly in transition. Though the obstacles are formidable, democracy is beginning to take root and, together with decentralization, this bolsters the long-term prospects for peace and unity. The United States has major interests in helping that to happen. We will work for long term effect, recognizing that the short term will often provide disappointments. We are committed to support Indonesia's democracy as well as its unity.

Thank you.

Mr. LEACH. Thank you very much, Mr. Secretary. Before proceeding to questions, I would like to ask Mr. Faleomavaega if he would like to make any comments.

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman. I would like to extend my personal welcome and thanks to Deputy Assistant Secretary Ralph Boyce for testifying before our Committee this morning.

For many years, Secretary Boyce has served with distinction in the department's Bureau of East Asian and Pacific Affairs and I know him personally. We are very fortunate today to have him before us to share his expertise and insight on recent developments in Indonesia.

Mr. Chairman, with over 225 million people, Indonesia is the world's largest Muslim nation, the world's third largest democracy and the world's fourth most populous country. Stretching the width of the United States, Indonesia's 18,000 islands are occupied by over 300 ethnic groups. Sitting astride major sea lanes connecting the Pacific Ocean with the Persian Gulf region, over half of global trade flows through Indonesia's strategically vital waters. Indo-

nesia is also the traditional leader of ASEAN, a major trading partner and market for America's goods. For all these reasons, Indonesia's development as a nation are of importance to the United States.

Today, we see Indonesia's first democratically elected leader, President Wahid, under siege and scrambling to stay in power. With the economy in shambles, the budget deficit out of control and violence flaring up throughout the country, Indonesia's parliament seeks the removal of President Wahid.

Refusing to step down, President Wahid has threatened to declare a state of emergency, perhaps even by this Friday, thus dissolving the parliament and calling for snap elections.

President Wahid has further claimed that his impeachment will result in chaos and an outbreak of violence throughout the country. Some argue that Indonesia's economic collapse and political crisis is so great that Indonesia's exercise in democracy, as well as the existence of a nation state itself, are tremendously at risk at this time.

Mr. Chairman, I am also concerned with the continuing human rights abuses that are occurring throughout the country, from Aceh to West Papua, New Guinea. While many of our colleagues are familiar with the atrocities committed by the Indonesian security forces in East Timor, little attention has been paid to Indonesia's brutal repression of the people of West Papua, New Guinea, also known as Irian Jaya or Papua. As in East Timor, reports estimate that over 100,000 West Papuans have been killed or tortured or have just simply disappeared at the hands of the Indonesian military over the past 30 years.

I commend Human Rights Watch for issuing this month an excellent report entitled "Indonesia: Violence and Political Impasse in Papua." According to Human Rights Watch, and I quote, "In the last 6 months, we have seen arbitrary arrests and torture in Papua that should have ended with Suharto's ouster. What we haven't seen is the political will to address any of the underlying causes of the conflict."

Human Rights further makes the statement then, and I quote, "Jakarta failed to deliver on promises of meaningful autonomy for Papua. Instead, since June 2000, authorities have sent thousands of new troops to the province. They have banned peaceful expressions of support for Papuan independence and have moved aggressively against independence demonstrators, in many cases killing or seriously injuring them. Key Papuan leaders have been arrested and prominent civil society groups, including human rights organizations, have been subjected to increased surveillance and harassment."

Focusing on the Abepura case, where last December the Indonesian police killed three West Papuan students and tortured dozens of others, Human Rights Watch noted "More than 2 years after Suharto resigned, the police and the military still enjoy near total impunity."

I join Human Rights Watch in calling upon Indonesia's President Wahid and Attorney General to prosecute police offenders in the Abepura case. Additionally, I urge Secretary of State Colin Powell to raise the issue of ongoing human rights abuses in West Papua,

New Guinea when he meets with the senior Indonesian officials at the ASEAN Regional Forum meeting in Hawaii later this month.

Mr. Chairman, I thank you for the opportunity to comment and after Secretary Boyce has made his statement, I look forward to asking him some questions.

Thank you again, Mr. Chairman.

Mr. LEACH. Thank you, Mr. Faleomavaega.

Mr. Blumenauer, would you like to make any comments and then we will turn to questions later.

Mr. BLUMENAUER. Thank you, Mr. Chairman. I would just briefly comment to the extent that I appreciate your scheduling this Subcommittee session on Indonesia. As you know from our personal conversations earlier, I have felt that Indonesia represents perhaps the best opportunity for our Committee to make a constructive contribution in an area that is troubled, as has been referenced by Members of the Committee and by Secretary Boyce.

I am particularly pleased that we have been joined today by Secretary Boyce. Skip has been, I think, a tremendous resource both in Asia and here in our nation's capital and I am pleased that he is occupying this critical role at this critical time. I think his experience and expertise is going to help us do our job better. I also think he is going to perform a valuable linkage between the various interests and activities in the region and, in particular, Indonesia, and the State Department and Congress.

This is one area where I think our interests are clear. I think there is a deeper degree of interest here in Congress and we can fan these flames of interest so that you get the resources that you need.

I am particularly interested in our being able to explore the elements that have already been referenced in terms of human rights—some of the ethnic and religious struggles that we are seeing, and the unusual role that the military has played in Indonesia over the last third of a century, which shows little evidence of really evolving, despite pressures and encouragement that this country has made. I am looking forward to continuing a conversation here and later about what we might do to send different signals.

As we are looking at trade and aid in this session of Congress, I think Indonesia is an area where our investments probably have the potential of going further for a smaller investment if we do it right.

I apologize for having arrived a little late in terms of your statement, but as I read the version that was given to me and as I listened, I did not hear any reference to the area that is my greatest concern, and that is the threats to the natural environment in Indonesia. This vast expanse of the 15,000 islands is held together by very tenuous links, and the desperate condition of a number of people on the quarter of the islands that are inhabited to exploit the natural environment out of desperation, out of ignorance or a lack of resources, is an area that I think is one of the most dangerous in the world environmentally and I hope that we can put our focus on that so that people who are desperately poor and who are not properly equipped, are not compounding problems in that area. And I will look forward to coming back to that.

Thank you, Mr. Chairman.

Mr. LEACH. Thank you, Mr. Blumenauer.

Mr. Meeks or Ms. Watson, did you want to make any opening comments?

Mr. MEEKS. Thank you, Mr. Chairman. I will just say very briefly that I am sorry that I missed the statement, but I am interested in asking a few questions because democracy is tremendously important. Knowing the cultural differences and diversity in Indonesia, I have some questions and I think that it is very important for that part of the world. I am reading your testimony as I sit and I just look forward to delving into these issues and getting more involved as a new Member of this particular Subcommittee as well as working with you closely to try to resolve those kinds of issues.

Thank you, Mr. Chairman.

Mr. LEACH. Thank you very much.

Ms. Watson?

Ms. WATSON. Chairman Leach, it is both an honor and a privilege to have been asked to serve on the International Relations Committee and on this Subcommittee. I represent Southern California's 32nd district, formerly represented by the late Julian Dixon. It is a district rich in ethnic, cultural and economic diversity. A significant number of my constituents are first or second generation U.S. citizens who still retain close personal and business ties with their countries of origin.

In a nutshell, my district reflects the new global character of this nation's economy. The current and future well being of many of my constituents is directly tied to the performance of both the NAFTA and the Pacific Rim nations. As such, my interest in the activities of this Subcommittee are more than a passing interest.

I just returned as the Ambassador to the Federated States of Micronesia and am somewhat familiar with the culture and tradition in islands of the Pacific and while the report was being delivered, it constantly reoccurs to me that we are dealing with nations that are steeped in culture and tradition. Applying a democratic governance mold will take a period of time and we always have to take that into consideration as we consider policies that will affect our USAID programs and the country.

To evolve into democracy is something very new to many of these nations and particularly Indonesia and we have to take their traditions into account as well.

So I look forward to working with the Committee and working on some of these issues that are prevalent to Pacific Rim nations and, as you know, California is a nation state itself and part of the Pacific Rim.

Thank you very much, Mr. Chairman.

Mr. LEACH. Thank you very much.

In turning to questions, Mr. Secretary, as you know, the news of the last week, there are threats and counter threats in Indonesia, whether the President will take on emergency powers, potentially dissolve the legislature, and whether the legislature will precipitate impeachment considerations.

How serious is this from a U.S. Government perspective? It is my own view that obviously the U.S. position is principally that Indonesia has to solve these issues themselves. On the other hand, as a member of a legislative body, it is hard for me not to want to ar-

ticulate a sense of identity with the people's consultative assembly, legislature to legislature, in the hopefulness that democratic institutions prevail and democratic judgments prevail in a peaceful way, without recourse to extra-legal types of measures.

And I am wondering how seriously the department looks at the situation this week and how you view the circumstance should be resolved.

Mr. BOYCE. Well, as I mentioned, we do not take sides, obviously, in the unfolding drama and I think one important aspect that maybe gets missed a lot is that even as all the sides parry and thrust, nobody is talking about going back to the old days. Everybody is committed to trying to make this transition to democracy work.

A second thing I would note is that there is a determination on all sides to go by the book, to do this by the schedule that has been set out under Indonesian constitution and procedure. And sometimes that may seem frustrating, especially given the enormous challenges in the economy and in some of the outlying provinces that sometimes seem to be neglected because of the struggles in Jakarta, but I think it is an important tribute to Indonesia, really, and the players who are committed to doing this thing peacefully, democratically and constitutionally and we have great confidence that it will in fact be the way in which this is resolved.

However, as you point out yourself, it will be resolved by Indonesians according to Indonesian influences and traditions. And I am pretty confident that that will happen a way that will allow for all the other challenges that have yet to be addressed in many cases to be addressed in the near future, as near as possible, I hope.

Mr. LEACH. Well, I understand your reluctance to be particularly definitive, but you used a phrase "going by the book." Is it going by the book if the President dissolves the legislature and declares a state of emergency?

Mr. BOYCE. Greater legal minds than mine in Jakarta are struggling with that question, actually, because it is at the heart of what is being suggested by the President. Whether in fact something like that happens as early as this Friday perhaps has yet to be seen. And I think there is a broad element of Indonesian society that contests that that is not an appropriate way to go and that hopes it will not in fact happen and therefore require making a judgment as to whether it was constitutional or not.

Mr. LEACH. Well, let me just say from an American legislative perspective, I think if that were to occur it would be very clear that it would be unsympathetically received on Capitol Hill. Now, that is maybe a modest consideration, but my personal desire is for America to become much more engaged in Indonesian affairs in the sense of trying to help this great country resolve its difficulties in as positive a way possible, and I hope that can be done without extra-legal things happening in Indonesian. There are so many great crises that have to be resolved in the country. We want to see governance take hold in a stable and maximally legal sense and so I think it would be certainly hopeful if it occurred in a little different framework than is being suggested by some.

Mr. Faleomavaega?

Before turning to you, Eni, we have about 6 minutes on a vote. Maybe it would be fairer to you that we recess at the moment and come back.

Mr. Secretary, there is a vote on the floor. We will recess pending that vote.

Mr. BOYCE. Sure.

[Recess.]

Mr. CHABOT. [Presiding.] The Committee will come to order. I am Congressman Steve Chabot and until the Chairman comes back, we will then give the gavel back to him, we are going to go ahead with the hearing and we will now recognize the Ranking Member, Mr. Faleomavaega, for questions.

The gentleman is recognized for 5 minutes.

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman.

Mr. Secretary, you have indicated earlier in your statement that the crisis in Indonesia is purely a domestic matter and this is something that Indonesia has to resolve itself.

How many U.S. citizens live in Indonesia right now?

Mr. BOYCE. About 36,000.¹

Mr. FALEOMAVAEGA. Thirty-six thousand U.S. citizens?

Let me ask you another question, then. At what point or what threshold would you believe that the U.S. has got to get involved in the crisis?

Let us say, for example, that President Wahid, and this is being hypothetical, gets into a crisis and asks for U.S. assistance to provide stability and order in the nation and we refuse, and then he goes to China and China comes in and says, yes, we will be more than happy to help you. Will the U.S. then get involved if something like that happens?

Mr. BOYCE. As you point out, it is a hypothetical question which is usually real dangerous for witnesses to try to answer.

Mr. FALEOMAVAEGA. Hypothetical answers.

Mr. BOYCE. Yes. I think that the point about not getting involved is that obviously the U.S. wants to get involved with helping Indonesia in ways that Indonesia wants assistance in. There is no end to the kind of areas that we are in fact already involved in and hopefully we will get into some of those as we discuss this morning. We are definitely involved.

Where we do not get involved, however, is when there is a political struggle domestically, as there is currently.

I would like to just add to a comment I made before the break which is when the Chairman mentioned his remarks that an extra-constitutional move would be inappropriate. I probably should have added immediately that not only privately but publicly we have consistently urged the same thing and that is that this crisis be resolved according to Indonesian constitution in a democratic and peaceful fashion.

But as far as getting into the middle of a domestic political struggle, I do not think that that would be appropriate.

Mr. FALEOMAVAEGA. With the crisis looming in Indonesia, the instability as it is, would it not be wise right now to put out some

¹Mr. Boyce turned to a State Department official to provide the response to Mr. Faleomavaega's query on the number of American citizens resident in Indonesia. An incorrect figure, 36,000, was provided. The correct number is 8,500.

kind of a statement to all U.S. citizens to prepare to leave the country? Do we not do this in countries that have problems, serious problems?

Mr. BOYCE. Yes.

Mr. FALEOMAVAEGA. Or are we just going to allow it to—

Mr. BOYCE. No, we actually have a travel advisory that is out at the moment. There has been one in place for quite some time regarding travel to Indonesia in general. Part of it is due to a security situation. When appropriate, as in, I think, back in April, there was an expectation there were going to be huge crowds coming to Jakarta from East Java for the second censure motion against the President, I believe the embassy put a statement out warning against unnecessary travel in and around Jakarta, for example.

So, yes, we definitely do. And we also have, obviously, every sort of contingency within the embassy's emergency action committee to deal with the well being of the American citizens throughout the country.

Mr. FALEOMAVAEGA. Well, 36,000 U.S. citizens, that is a large number. I can just imagine how the Marines are going to have to come in and rescue them if they are in the middle of a crisis. I just wanted to express that concern.

You also mentioned in your statement that the U.S. does have major interest but very limited influence. I note with interest that in Aceh, which is one of the crisis areas, do we not have a multi-billion dollar investment there through Mobil and Exxon and other major oil corporations?

What is the investment? What is our oil investment there in Indonesia as far as oil corporations and major industries?

Mr. BOYCE. We have investments in the extractive sector throughout Indonesia. You mentioned the Exxon-Mobile one up in Lhocsukon and Aceh itself, but, you know, trying to come up with a number for it, we come up with on the order of total investment of about 20 billion.

Mr. FALEOMAVAEGA. \$20 billion?

Mr. BOYCE. There are some serious mining and oil and gas efforts there.

Mr. FALEOMAVAEGA. Well, we also happen to have the largest gold mining operation in the world in West Papua, New Guinea.

Mr. BOYCE. Freeport. Yes.

Mr. FALEOMAVAEGA. Any estimate of how much that investment is in mineral extraction? Investments that we have in Indonesia?

Mr. BOYCE. Four and a half billion dollars, Congressman.

Mr. FALEOMAVAEGA. Four and a half billion dollars? Is it not also true that the gold mining operation that we have there, Freeport, is the largest corporate contributor to the revenues of the Indonesian government?

Mr. BOYCE. I cannot say for certainty whether they are the largest one, but I am sure they must be right up there. Exxon-Mobile, for example, in Aceh, which has currently suspended its operations because of the security situation, provides on the order of \$100 million a month in terms of revenues from that particular operation. And so Freeport being the size it is over in Irian Jaya I suspect, is on a similar magnitude.

Mr. FALEOMAVAEGA. So it is a huge, huge investment that we have there. We stand to lose these investments if the crisis in Indonesia continues.

Mr. Chairman, I notice that my time is up. I will come back for the second round.

Mr. CHABOT. The gentleman's time has expired.

I will recognize myself for 5 minutes, although I do not anticipate that I will use the full 5 minutes.

Mr. Secretary, and you have probably already commented on this and I apologize for not being here during your testimony, but I have had an opportunity to review your testimony here briefly, I assume you touched on East Timor and the situation there.

Could you just bring us up to date relative to any ethnic violence or the ethnic—perhaps what might be simmering sometimes below, sometimes above the surface and what you see perhaps in the future?

I know it is very difficult to predict even what is going to happen tomorrow, much less some months down the road, but how do you see this at this point and what do you anticipate in the near and long-term future there?

Mr. BOYCE. You want Timor specific or more general?

Mr. CHABOT. Timor and then if you want to take it more general, that would be fine.

Mr. BOYCE. Okay. Actually, the situation today in East Timor is moving in a very positive direction. There are preparations for the August 30th vote for a constituent assembly which would then move the country forward toward expected independence some time toward the end of the year and that is moving ahead quite nicely, preparations for that.

The situation elsewhere in Indonesia in terms of ethnic and communal strife, as you indicated, it is sort of a day-to-day thing, but starting in the westernmost part, the situation Aceh today is probably as troubling and as violent as it has been in the entire 26 years of that particular crisis. The deaths are on the order of ten per day on average and the violence is being carried out both by the Indonesian military and security authorities and by the Acehse liberation movement known as the GAM. That is extremely troubling and I think I would want to highlight that one in response to your question right off the bat.

I think we all recall the horrors from Central Kalimantan some time earlier in the year which were on CNN screens around the world and at the risk of sounding like I am down playing it, that situation currently is more or less under control, but that is not by any means to say that it could not flare up again over some of the same sorts of communal issues which resulted in the horrors back then.

The Maluku where there have been tremendous struggles between Christian and Muslim groups. In Maluku today, I think that the situation is relatively calm and people who led are beginning to return. It is less so in Moluku proper where just within the last couple of weeks in Ambon there were incidents of strife which continue to be very disturbing.

And Congressman Faleomavaega mentioned the ongoing situation in Irian Jaya which is a troubling one as well.

So it is a vast geographic mosaic and in each place, there are different issues. Sometimes it is religious issues, sometimes communal issues, sometimes out and out separatist issues. And, frankly, the government has a mixed track record of dealing with them and part of it is because of the paralysis in Jakarta. Part of it stems from sometimes an unwillingness of regional officials and military officers to respond, either because they are unable to or because they fear that they will be held in some negative fashion accountable for whatever they do.

And so it is probably one of the top two or three challenges that face any government in Jakarta, coming to grips with this assortment of possible and current clashes that are going on.

Mr. CHABOT. Thank you very much, Mr. Secretary.

Mr. Chairman, I will yield back the balance of my time.

Mr. LEACH. [Presiding.] Thank you very much and thank you for taking over briefly.

Mr. Blumenauer?

Mr. BLUMENAUER. Thank you, Mr. Chairman.

Mr. Secretary, I appreciated the manner in which you dealt with the current situation we face in terms of a calm, reasoned statement sending clear signals about what the United States' intention is in terms of not getting involved with domestic disarray and sending the strongest possible message that we want their constitutional principles to work. And I hope that as a result of our visit with you today that we as a Committee may be able to assist you in continuing to send the right sort of signals that neither inflame nor minimize our concern and the seriousness of that situation.

I wonder if you have some observations about the way that Members of Congress, via this Subcommittee and individually, may be able to play a constructive role in reinforcing those messages, putting a spotlight on the problems and opportunities and exploring ways that we can do this on a cooperative basis.

Mr. BOYCE. Thank you, Mr. Blumenauer. I welcome the opportunity to do that and I think I will start by echoing the Chairman's point at the very top of the hearing today, which is something to the effect that Indonesia is the most important, least understood country in the world, words to that effect, I think. This is a huge important player on the world scene that I think is a fact that is little recognized and perhaps misunderstood in many parts of the United States and so as far as a congressional role, I know that I would speak for the Administration when I say we strongly encourage visits by co del's and staff del's. There has just been a good one out there within the last couple of weeks on the staff del side to get out there, see the lay of the land, get around the archipelago, get around other areas in the region, where you would hear—Members would hear from the neighborhood just how important what is happening in Indonesia is to the region.

As far as other means by which the Congress might get involved, I think we have pretty good bipartisan support for our assistance program. We have on the order of \$120 million a year in ESF and DA which we are targeting toward some important sectors in Indonesian society, including supporting their development of the democratic institutions, including supporting their decentralization program, humanitarian assistance obviously is a large part of that.

And their economic recovery, we have advisors in there that are advising them on the best way to deal with asset sales, revenue collection, the role of the parliament, et cetera. And in all of those areas, I would encourage enhanced congressional attention.

We have had on the military to military front some congressional action in the Senate Foreign Operations Appropriations Bill a couple of years ago which addresses the role of the Indonesian military especially in the East Timor issue of 1999 which restricts quite explicitly some of the ways that we might interact with the Indonesian military.

I would like to say that we welcome that sort of legislation and we worked closely with the authors of it at the time. It sends a strong signal to the intended audience that the Administration and the Congress are of one mind on approaching many of these problems.

So that is kind of a scatter shot response to you, but I guess the thrust of it is that I would encourage and welcome enhanced interest on the part of Members and staff on both bodies.

Mr. BLUMENAUER. Would you care to comment on the status of the ongoing work that we are doing in Indonesia now dealing with environmental protection, and the progress that we are making in areas that you envision we should be concentrating further efforts?

Mr. BOYCE. I would welcome that in particular, since I neglected to include it in my statement, which you appropriately pointed out. We actually have for fiscal year 2001 a \$12 million carve out for a natural resource management program that addresses among other things helping create a local management capability for Indonesia's forests, protected areas, coastal zones. We have a coastal resources management project that helps government agencies who are preparing a national coastal law which is similar to our Coastal Zone Management Act.

We are helping both national and local government administrators and NGOs and especially local communities understand what the decentralization process that is going on is going to mean in terms of new rules of the game vis-a-vis the environment. There is a lot of responsibility that is shifting from Jakarta to the local communities and with that responsibility is going to come a lot of environmental issues.

So AID has some community resource mapping programs where they are working with partner organizations in adopting community-managed zones in places like parks, national forests, et cetera. They are working with—believe it or not, there is an orangutans project as well in terms of dealing with that particular species. There is a park in North Sulawesi called the Bunaken National Marine Park where several years of us actually providing assistance has resulted in a revenue sharing arrangement. It is sort of the first of its kind for any of Indonesia's national parks.

Mr. BLUMENAUER. Mr. Secretary, I see my time has expired.

Mr. Chairman, I would just ask, we could receive an accounting of what these environmental initiatives are. I would find this useful and perhaps we could have it as part of the Committee record as well.

Mr. LEACH. Well, thank you very much. Let me just say this is a Subcommittee short on Members, short on witnesses, which

means that I am going to have a second round of questions, so if you want to stay and ask more questions, you are welcome.

Mr. BLUMENAUER. Thank you.

Mr. LEACH. And we would appreciate a response in writing to the Committee and to Mr. Blumenauer.

Yes, Mr. Flake?

Mr. FLAKE. Thank you, Mr. Chairman.

Mr. Boyce, if you could comment on two issues, the issue as far as strategic interests that we have in the area, obviously, as trade with surrounding countries, can you comment on the impact that this is having or might have on the region in that regard?

And, also—well, go ahead and answer that and then I will ask the other.

Mr. BOYCE. I am sorry, what was the second part?

Mr. FLAKE. I will ask after you answer the first one.

Mr. BOYCE. Oh, okay.

Mr. FLAKE. Thank you.

Mr. BOYCE. Well, you are absolutely right that we have an enormous trading interest there. I believe that if you look at non-oil imports, we are an important source for Indonesian imports. I think we have something like 20 percent of non-oil imports.

The impact on the region of the economic—really it is not too strong a word to say collapse in Indonesia a couple of years ago has been profound. And I think it was, of course, it brought to everyone's attention in late 1997 when both Indonesia and South Korea were teetering only a few months after Thailand had basically gone into serious economic crisis. So getting the Indonesian economy right again is going to be probably along with Aceh the number one and number two issues facing any government in Jakarta, however this current struggle is resolved.

Mr. FLAKE. What about the shipping lanes? Are the other countries, Singapore and others, concerned—

Mr. BOYCE. Absolutely.

Mr. FLAKE [continuing]. About the political implications?

Mr. BOYCE. Absolutely. And justifiably so. If you take a look at the map and you look at the Straits of Malacca and you realize that the portion which I do not have off the top of my head of world trade and energy products in particular that passes through that tiny little area, it is certainly an issue that neighboring countries in particular and ourselves as well and people from Northeast Asia as well are fixated upon and is one of the issues hanging in the balance with the direction of how Indonesia is going to go.

Mr. FLAKE. The second question, gross domestic product interest payments now equal approximately 50 percent of all government revenues at this time. IMF is not lending at the moment and expects to resume in September of 2001.

Where does the U.S. stand with regard to IMF? What is our policy there? When would you like to see that resume or what conditions have to be present before we would support continued lending?

Mr. BOYCE. Well, there has been—let us just call it a pause in IMF lending that has been out there since late last year when—I think it is a \$400 million tranche which was supposed to have been disbursed was held up over the failure to negotiate an LOI

about the next steps that the government of Indonesia is to do in pursuing economic reform.

There is an enormous amount that is yet to be done on the economic reform front, whether it involves the central bank, whether it involves sale of the assets that the Indonesia Reconstruction Agency seized after the collapse, whether it involves narrowing the budget deficit which is a serious problem there. You mentioned debt as an enormous percentage of GDP.

I think we are in league with all of the key donor countries through the IMF in urging that as soon as possible a new program be concluded so that not just the \$400 million disbursement from last December can move but that the confidence of the international community that a real reform program is in place and being adhered to can be established.

Now, specifically, as of where we are today, the IMF and Indonesia have determined the outlines of an agreement, but there are still some policy steps that have to be taken before that can be finalized and, frankly, that is going to take some weeks and is not going to happen to prior at least mid August, which is after the scheduled session of the MPR that we have discussed here this morning.

And I am sure that IMF officials will remain in contact with whichever economic team is in place in Jakarta prior to finalizing that agreement, but what I want to stress is it is really crucial, far beyond the \$400 million at stake that that agreement be concluded as soon as possible and we urge the government of Indonesia to do so.

There are some real steps that have to be taken and some of them are not going to be politically popular, but it is all about the economy.

Mr. FLAKE. You mentioned steps. Is there a particular checklist like debt as a percentage of GDP or sale of government assets that has to take place before we resume or not?

Mr. BOYCE. We do not want to characterize it as a checklist or a road map and I do not have the latest on the state of play between the IMF-Indonesia negotiations, but the broad areas are the ones I touched on. The budget deficit in particular, I was out there in April and I think that that was perhaps the height of concern over what appeared to be a spiraling budget deficit, that the plan that they had put in place at the beginning of their fiscal year called for a deficit equal to 3.8 percent of GDP and it had risen to well over 6 percent, I believe, at that point and the steps that had to be taken in the view of the IMF that would help narrow that, including things like reducing fuel subsidies and issues like the speed of decentralization, et cetera, had yet to be addressed.

In addition to that, there is the central bank issue, ensuring the independence of that institution, and the continuing issue of the sale of assets under EBRO.

There are a few others as well, but I think writ large, those are the general benchmarks.

Mr. FLAKE. Thank you.

Mr. LEACH. Mr. Meeks?

Mr. MEEKS. Thank you, Mr. Chairman.

Mr. Secretary, let me ask this question. Although there has been a separation of Indonesia's police force from the military, and I believe that is a positive step, there have been several reports over the last year of Indonesian police committing egregious human rights violations. In particular, the Mobile Police Brigade known as Brimob have been implicated in several incidents involving the torture and extrajudicial killings of civilians in West Papua, Kalimantan and Aceh.

What precautions are we taking to ensure that the U.S. training of Indonesian police will result in a greater respect for human rights and are we providing U.S. training for any Indonesian Mobile Police Brigades and, if so, why given their atrocious record of human rights violations?

Mr. BOYCE. Well, Congressman, you have accurately depicted the state of Indonesian national police. This is an institution in dire need of reform. In many ways, it is incapable of addressing its own responsibilities. Often, the failures of the police are the reason why the military has to come in to deal with some of these communal, ethnic, separatist issues, et cetera.

When we talk about going into a police training effort with Indonesia, we do not undertake that lightly. That is a controversial issue, we are aware of it, we are going to consult very closely with the Congress. We have some ideas that are just coming together now. We have had a police training expert detailed out to the embassy for some months now who is putting together some ideas about how we might best, largely through training and trying to reach as many police officers as possible, might best contribute to improving the dismal record and capabilities of that institution.

It is going to require some notifications which we will be coming up with shortly and have a full vetting up here about our plans and it is also going to be a long-term operation because this is addressing an institutional lack of capacity which is crucial in a country as vast as Indonesia with the kind of problems that they have, that they be able to have a police force that people can trust and rely on, that can go in and do what a police force is supposed to do, as opposed to the contrary which you yourself have pointed out is often the case, which is human rights violations and creating additional problems rather than resolving the ones that are there.

Mr. MEEKS. So you are saying that—because I am interested, I know that we are supposed to be helping to train now and I am

We also, as I say, have this individual who is out there now working not just on our own, we are working close with Indonesia and some other key international sources of police type law enforcement expertise to draw up programs that complement each other rather than duplicate each other. And most of that is still ahead of us, so I hesitate to draw too much credit for things that we have accomplished to date. I would say crowd control in Jakarta was one I am particularly proud of, but the efforts in terms of actual assistance and training so far have been relatively small.

We have bigger and better ideas to come and we are indeed going to be up here vetting them within the coming weeks.

Mr. MEEKS. Are we training the Indonesian Mobile Police Brigade?

Mr. BOYCE. Not to my knowledge.

Mr. MEEKS. We are not?

Mr. BOYCE. No.

Mr. MEEKS. Let me just ask another quick question before my time expires.

I am concerned about President Wahid's threat to declare a state of emergency, thus dissolving Indonesia's parliament, and that the legislature continues with its demand for an accountability speech and impeachment proceedings against Wahid. It is reported that Indonesia's military police will not support nor enforce the President's declaration of a state of emergency against the legislature.

Would that in effect constitute a coup, a de facto coup, of President Wahid?

Mr. BOYCE. It is my ardent hope that we are not going to have to deal with that in the next few days or weeks and that the process that so far has adhered to constitutional, legal and peaceful means will continue to be followed.

Now, there have been these threats to declare a state of emergency and, as you say, there have been these statements in response by various of the military and police apparatus to the effect that they would not carry out the order, but I think that trying to handicap how that might come out in advance of it happening when we all hope and call for it not to happen is probably not a good idea.

Mr. MEEKS. Would that have any ramifications under U.S.A., our law?

Mr. BOYCE. If the President declared a state of emergency and the police refused to follow it up?

Mr. MEEKS. Yes.

Mr. BOYCE. I would have to take that—rather than try to come up with a clever answer right here, if you like, I can take that up and get back to you in a more thoughtful fashion.

Mr. MEEKS. Thank you.

Thank you, Mr. Chairman.

Mr. LEACH. Thank you very much.

We are going to go to a second round and let me first say in your opening statement I thought you were very measured and balanced in your description of the role of the United States vis-a-vis the Indonesian military. This is one of the most difficult issues I know of. In other societies, and I think, frankly, if there is an analog to

Indonesia maybe in the 20th century relative to their circumstances today it might well Turkey.

In Turkey, the military played a very progressive role and the military was at the heart of Ataturk's reforms. In Indonesia, that prospect could occur or the reverse could occur, but I would recommend that the Indonesians look very carefully at the Turkish model.

We sometimes forget that militaries are forces for modernization as well as forces for potential repression and it is difficult to know what a circumstance will bear.

In terms of the United States' relations with Indonesia, I think it is important that we maintain contact with the Indonesian military. We have a difficult dilemma when it comes to how close that contact becomes because if it is perceived that we are integral advisors and trainers, we become complicitous in Indonesian military activities which we may not well want to identify with. And so it is very awkward.

So from a congressional perspective, the Congress has basically made the decision as recognizing that there are pluses to have close training and technical relations with any other country's military, there are also down sides to complicity and, for that reason, Congress has wanted to be a step removed from something that goes beyond significant contact.

Now, over time, that could well change and hopefully the Indonesian military will give us reason to change, but it is one of the most delicate issues that I know of in our relations with Indonesia.

We also have to be cognizant that in Indonesia there are difficulties internally of a nature that many other societies are not confronting and it makes outside judgments sometimes a little capricious.

On the other hand, we as a country have an enormous vested interest in the principle of civil society and we as a country are very concerned that we not have any repetition of extreme prejudice reflected in violence against Chinese, for example, or any other ethnic group.

Having said that, I am wondering if you would like to indicate what policy options the Administration is considering vis-a-vis military contacts.

Mr. BOYCE. Thank you, Mr. Chairman.

As a matter of policy, since the immediate days following the violence in East Timor in September 1999, we have effectively suspended virtually our entire military to military relationship with the Indonesian armed forces. Now, there have been a couple of small cutouts that we have allowed as exceptions, all carefully consulted and briefed with the Congress, but by and large, we are in a very unnatural position vis-a-vis the Indonesian armed forces.

And the challenge for policymakers is the one you described as being one of the most delicate ones and that is how do we engage one of the most important institutions in Indonesian society, one of the few national institutions that is there, in a way that is consistent with our national positions on accountability and on avoiding human rights abuses and in particular sending somehow the signal that actions taken with impunity can somehow be overlooked if enough time goes by.

So how we engage the Indonesian military is a tremendously sensitive issue for us and I think that working together with Congress very closely, I think we can find a way to support the reform of that institution because its own declared intent is to move away from their traditional position of being embedded all throughout Indonesian society and toward a more sort of traditional military organized to deal with the national security. We want to support that. And I think that the way we will engage this institution ultimately will be in support of reform, rather than somehow going back, turning the clock back or going back to business as usual because I do not think that can happen. It cannot happen because of the way we are and, frankly, I do not think it can happen because of the changes and the developments that are going on in Indonesia itself, where they themselves want to see their military move in a different direction than it has been in the past.

So I totally agree. It is one of the most delicate issues we are dealing with and one that I hope we will be able to resolve in a way that does not send the wrong signal or somehow appear to be rewarding any of the documented problems of the past and yet is consistent with our own interests in terms of engaging Indonesia as a whole.

Mr. LEACH. Well, let me proceed and not pinpoint the military alone in this, but most people that have looked at Indonesia have found certain problems with corruption, perhaps not as deep as a few other societies, but kind of an institutionalized 10 or 15 percent circumstance in many transactions.

How seriously are the Indonesians today dealing with the corruption issue?

Mr. BOYCE. How seriously is Indonesia today dealing with it? I think I would cite Indonesia's own statements on this rather than try to pontificate from Washington, and that is that it is a part of the way the economy used to be organized that Indonesians want to see changed and I think that that is a tough act to pull off. Certainly it is tough to pull off when you have ingrained sort of ways of doing business there that are out there, but it is the long-term direction that I believe most Indonesians want to move in and that is more transparency, more reliance on rule of law, more resort to judicial options when things do not seem to be going quite as transparently and openly in a business transaction as perhaps they should, those are all still lying out ahead of Indonesia to draw up in terms of laws, in terms of their legal system as a whole and reform of the police, which we were just talking about, is not an inconsiderable part of that as well.

So I think Indonesians themselves recognize that what you indicate is a continuing problem, that it will not be cleared up overnight, but I think the intent is there to try to move away from the crony capitalist sort of system that has been out there to date and more into a market oriented economy with all that that entails vis-a-vis putting an end to those kind of practices. But it is going to be a long haul.

We are certainly—part of our AID program is devoted to trying to match up with Indonesian desires to make reforms in those directions, so I think we are clearly there.

Mr. LEACH. Mr. Faleomavaega?

Mr. FALCOMAVEGA. Thank you, Mr. Chairman.

Again, Mr. Secretary, I go back to our dialogue that we had earlier and I also share the concerns stated by the Chairman. I think in understanding the gist of your statement, it was a very modest statement, well stated, well reasoned, but I get the impression that we are looking at Indonesia as if nothing major is happening.

With the presence of 36,000 U.S. citizens there, over \$24 billion in U.S. investments, and a country that is about to go to pot, I sincerely hope that the State Department and the Administration are making all resources available if there is a crisis because all we need is the deaths of about 100 U.S. citizens in that country and you are going to have an outcry from the Congress like you have never heard before.

My sense of concern is that—and maybe I am not as cool headed as you are, Mr. Secretary, but I sincerely hope that the Administration is making every contingency plan to make sure that the rights and the lives of those 36,000 U.S. citizens in that country are protected and provided for if a crisis of violence erupts at this crossroad.

There have been several questions raised about the military. I think if we were to look at the perspective of the last 50 years, people must understand that Indonesia has not been a democracy. It was not, never has been. Whether you look at Sukarno as a great leader among the Indonesian people, I love the Indonesian people, but sometimes the policies of the government are the ones that I seriously question. When the reins of government were taken over by Suharto, repression worsened. I am concerned also that the U.S. had a hand in the process in training the military of these regions.

Now, this is the same military that for some 40 years butchered and murdered some 200,000 east Timorese when they were seeking their independence. This is the same military that murdered and tortured 100,000 West Papua, New Guineans before democracy was ever seriously considered.

In the face of atrocities we blinked. Our policy at the time at the height of the Cold War was the competition with the Soviet Union. Fighting communism was our number one objective and if we had to support dictators around the world to further that objective, that was our policy. Correct me if I am wrong, but that is my reading of history.

Even the United Nations blinked when it did not support a free and fair effort in 1969 to allow the West Papua, New Guineans to take a national plebiscite to decide for themselves, through self-determination, whether they should become an independent and sovereign nation. That was never allowed. That was never permitted. And I must say that the reputation and integrity of the United Nations is tainted in that regard.

So we come now to the point where we have a democratically elected President and the issue that I am concerned about, Mr. Secretary, is whether we are continuing to train the military. As the Chairman stated earlier, the military can be a very positive force, but it can also be very repressive. I am afraid my sense of history of how the Indonesian military has treated not only the Indonesian people but others as well, is that it has been very brutal. Now the foreign minister of Australia has stated that the Indonesian mili-

tary is training militias to go after those who are advocating independence, both in Aceh as well as in West Papua, New Guinea.

Is this true? Is the military doing this?

Mr. BOYCE. I have seen the reports that—from within the ranks of the military are reportedly training militias along the lines of the ones that created such havoc in East Timor but I really cannot comment on the veracity of those reports.

Mr. FALCOMA. It is one of those ironies that the former commanding general of the Indonesian military, General Wiranto, who I understand just released a CD, is one of the most popular singers in Indonesia. I guess he is no longer involved in the military, but he is a great singer. I even have a copy of his CD. I wish I could understand the Indonesian language, as he is a fantastic singer. I was very impressed by it.

But the point that I wanted to make here, Mr. Secretary, is whether we are going to have a repetition of what happened in East Timor, where the militias were televised with people's heads being put up on poles and bodies being dragged all over the streets?

Is this the direction that Indonesia is headed for?

It is also very ironic that now the military is supporting the parliament rather than the President. What is the reason for this?

Mr. BOYCE. First of all, let me reassure you that we are not training nor are we providing bullets to the Indonesian armed forces at the moment and that is part of our blanket cessation of almost every type of military to military activity that dates back now almost 2 years.

Secondly, are we heading for another East Timor in some of the troubled outlying provinces of Indonesia? That is certainly a concern and the efforts of our policy will be to avoid that, obviously, to the extent that we can have some traction and may perhaps even seek some kind of facilitation role to get parties who are otherwise fighting each other back to the negotiating table, I think that would be a commendable role for the international community.

I spoke earlier about the limited leverage that we or any outside actor has on influencing events in Indonesia and by that I do not mean to indicate that we have no leverage or no traction. Indeed, I think that there may be some beneficial role for assistance from the international community to help facilitate the dialogue process superseding the shooting at each other process in some of these places. That is where we ought to put the thrust of our attention.

I am not sure I caught all of your question. Is there a third part?

Mr. FALCOMA. Yes, there is another question.

Let us assume that the parliament successfully impeach President Wahid and there is a crisis in the streets and say that there is even a split in the military, some going for President Wahid and others going for the parliament, resulting in total chaos.

What will then be the policy of our country?

Mr. BOYCE. All indications to date are that total chaos is not right around the corner. There are no indications of people streaming into Jakarta to effect some kind of mob action to try to diver the process that is underway. Now, that could change in a heartbeat, obviously, and we have certainly seen enough in the past of street action in Jakarta and elsewhere to make us be concerned.

Let me revert in that sense back to your very first part of your question which was about the protection of American citizens in Indonesia should such an eventuality come to pass.

Let me say I am completely confident in our ability to deal with the safety of our citizens in the event of any number of types of crises that might erupt. I would point you to the actual events of 1998 when indeed there was some mob violence in Jakarta around the time of the departure of President Suharto. We actually did undertake a very significant evacuation of American citizens and very successfully. So as recently as 1998, we have had experience in dealing with this.

I hope and trust we will not have to do that in the coming weeks, but we certainly are prepared to if we need to.

Mr. FALEOMAVAEGA. Well, you know, I remember in this very hearing room when the crisis erupted in Tiananmen Square we were not prepared to extract U.S. citizens. We were the last country among the embassies in Beijing to be informed about the upcoming crisis and there were serious problems in even trying to find out where the U.S. citizens were living at the time when the crisis occurred.

There was a lot of concern by Members of the Congress why the Administration did not take the proper steps to ensure the safety and proper transfer of U.S. citizens out of Beijing when the Tiananmen Square crisis erupted.

I use that as an example because I certainly hope that the same thing does not happen in Jakarta and other places in Indonesia if something happens. Like I said, all you need is a hundred body bags of U.S. citizens coming back to this country and you are going to have one hell of a mess on your hands.

My friend Mr. Blumenauer from Oregon had mentioned earlier about the environmental concerns. Can you submit for the record exactly what the environmental issues are with the gold mining operations of Freeport Company? Because let me tell you, from the reports I have, their operations in extracting gold in West Papua, New Guinea constitute a major environmental hazard. I would like to get a report of the current situation because they literally carve up mountains for extraction of gold which causes serious health and environmental problems to those people living in that part of the country.

Mr. Chairman, I think my time is up and, again, I want to thank Secretary Boyce for his presence and I sincerely hope that this hearing has been helpful to Secretary Boyce. It certainly has helped me.

It is my intention, at least hopefully if the Chairman will accede and the leadership of our Committee, to attend the upcoming election in East Timor, I believe around the end of next month, as well as the election in Fiji. I want you to know that I do have a very strong interest in the situation in Indonesia. I am definitely going to continue pursuing the problem in West Papua, New Guinea. These Melanesians have no cultural tie whatsoever to the rest of the people of Indonesia. Their opportunity for self-determination and independence was denied them, both by the United Nations as well as the countries that were involved, the Netherlands, Australia, and even our own nation. I definitely intend to pursue this

issue to make sure that there is a better sense of equity and fairness given to the people of West Papua, New Guinea.

Thank you, Mr. Chairman, and thank you, Mr. Secretary.

Mr. LEACH. Well, thank you, Mr. Faleomavaega. In fact, I appreciate very much your comments and your questions and your perspective and we are all in your debt and appreciate what you have been saying.

Let me just turn to an internal question before I conclude. One of the unique aspects of the Indonesian circumstance, and there are many, I mean, Indonesia is in the middle of a world in which there are lessons to be drawn from hundreds of other countries, but there are also aspects of Indonesia that are truly unique, and one relates to the role of religion as it bumps up against politics.

In the case of the current impeachment debate, you have two huge religious organizations on opposite sides of this drama.

Does this herald any sort of prospect of a new politicization of Islam or any other religious contrast in terms of growth in religious tension in Indonesia?

Mr. BOYCE. Indonesia horse stables a well deserved reputation for religious tolerance and moderate Islam in particular. Although Islam is the largest religion, there are multiple others throughout the society and traditionally have been respected and allowed to practice.

On the nexus with politics, of course, President Wahid was the leader of what is the largest Islamic organization in the world with some 30 to 40 million members, primarily, I think, from East Java, in terms of population and it is often speculated that if his situation goes a certain direction that somehow that institution will turn its people out and create havoc or whatever.

I visited with the Chairman of the NU in April when I was in Jakarta and this was right on the eve of the debate in parliament of the second censure motion, as I mentioned, and I was quite impressed with his comments about the role of the institution and their desire to avoid being seen as a political institution, that they are a moderate religious institution and, indeed, he assured me that they were counselling their people not to come to Jakarta, not to turn out for this political drama and in the event, just a few days later, that is in fact what happened, there was a remarkable restraint. And I commend the NU for that and I think we all should.

And I do not see that that is changing now that several months have gone by and the drama has deepened and we can all hope that sense of responsibility will continue.

Mr. LEACH. I appreciate that. I would only stress from a congressional perspective with all of the predictions and some reality of tension in the world of tension between religion as a base of civilization that we in the Congress totally identify with the plight of Islamic citizens in Indonesia, we recognize the tremendous depths of moderation and tolerance that is in the Islamic faith, and we have nothing but a desire to be cooperative with the Islamic people of Indonesia. And I just think that that is something that we ought to make very clear.

In terms of this particular crisis, I think we want to consider it a political crisis and nothing less, nothing greater. I mean, there

are huge underlying economic problems and certain integrative problems in Indonesian society, but I think it is important that we look at this as a political crisis for the Indonesians and a proper political way to resolve it.

Is there anything you would like to add in conclusion to your testimony, Mr. Boyce?

Mr. BOYCE. Well, when I look at the stakes and the kinds of challenges that the Indonesian people have before them and have been dealing with for the past couple, 3 years, I have to go back to my opening statement and point out that there is a lot of good news there and the trajectory is clearly in the right direction.

We are preoccupied with day-to-day crises, to be sure, but from the United States' point of view, I think we should keep our eye on the long haul and our AID programs are certainly geared in that direction and our policy should be as well, I think, and that is to support the Indonesian effort to basically recreate themselves. I mean, they are deciding what sorts of institutions in their society they want to have for the foreseeable future and they have gone a long way already in terms of the press and the NGOs and the parliament and a lot of things around the countryside that have been very, very welcome and welcomed—wildly popular in Indonesia.

So rather than for us to be too focused on responding to the day-to-day ups and downs which are going to be there and will continue to be there no matter how this current crisis resolves itself, I think the important message from the United States to Indonesia is that we are with you for the long haul and we are here to stay as a friend.

Mr. LEACH. Well, I appreciate that and I would like to just stress that this Committee and this Congress wants to work cooperatively with the executive branch and I am also convinced that you are right in your perspective of stressing the long haul and the warmth and potentially greater warmth of Indonesian-American relations.

And that for all the difficulties that exist, we are on the side of the people, not on the side of any institution or any individual in governance. We simply want to have the best result for the Indonesian people.

With that, let me thank you very much for thoughtful testimony and we hope that your involvement in Indonesian affairs will be magnified.

Thank you.

Mr. BOYCE. Thank you, Mr. Chairman.

Mr. LEACH. The Subcommittee is adjourned.

[Whereupon, at 12:07 p.m., the Subcommittee was adjourned.]

A P P E N D I X

MATERIAL SUBMITTED FOR THE HEARING RECORD

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

Thank you Mr. Chairman:

I would like to extend my welcome and thanks to Deputy Assistant Secretary of State Ralph Boyce for testifying before our committee this morning. For many years, Secretary Boyce has served with distinction in the Department's Bureau of East Asian and Pacific Affairs and we are fortunate today to have him before us to share his expertise and insight on recent developments in Indonesia.

Mr. Chairman, with over 225 million people, Indonesia is the world's largest Muslim nation, the world's third largest democracy, and the world's fourth most populous country.

Stretching the width of the United States, Indonesia's 18,000 islands are occupied by over 300 ethnic groups. Sitting astride major sea lanes connecting the Pacific Ocean to the Persian Gulf region, over half of global trade flows through Indonesia's strategically vital waters. Indonesia is also the traditional leader of ASEAN, and a major trading partner and market for America's goods. For all these reasons, Indonesia and the developments in that nation are of importance to the United States.

Today, we see that Indonesia's first democratically-elected leader, President Wahid, is under siege and scrambling to stay in power. With the economy in shambles, the budget deficit out of control, and violence flaring up throughout the country, Indonesia's parliament seeks the removal of President Wahid.

Refusing to step down, President Wahid has threatened to declare a state of emergency, perhaps even by this Friday, thus dissolving the parliament and calling for snap elections. Wahid has further claimed that his impeachment would result in chaos and an outbreak of violence throughout Indonesia. Some argue that Indonesia's economic collapse and political crisis are so great that Indonesia's exercise in democracy as well as the existence of the nation-state itself are at risk.

Mr. Chairman, I am also concerned with the continuing human rights abuses that are occurring throughout Indonesia, from Aceh to West Papua New Guinea (Irian Jaya). While many of our colleagues are familiar with the atrocities committed by Indonesian security forces in East Timor, too little attention has been paid to Indonesia's brutal repression of the people of West Papua. As in East Timor, reports estimate that over 100,000 West Papuans have died or simply vanished at the hands of the Indonesian military.

I commend Human Rights Watch for issuing this month an excellent report entitled "Indonesia: Violence and Political Impasse in Papua". According to Human Rights Watch, "In the last six months, we've seen arbitrary arrests and torture in Papua that should have ended with Soeharto's ouster. What we haven't seen is the political will to address any of the underlying causes of the conflict."

Human Rights Watch continues, "Jakarta failed to deliver on promises of meaningful autonomy for Papua. Instead, since June 2000, authorities have sent thousands of new troops to the province. They have banned peaceful expressions of support for Papuan independence and have moved aggressively against independence demonstrators, in many cases killing or seriously injuring them. Key Papuan leaders have been arrested, and prominent civil society groups, including human rights organizations, have been subjected to increased surveillance and harassment."

Focusing on the Abepura case, where last December the Indonesian police killed three West Papuan students and tortured dozens of others, Human Rights Watch noted that, "More than two years after Soeharto resigned, the police and military still enjoy near total impunity."

I join Human Rights Watch in calling upon President Wahid and Indonesia's Attorney General to prosecute the police offenders in the Abepura case. Additionally, I urge Secretary of State Colin Powell to raise the issue of ongoing human rights abuses in West Papua when he meets with senior Indonesian officials at the ASEAN Regional Forum meetings in Hanoi later this month.

Mr. Chairman, I thank you for the opportunity to comment and I look forward to Secretary Boyce's testimony on these and other pressing matters concerning Indonesia.

QUESTIONS FOR THE RECORD SUBMITTED TO RALPH L. BOYCE, DEPUTY ASSISTANT SECRETARY OF STATE, BY THE HONORABLE JAMES A. LEACH

QUESTION #1—INDONESIA: MILITARY TO MILITARY CONTACTS

Question:

What specific military-to-military contacts and activities with Indonesia is the administration conducting, planning, or considering? Please provide supporting detail, to the extent possible, regarding dates, numbers and types of participants, the content of such activities, and efforts to screen participants.

Answer:

Due to the restrictions imposed by the Leahy Amendment to the Foreign Operations Bill, no IMET or FMF funds are being used in any activity. Further, the Administration plans to restrict combat related exercises and training. The United States has made it clear that in order for more normal mil-mil relations to resume, TNI must reform their military and account for its past actions.

The US is heartened by the recent smooth transition of power in Indonesia and the responsible role the military played in this transition. We intend to support the new government and, in this context, are considering broadening our activities with the Indonesian military. This broadened engagement still falls well short of the Leahy restrictions and anything that could be regarded as "normal" mil-mil relationship. We will continue to make it clear that we have not forgotten East Timor and do expect accountability for TNI actions there and elsewhere in Indonesia before relations can be normalized. We intend to consult closely with Congress, and the results of those consultations will guide our final decision.

These broadened activities fall into the following categories:

- Bilateral conferences (no combat related or military planning issues)
- High-level visits (to deliver clear messages of expectations of TNI)
- Port visits (and their accompanying humanitarian/civic action projects); and

QUESTION #2—INDONESIA: MILITARY BUDGET TRANSPARENCY

Question:

Does the administration disagree with the opinion of some experts that somewhere between 50 and 80 percent of Indonesian military funding is off-budget? Does the administration plan to seek to change this legal provision, or to seek some form of exception regarding Indonesia? If not, is it the administration's position that Indonesia has transparent military budgeting?

Answer:

We agree that a significant part of Indonesia's military funding is off budget. However, the fraction is not easy to judge, as off budget funding is, by definition, difficult to measure. Nonetheless, we believe Indonesia is taking steps toward military budget transparency.

The Administration has no plans to seek changes to the legislation on Transparency of Budgets-Military Expenditures (22 U.S.C. § 262k-1). (This legislation directs the United States to oppose (vote against or abstain) loans or other utilization of funds to the governments of countries that fail to meet the criteria set forth therein, other than to address basic human needs.) Indonesia was on the initial list of countries that the Secretary of the Treasury, in 1999, determined to be non-compliant because of the extent of off-budget and extra-budgetary funding of military activities that did not undergo audit and reporting procedures within the military. Subsequently, Indonesia made significant progress toward implementing a functioning system for reporting to civilian authorities audits of receipts and expenditures that fund activities of the armed services and security forces. As a result, the Secretary of the Treasury determined Indonesia to be compliant. Treasury and other interested United States agencies will continue to monitor the situation.

QUESTION #3—INDONESIA: SUPPORT FOR POLICE REFORM

Question:

What specific police training activities in Indonesia is the United States conducting, planning, or considering? Please provide supporting detail, to the extent possible, regarding dates, numbers and types of participants, the content of such activities, and efforts to screen participants.

Answer:

There are four Indonesian National Police (INP) training and assistance programs currently underway. They are; 1) The INP Assistance Program funded by INL and ESF (ESF funding request pending), 2) Anti-Terrorist Assistance training funded by DOS Diplomatic Security, 3) specialized criminal investigative training at the International Law Enforcement Academy in Bangkok, Thailand funded by INL and 4) Counternarcotics training and technical assistance provided by the DOJ—Drug Enforcement Administration, funded by INL.

1) The Indonesian National Police (INP) Assistance Program, a broad based effort designed to accelerate police reform, officially began in August, 2000. All training and technical assistance provided in this program is conducted in Indonesia. The INP Assistance Program mission continues to focus on supporting the INP transition from a military to a civilian law enforcement service. To that end, we have initiated the following:

*Goal #1—Assist the INP accelerate structural reform.**Completed*

- a) In September, 2000, we facilitated two Senior Leadership Workshops in Jakarta for 20 INP officials to introduce the principles of managing a civilian police agency in a democracy.
- b) Between September, 2000 and June, 2001, we provided technical assistance to the INP Planning and Budget Unit to initiate a process that will result in the development of a Strategic Plan. We are also assisting the Deputy Secretary General to develop a process to create currently non-existent Budget planning and implementation methodologies.

Planned

- a) A Strategic Planning Pilot Project in Bandung to include technical assistance and training titled, "Law Enforcement Strategic Planning" for 50 senior level INP officials.
- b) Six additional Senior Leadership Workshops will be conducted regionally. As a result of a decentralized government, local police officials will be making decisions regarding local law enforcement service delivery and placing demands on local police officials to meet local community needs. 80 police officials will participate.
- c) An Office of Professional Responsibility Pilot Project will be conducted in Surabaya to include training entitled, "Internal Affairs Investigations" for 25 INP investigators.

*Goal #2—Support efforts of the INP, other donors, NGO's and Civil Society to institutionalize Community Policing in the INP.**Completed*

- a) In January and February, 2001, we delivered training entitled, "Transition to Democratic Policing for Supervisors" in Jakarta and Surabaya which emphasized Police Ethics, Policing in a Democracy and Community Policing. We have focused the course toward the supervisor level, which we have determined to be the weakest link in the INP organizational structure. 120 mid-ranking INP officers participated.
- b) By design, we have developed associations and close liaison ties with members of civil society whose agendas include police reform. They include the Partnership for Governance Reform (UNDP), Police Watch, ICRC, other major international donors, and reform advocates from academic, business and political circles.

Planned

- a) We will conduct a regional Education and Training Assistance Program (ETAP), to enhance the INP's organizational capacity building. Dynamic social and political conditions have necessitated changes in community expectations of police performance on the street, that in turn necessitate changes in curriculum development and methods of instruction in the classroom. 300 INP instructors will receive training.

- b) Additional Transition to Democratic Policing for Supervisors courses will be conducted regionally. A “Train-the-Trainer” initiative will be included to ensure our instruction is sustained long-term. This initiative will reach 360 participants.

Goal #3—Increase public confidence in the INP as skilled investigators and keepers of the peace.

Completed

- a) In September, 2000, we conducted an assessment of the INP’s capacity to enforce the rule of law while ensuring citizen rights to free assembly during demonstrations.
- b) From February to May, 2001, we provided Civil Disturbance Management training to 135 INP incident commanders and line officers. This value driven program strongly emphasized human rights and dignity, adherence to a use-of-force continuum, conflict intervention, resolution and management.
- c) During that time we also assisted the INP develop Standards of Operation for Civil Disturbance Management predicated on U.S. training tenets.

Planned

- a) Prevent personal injury and property damage during incidents of civil disorder by providing regional Civil Disturbance Management training, technical assistance and equipment. This initiative will reach approximately 1,000 incident commanders and line officers and a Train-the-Trainer component.
 - b) A Case Management Project is planned to assist the INP improve core investigative skills. This initiative is designed to increase cooperation among police, prosecutors, and the judiciary for the purpose of increasing the number of successful adjudications. 90 participants will attend 5 sessions of the program.
- 2) Anti-Terrorist Assistance training is an ongoing program sponsored by Diplomatic Security and facilitated by the Regional Security Officer. These highly specialized courses include Post Bomb Blast Investigations and Terrorist Incident Crime Scene Management training. Courses are generally conducted in the U.S. however the most recent session was conducted in Jakarta. In 2000, 5 sessions were conducted in the U.S., attended by 96 INP officers. For 2001 and 2002, Indonesia will reportedly receive a similar or slightly increased level of funding for ATA training.
- 3) Indonesia is one of several S.E. Asian countries invited by the U.S. to send select police investigators to the International Law Enforcement Academy (ILEA) in Bangkok, Thailand. ILEA training is also highly specialized, focusing on narrowly defined criminal investigative subject matter. Course examples include White Collar Crime, Money Laundering, and Cyber Crime Investigations. In 2000, 10 courses were conducted at ILEA, each course attended by a minimum of 2 and a maximum of 4 INP investigators.
- 4) The Drug Enforcement Administration (DEA) provides training and technical assistance to the INP—Narcoba (Drug Enforcement) Unit. Training includes Basic and Advanced Drug Investigation courses and Airport Operations courses, all presented in Indonesia. In 2000, the DEA conducted 2 Basic and 1 Advanced Drug Investigation courses attended by approximately 130 Narcoba investigators. They have requested funding for approximately the same number of courses in 2001.

Efforts to screen participants.

We have developed a four tiered system whereby potential program participants are screened for serious criminal behavior and suspected human rights violations. In addition, INP officers who were assigned to areas that experienced or are experiencing credible reports of human rights violations as well as officers assigned to certain units with a history of abuses will be automatically excluded from participating.

Question:

What efforts are being made to work with other governments to support Indonesian police reform on a multilateral basis?

Answer:

Each month, the DOJ Police Advisor and Regional Security Officer meet with police advisors from the other three major donor nations, Japan, Australia and Great Britain. Discussed are various current and proposed programs, and the potential for bi- or multi-lateral initiatives. Other donors, as well as members of assistance programs such as USAID, AUSAID and UNDP are invited to attend and share infor-

mation regarding their criminal justice reform efforts. These meetings have not only prevented costly duplicative program initiatives, but, by mutual agreement, they have sent a unified signal to the INP that the fundamental premise of all our assistance efforts are directed toward their structural reform.

Question:

Have Indonesian officials been discovered selling, or attempting to sell, slots in the U.S. police training activities? If so, what were the details of that situation, and what has been done to correct it?

Answer:

We have received anecdotal reports that this practice has been going on since police and military training programs were first offered to Indonesia. The U.S. Embassy in Jakarta's Regional Security Officer (RSO) made inquiries in this regard and was candidly informed that it was a normal practice for INP officers participating in training in the U.S. to pay their commander a fee against the per them they would be provided.

To resolve this issue, the RSO confronted Police leadership with our objection to the practice and informed them that the Embassy would henceforth select all candidates for training courses provided in the U.S. This effort not only put officials on notice that the practice would not be tolerated, but it solved the problem of training candidates being selected based on their willingness to pay the fee instead of their ability to perform the service for which they were trained.

At this writing, the RSO is of the opinion the problem has been resolved.

QUESTION #4—INDONESIA: PUBLIC DIPLOMACY EFFORTS

Question:

Given the difficulty of finding short-term solutions to Indonesia's many problems, might it be useful to increase the investment in the long-term benefits of U.S. public diplomacy efforts toward Indonesia? For example, what are the prospects of increasing the amount of Fulbright Scholarship funds available to Indonesian students? Would an expansion of people-to-people and cultural exchanges be a wise investment of U.S. funds?

Answer:

The Bureau of Education and Cultural Affairs (ECA) and the Fulbright Commission in Jakarta recognize the importance of the Indonesian student component of the Fulbright program. Since the Fulbright program's inception in Indonesia in 1952, the student program has comprised the largest component of all Fulbright grants awarded in Indonesia. Indeed, in the last five years we have tripled the number of Indonesian Fulbright students coming to study in the U.S. (In FY 2000 there were 33 student new student grants and 16 renewals.) The Fulbright Indonesia Student Program has trained and continues to train the next generation of leaders in Indonesia, exposing them to democratic processes, the results of adopting a market economy, our excellent universities, and the dynamic cultural and artistic life in America.

ECA, the post, and the Fulbright commission are constantly monitoring the program to ensure that a wide diversity of students is recruited. Thanks to this oversight, more women and students from eastern Indonesia now participate in the program.

The Fulbright Program with Indonesia is one part of a diverse exchange program administered by the Department of State which includes international visitors, professional and private sector exchanges, cultural exchanges and student advising.

QUESTIONS FOR THE RECORD SUBMITTED TO RALPH L. BOYCE, DEPUTY ASSISTANT SECRETARY OF STATE, BY THE HONORABLE ENI F.H. FALEOMAVAEGA

Question #1:

President Wahid has threatened to declare a state of emergency thus dissolving Indonesia's Parliament—if the legislature continues with its demand for an accountability speech and impeachment proceedings against Wahid. If, as reported, Indonesia's military and police will not support nor enforce the President's declaration of a state of emergency against the legislature, would that in effect constitute a de facto coup of President Wahid? If so, what are the ramifications under U.S. law?

Answer:

On July 23, the Indonesian Supreme Court ruled President Wahid's declaration of a state of emergency and dissolution of Parliament unconstitutional. Security forces had earlier refused to enforce the President's order and expressed their intent to protect the constitutional right of the Indonesian People's Consultative Assembly (MPR) to meet. Also on July 23, the MPR voted to rescind its election of President Wahid and installed his successor, Vice President Megawati Sukarnoputri, as President.

Question #2:

President Wahid has warned that if he is removed from office, this will lead to massive outbreaks of violence by his supporters throughout Indonesia. Earlier this year in May, Wahid supporters protesting against possible impeachment proceedings went on a rampage—ransacking offices of political rivals, destroying property and burning opposition leaders in effigy. Given that President Wahid is the spiritual head of the 40-million-strong Muslim organization, NU, and its military wing, Banser, what impact on Indonesia's stability is expected if Wahid is impeached?

Answer:

We are pleased that the transfer of power from President Wahid to President Megawati Sukarnoputri was accomplished peacefully and constitutionally. As President Bush noted, the Indonesian people have shown their commitment to the rule of law and democracy in resolving this leadership dispute.

Question #3:

Although the separation of Indonesia's police from the military has been a positive step, there have been several reports over the past year of Indonesian police committing egregious human rights violations. In particular, the Mobile Police Brigades, known as BRIMOB, have been implicated in several incidents involving torture and extra-judicial killings of civilians in West Papua, Aceh and Kalimantan. What precautions are we taking to ensure that U.S. training of Indonesian police will result in greater respect for human rights? Are we providing U.S. training for any Mobile Police Brigades, and if so why, given their atrocious record of human rights violations?

Answer:

We carefully vet all participants in our police training programs. Our training includes consultation with Indonesian non-governmental organizations (NGOs) such as Police Watch, as well as an important human rights component.

We do not provide training of any kind for the Indonesian Mobile Police Brigades.

Question #4:

What steps are we taking to encourage Jakarta to reduce its current military troop buildup in West Papua and the possibility of more violent crackdowns in the future?

Answer:

The United States supports the territorial integrity of Indonesia. However, we have repeatedly encouraged the government of Indonesia to abandon a security response to the separatist movement in Irian Jaya (West Papua), and have also urged Papuan leaders to continue to renounce violence. We urge all parties to instead focus their efforts on a political solution that addresses legitimate Papuan grievances and aspirations within the framework of a stable, democratic, and united Indonesia. A meaningful dialogue between the Government of Indonesia and Papuans is the best means to address the underlying problems that have led to calls for independence.

Question #5:

Australia's Foreign Minister Alexander Downer stated recently that there are reports that Indonesia's military, TNI, is supporting the formation of anti-independence militias in West Papua and Aceh, just as TNI did in East Timor. Are these reports accurate? If so, what steps are we taking with the Indonesian Government to discourage TNI from forming militias in West Papua and Aceh, given that we don't want a repeat of the violence and destruction that occurred in East Timor due to the activities of TNI supported militias.

Answer:

We are aware of reports of TNI-organized paramilitia activity. There has been violence against civilians by Security forces, pro-Jakarta and separatist factions, particularly in Aceh, although many assessments indicate the majority are victims of violence by the security forces. The U.S. has repeatedly denounced such violence and

human rights violations by both sides in Aceh, and Irian Jaya. As noted above, while recognizing the territorial integrity of Indonesia, we have urged the Indonesian government to abandon a security force response to the conflicts in Aceh and Irian Jaya. A military solution will not work. The Indonesian government should engage in comprehensive political dialogue with a broad range of civil society representatives in these provinces. Dialogue leading to comprehensive autonomy agreements for each of these troubled areas is the best solution to address legitimate local grievances within the framework of a united, stable, and democratic Indonesia.

Question #6:

What is the status of the special autonomy initiative for West Papua that Jakarta has proposed and what role, if any, has the special autonomy plan originated by the Papuans played in this process?

Answer:

We understand that the special autonomy plan drafted by the Papuan legislature in consultation with local groups was submitted to the national Parliament (DPR) several months ago. The DPR currently is considering both the Papuan draft plan and a separate special autonomy plan drafted in Jakarta. We hope the DPR will take Papuan aspirations into consideration in formulating a final plan, and that such a plan is forthcoming in the near future.

