

# Appendix

## Text of Prime Minister Howard's Letter to President Habibie:

Prime Minister  
Canberra  
19 December 1998

My dear President,

It was good to meet you in Kuala Lumpur and hear of the progress you are making with your political and economic reform programme. I have followed with particular interest the development of your plans for elections next year and am pleased that our Electoral Commission has recently been in Indonesia discussing ways in which we can help you with them.

You have an enormous amount on your agenda and East Timor is just one of many pressing issues. But I hope that, recognising our goodwill towards you personally and towards Indonesia, you will permit me to make some suggestions about the East Timor situation.

Your offer of autonomy for East Timor was a bold and clear-sighted step that has opened a window of opportunity both to achieve a peaceful settlement in East Timor and to resolve an issue that has long caused Indonesia difficulties in the international community. A settlement would enable you to put the issue behind you. It would make a substantial difference to Indonesia's standing in the world, with the benefits that could bring.

I want to emphasise that Australia's support for Indonesia's sovereignty is unchanged. It has been a longstanding Australian position that the interests of Australia, Indonesia and East Timor are best served by East Timor remaining part of Indonesia. We would of course welcome any peaceful settlement that had the support of both Indonesians and East Timorese and met the interests and aspirations of both.

Observing developments since your offer of autonomy, however, I fear that the boldness of your offer has not been matched with the degree of progress in negotiations which might have been expected. My concerns are that the UN process are not producing the desired results quickly enough, and that, with

heightened expectations, attitudes in East Timor are hardening. It would be a real tragedy if the opening you have created is not taken advantage of and the situation worsens in East Timor.

In our view, one reason for the difficulties is that negotiations with the Portuguese do not give an adequate role for the East Timorese themselves. In the end, the issue can be resolved only through direct negotiations between Indonesia and East Timorese leaders. If you can reach agreement directly with the East Timorese, then the international dimensions would take care of themselves, or at least be much easier to deal with.

I would urge you to take this course, and to focus on winning acceptance for your offer from the East Timorese themselves. The best way of achieving this may be for you to enter into direct negotiations with representative leaders from East Timor, including the two East Timorese bishops and Xanana Gusmao.

On the substance of negotiations, the advice I am receiving is that a decisive element of East Timorese opinion is insisting on an act of self-determination. If anything, their position—with a fair degree of international support—seems to be strengthening on this.

It might be worth considering, therefore, a means of addressing the East Timorese desire for an act of self-determination in a manner which avoids an early and final decision on the future status of the province. One way of doing this would be to build into the autonomy package a review mechanism along the lines of the Matignon Accords in New Caledonia. The Matignon Accords have enabled a compromise political solution to be implemented while deferring a referendum on the final status of New Caledonia for many years.

The successful implementation of an autonomy package with a built-in review mechanism would allow time to convince the East Timorese of the benefits of autonomy within the Indonesian Republic.

I take the liberty of making these suggestions, knowing the matter is complex and not pretending to have the solutions. I hope, however, that some of these outside perspectives might be useful to you in your efforts to reach a settlement.

Australia wants very much to see a just and lasting solution to the problem. We believe that a solution is within your grasp if the visionary lead you have given can be followed up effectively and directly with the East Timorese.

If you see any merit in these thoughts I would be happy to talk with you directly about them or have someone discuss them discreetly with you.

We are very willing to do what we can to help.

Yours sincerely

(John Howard)

His Excellency Dr B.J. Habibie  
President  
Jakarta  
Republic of Indonesia

(Source: Department of Foreign Affairs and Trade, *East Timor in Transition*, pp. 181–82.)