

# Indonesian military threatens crackdown on protest

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Amid a further collapse of the rupiah and continuing strikes and protests, Indonesian armed forces chief General Wiranto has directed the military to crack down on any activity that threatens the stability of the Habibie regime.

"I will order all ranks of ABRI [the armed forces] to take firm action against the various activities that tend towards anarchy and which sullies the pure and peaceful aims of reforms," he said on June 11.

Wiranto's declaration follows similar remarks the previous day by Interior Minister Syarwan Hamid, a retired general, who warned that greater freedom of speech did not mean that people could express their opinions "in excessive ways". The government and the military are clearly worried at continuing social unrest across Indonesia.

\* On June 11 around 5,000 students from 30 different universities demonstrated outside the parliament building in Jakarta to demand the convening of the People's Consultative Assembly (MPR) to decide on a new president and vice-president and lower prices.

Student protests have taken place sporadically outside parliament over the last two weeks. Some have demanded a speed-up in the timetable laid down by Habibie, which calls for fresh national elections in May next year and a presidential ballot toward the end of 1999.

\* On June 10, about 1,000 pilots, stewardesses and office workers employed by Indonesia's state-owned airline Garuda demonstrated outside the company's central headquarters in Jakarta. Union leaders accused the directors of incompetence and corruption and called on them to resign. Protesters pointed to the favourable treatment received by Suharto family members in the awarding of Garuda contracts for parts and other services.

Garuda is weighed down by \$US200 million in debts and has been forced to cut services and terminate aircraft leasing arrangements. The slump in domestic passenger volume has already forced the closure of Sempati Air, owned by Suharto's youngest son Hutomo "Tommy" Mandala Putra.

- In East Timor, more than 3,000 students and supporters gathered on the University of East Timor campus in Dili on June 10 to reject Habibie's offer of a "special status". Rally organisers called for total independence and demanded that a free referendum be held on the issue. Habibie has categorically ruled out a plebiscite in East Timor, saying it is "an integrated province of Indonesia".

The next day, 12 of 16 political prisoners due to be released from Becora jail in Dili refused to leave, demanding guarantees that Xanana Gusmao, leader of the East Timor separatist movement, be freed.

- On June 8, more than 20,000 students and other protesters entered the compound of the local legislature building on the island of Bali, as part of demonstrations against Habibie and former Balinese governor Ida Bagus Oka. After seven days of such protests, the legislature's speaker announced that all of its 46 members were going to stand down.

As governor, Oka, who is now Habibie's Population Minister, rode roughshod over local concerns about the mushrooming of luxury tourist developments in Bali, many of which are owned by Suharto family members and their close business cronies.

The Habibie regime is increasingly under siege as a result of the deterioration in the economy. The slide in the Japanese yen is having a heavy impact on the rupiah and other regional currencies. On June 11, the rupiah oscillated wildly, diving past 14,500 to the US dollar before recovering to around 12,700.

At this rate, most Indonesian companies cannot repay their debts, obtain finance or conduct day-to-day operations. The largest car manufacturer, Astra, has announced a halt to all production as a result of the sharp rise in the cost of imported components and the collapse of domestic demand.

The rupiah's fall immediately undermined the ability of banks to meet this week's Bank of Indonesia deadline for the settlement of outstanding interbank and trade finance arrears. The deadline is part of the rescheduling agreement reached recently in Germany on Indonesia's huge corporate debt, and is necessary to restart the financing of Indonesia's import of basic items such as rice.

International Monetary Fund official Hubert Neiss flew back to Jakarta this week for further discussions with the Habibie cabinet. Neiss ruled out the resumption of payments from the \$US43 billion bailout package until the completion of an IMF review of the Indonesian economy, a process which may take until the middle of July.

The linkage between the yen's slide and the rupiah's fall highlights Indonesia's dependence on Japan, the country's largest investor. The IMF has set out a detailed prescription for the rapid dismantling of obstacles to international investment, claiming that such measures will lead to the rapid recovery of the economy. But the deep slump in Japan has intensified the meltdown in Indonesia.

The economy is expected to contract by between 10 and 20 percent this year, forcing up to 30 percent of the work force out of work. According to some estimates, 60 million people out of a population of 202 million could be living in poverty by the end of the year.

Strikes have already erupted over the falling value of wages. In Surabaya on June 8, a six-mile-long march of factory workers—estimated at 10,000 in size—clashed with police, resulting in at least five police and three marchers being hospitalised. The protesters later held a noisy rally outside the regional legislature over wages and conditions.

Such action by workers is a threat to the Habibie regime under conditions in which the state-run trade unions are widely discredited by their long association with the repressive apparatus of the Suharto junta.

Habibie has pledged to ratify International Labor Organisation conventions, legalised the banned SBSI

union federation and released its leader, Muchtar Pakpahan, in an attempt to put in place organisations that can contain and defuse the mounting anger of workers.

In a speech at the ILO convention in Geneva on June 8, Pakpahan warned that he and other opposition figures will initiate street protests if Habibie does not speed up the process of political reform. In 1994 Pakpahan was sentenced to a four-year jail term after being accused of inciting riots in the Sumatran city of Medan.

Pakpahan has ties with the International Confederation of Free Trade Unions (ICFTU), which for decades has acted as little more than an agent for the US administration in suppressing the struggles of the working class around the world.

ICFTU general secretary Bill Jordan was recently in Indonesia for talks with Pakpahan and officials of the state-run unions, whom he publicly urged to join forces with SBSI. The great fear haunting the ruling circles in Jakarta, Washington and other major financial centres is that the appalling living standards of the Indonesian working class will trigger a social explosion which neither the military, the police nor the trade union apparatus will be able to control.



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