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BRITISH EMBASSY

JAKARTA

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PORTUGUESE TIMOR

My letter of 17 October voiced some doubt concerning Indonesian expectations, and the reports being put out locally, on what was happening in Portuguese Timor. With Dili surviving the 1 November target, the next crucial date is presumably 15 November; and the local propaganda machine continues to churn out "news" of progress by the anti-Fretilin forces.

- 2. According to Antara of 31 October, panic was mounting in Dili with increased acts of sabotage by anti-Fretilin forces who were flooding the capital while thousands of civilians were said to be fleeing the town in search of safety. Antara of 1 November reported that Fretilin itself had conceded that Baucau was under heavy pressure following the sighting of a foreign submarine and another ship entering the port of Baucau, while the anti-Fretilin forces were said to be intensifying their efforts to take control in the shortest possible time of the towns of Atabai, Manbara, Ermera and Dili itself. Today's Antara reports that the anti-Fretilin forces have launched attacks against Baucau and Lospalos.
- 3. Antara has not in the past shown itself as a reliable source of factual news: too often intentions are reported as events. Nevertheless, Antara's reports through its links with the international news agencies, get relayed quite widely; for example, the Straits Times carries its reports regularly; indeed it is worth noting that the foreign editor of the Straits Times in his articles of 27, 28 and 29 October, following a visit to Indonesian Timor, seems to have been persuaded to adopt the Indonesian/Antara line in toto.
- 4. The purpose of these reports can only be construed as an attempt by the Indonesians to give substance to their view that the territory remains unstable and a threat to Indonesian security (and perhaps also to keep alive the claims of UDT and Apodeti to a seat at the conference table). Indeed, the Chief of Staff of KOPKAMTIB, Admiral Sudomo, spoke out strongly on 1 November that Indonesia would not tolerate a communist controlled administration in East Timor; this could endanger Indonesia's national stability because communists would then attack Indonesia from the rear. Sudomo saw the present developments in the colony as being identical to those undertaken by the PKI in their coup attempt of 1965 and he went on to express the view that if

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hostilities continued, the area might well become entangled in superpower rivalry as in Vietnam.

- If the Indonesian media remain unreliable, it is unfortunately also our feeling here that the Australian Embassy in Jakarta are showing a less sure touch, particularly at the higher levels, in their assessments of what is going on in the colony (the view reported in our telegram No. 393 was based on an evaluation given and the street by the Minister of the Andrew Street by the Minister of the Minis Andrew Stuart by the Minister at the Australian Embassy). In this context therefore we were particularly interested in Hewitt's two letters from Canberra of 17 October reporting on the in-fighting within the Australian Government on policy towards Portuguese Timor. It is certainly true that the Australian Embassy here has suffered immense frustrations in trying to extract some information from the Indonesian authorities on the fate of the Australian journalists missing in Portuguese Timor. The Embassy has also come under some pressure as a result of the boycott by Australian dockers of Indonesian vessels in Melbourne and Sydney. Foreign Minister Malik on 29 October said he hoped that existing good relations between Australia and Indonesia would not be marred by the Portuguese Timor question. The Minister for Communications, Emil Salim, on 30 October deplored the boycott following a meeting with the President and said "the Australians themselves will be harmed by their action"; he pointed out that the trade balance between Australia and Indonesia was heavily in Australia's favour and that the goods exported by Australia to Indonesia aided Australian joint ventures set up in Indonesia. On 2 November Minister Salim was again quoted as saying that the boycott would bring losses to Australia. In this situation, and particularly in the light of the comments in the enclosure to Hewitt's letter on prospective staff movements, there is inevitably a tendency in the Australian Embassy to hope that matters on the ground will be resolved as soon as possible. This means that, although they are still in much the best position to assess what is really happening, we may have to aim off for bias in assessing their judgements in the future.
  - 6. Senator Willesee's statement of 30 October has also evidently been a subject of strong discussion between the Embassy here and the DFA in Canberra. The Australian Ambassador commented rather sourly to Andrew Stuart that at least it was a better and more balanced statement than the draft they first saw presumably because it was fairly even handed in apportioning blame and did not single out the Indonesians. I asked a member of the Australian Embassy today whether the statement was to be seen as a shift in Australian policy whether the statement was to be seen as a shift in Australian policy as the Australian press is making out. He said that it could be so seen only in the sense that when Dr Almeida Santos was in the area, the Australian Government had indicated that it had no wish to get involved in negotations on the territory's future; Senator Willesee's offer of Australia as a venue for talks was something of a new line. On the question whether this move betokened any conflict in

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Canberra, he explained that the Embassy had tended to take its lead from the Australian Prime Minister in that the aim of Australian policy towards Fortuguese Timor was to do what it could to ensure policy towards Fortuguese Timor was to do what it could to ensure that Indonesia achieved its aim of integrating Fortuguese Timor into Indonesia without this harming Australian/Indonesian relations. He said that officials in the Department of External Affairs in Canberra took the same line; however, the Secretary of the Canberra took the same line; however, the Secretary of the Department and the Minister took a more "moral" line and tended to put greater emphasis on the self-determination aspect - this, he implied, was the explanation for the shift and for Senator Willesee's offer.

- 7. It is worth perhaps reporting here some comment which Ambassador Woolcott made at the dinner the Ambassador gave for Sir Michael Palliser. Ambassador Woolcott said that he had received instructions from Canberra on 16 October to deliver a clear message to the Indonesians that Australia could not countenance Indonesian interference in the affairs of Timor (as forecast in para 4 of Hewitt's letter of 10 October). Woolcott said he had gone back to Canberra and had his instructions modified somewhat and that when Canberra and had his instructions modified somewhat as softly as his instructions permitted. Woolcott had gone out of his way to avoid saying anything to the press after his call on Foreign Minister Malik, which is not his usual form, and had therefore been a little surprised when Malik, following their interview had himself publicly asked the Australian Government not to fall into the trap of allowing Fretilin to disturb the good relations between Indonesia and Australia and to give equal opportunity to Apodeti an UDT in the colony.
- 8. All this tends to confirm that the Australian Embassy here is likely to be an increasingly less reliable source of information fo us in the coming weeks; this will be even more the case should ther be any signs in Canberra of Australian policy towards Portuguese Timor becoming an issue in the present constituional crisis. It is surprising that the Opposition have had so little to say on this surprising that the Opposition have had so little to say on this subject, particularly given Andrew Peacock's past interest in the subject and we shall be glad if Canberra could keep us here in touch with this aspect also.

Yours cost

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