

CHINA AND INDONESIA MAKE UP: REFLECTIONS ON A TROUBLED RELATIONSHIP

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In February 1989 I was in Jakarta covering JIM II, the second Jakarta informal meeting on Cambodia, for the BBC World Service. Like so many other peace initiatives on that troubled country in recent years, the meeting ended in dismal failure on the night of February 22. Feeling weary and despondent I retired to my hotel. To my surprise, there was a message to telephone a long-standing contact in the foreign ministry. We spoke about the failure of the peace talks, my contact ending the conversation by saying cryptically, "Be prepared for a big story tomorrow." In the morning, before an early flight to Singapore, I rang a friend on *Suara Pembaruan*. After coaxing, she told me that President Suharto would meet that day in Tokyo with Qian Qichen, the Chinese foreign minister. On reaching Singapore, I filed the story, pleasing editors in London when the BBC was the first to break the news that Indonesia and China had agreed to normalize their relations after a break of almost a quarter of a century.

The meeting between Suharto and the Chinese foreign minister against the backdrop of the funeral in Tokyo of Emperor Hirohito came as a surprise to observers. In a decisive fashion, it ended years of hesitation and doubt over one of the most basic matters between states, the establishment of diplomatic relations. Once before I had been in Indonesia, in April 1985, when it seemed that the ice was about to break between the two countries. On that occasion, then Chinese foreign minister Wu Queqian became the first Chinese minister to visit Indonesia since 1965, when he attended the thirtieth commemoration of the 1955 Bandung Afro-Asian solidarity conference. An expected meeting with President Suharto failed to take place, in circumstances that have never been properly explained. The visit of Mr. Wu had highlighted the deep divisions between the Indonesian foreign ministry and the military over the question of relations with China. Only two weeks before the Chinese minister's visit, the Indonesian armed forces commander Benny Murdani invited Vietnamese Defense Minister, General Van Tien Dung to town with timing that could not have been accidental. And to the embarrassment of the foreign ministry and of Indonesia's ASEAN partners, Benny reiterated his well-known thesis that Vietnam was not a threat to regional security and suggested that Indonesia and Vietnam could cooperate militarily.

That episode underlined the divisions within the New Order establishment that have been evident ever since 1966 over relations with China. Every foreign minister of the Orde Baru—Adam Malik, Mochtar Kusumaatmadja, and Ali Alatas—has pronounced in public in favor of the restoration of diplomatic ties. It was Malik in 1967 who tried to avoid a complete rupture in diplomatic relations by using the term “frozen,” a coinage absent in the normal diplomatic lexicon. As early as 1972, he was advocating the restoration of links with China on certain conditions, but it was to be almost two decades later before this was to be realized. Even after three of Indonesia’s ASEAN partners—Malaysia, Thailand and the Philippines—recognized China in the mid-seventies, President Suharto showed no inclination to join the flock of pilgrims to Peking in the wake of China’s new “Open Door” policy. Indeed, the outbreak of hostilities between China and Vietnam in 1979, preceded by Peking’s intervention on behalf of ethnic Chinese in Vietnam, reawakened for Indonesia old fears about China’s role in Southeast Asia. The fact that by the early eighties China and ASEAN were making common cause in backing the anti-Vietnamese resistance in Cambodia did little to persuade Indonesia that its best interests were served by restoring ties with the People’s Republic. Almost alone in ASEAN, Indonesia insisted on the need to keep open a dialogue with Vietnam which was not confined to diplomatic channels. In 1984, Benny Murdani became the first non-Communist military commander to be received with considerable acclaim in Hanoi. That visit served to underline not only the foreign policy role played by the Indonesian military but also its continuing suspicion and hostility toward China.

But laying the blame on the army for the absence of diplomatic relations between Indonesia and China for almost a quarter-century, an extraordinary state of affairs in the modern world, is to tell only part of the story. Suharto himself is believed to have shared the military’s apprehension about China. When I was in Indonesia in 1985, the assumption was widespread that although the reopening of direct trading links was only a matter of time, restoring diplomatic ties would have to wait until Indonesia’s third president took office sometime in the 1990s. As it came to pass, however, full restoration of diplomatic ties did take place in 1990 with the visit of Indonesian Foreign Minister Ali Alatas to Peking in July and a reciprocal visit by Chinese Prime Minister Li Peng to Jakarta in August. The reasons for this somewhat sudden volte-face will be explored later.

Historical Antecedents

Since China and Indonesia established diplomatic relations in March 1950, their relationship has been inherently unstable. Although still a poor country, China by virtue of its vast territory, population, ideology, and military might has consciously sought great power and status for itself since the founding of the People’s Republic in October 1949. Indonesia, on the other hand, is the largest country in Southeast Asia and under both its presidents, Sukarno and Suharto, has sought to play a role as a regional power. The conflict between the power ambitions of the two states has been exacerbated for Indonesia by the fact that China for decades has not simply been a potentially threatening state but has also symbolized revolution and posed as the protector of ethnic Chinese in Southeast Asia.¹

Following the complete Dutch withdrawal from Indonesia in December 1949, most countries were quick to open diplomatic relations with the Indonesian Republic. The Soviet Union, for example, did so in January 1950. It was the end of March, however, before China recognized Indonesia, and not until 1953 did an Indonesian ambassador take up residence

¹Ruth McVey, “Indonesian Communism and China,” in *China In Crisis*, ed. Tang Tsou, (Chicago: University of Chicago Press, 1968), 2: 357.

in Peking. (Vice-President Hatta, in fact, sent a cable to the Chinese government on January 11, 1950, requesting the opening of diplomatic relations. That the cable was sent via the Netherlands embassy in Peking may have confirmed Chinese suspicions of the Indonesian government.)² Although it might have been expected that both countries shared common ground as republics newly emerged from protracted armed struggles, both states viewed each other with considerable apprehension. For the new revolutionary authorities in Peking, the suppression of the Indonesian Communist party (PKI) revolt in Madiun, in East Java, in 1948 was clear evidence of the reactionary nature of the Indonesian government led by President Sukarno. In view of their own earlier experience in dealing with bourgeois nationalist movements like the Kuomintang, for the Chinese Communists certain parallels seemed to be obvious in Indonesia. For Indonesia, early proof that the Chinese could not be trusted not to interfere in Indonesian politics seemed to come in August 1951. Following a clampdown, or *razzia*, against the PKI, a prominent party leader, Alimin, took refuge in the Chinese embassy in Jakarta.³

It was hardly a promising start to the modern history of relations between Indonesia and China. It illustrated only too well the cagey attitudes that each country harbored toward the other, which have continued to bedevil their relations over the past four decades. These attitudes have deep historical roots that have served until modern times to keep the two countries apart. Unlike Vietnam, or even Thailand to some extent, Indonesia had never been part of the Chinese cultural sphere of influence in Southeast Asia. The coming of first Hinduism and then, more importantly, Islam gave Indonesia a very separate and particular identity, further distancing it from China. Indonesian Moslems, who soon formed the vast majority of the archipelago's inhabitants, looked to the Middle East and not northward to China. The arrival of the Dutch from the seventeenth century onward separated the two countries even further. Even in the early twentieth century, when many Indonesian nationalists did look for Asian examples, Japan, rather than poverty-stricken and divided China, seemed to represent the wave of the future. Inevitably, Indonesian perceptions of China were also shaped by the arrival of Chinese immigrants who soon occupied typical middle roles in the colonial economy. The Chinese, more than the Dutch, may have lived among Indonesians, but they retained their own cultural identity and even separate legal status in colonial days. Frequently, they became the targets of popular social unrest. And in the independence struggle against the Dutch after 1945, the Chinese community seemed at best lukewarm in its support for the republic and, at worst, to be active fifth columnists for the colonial power.

The new Chinese government's attitude toward the Indonesian republic can best be described in the early fifties as one of revolutionary militancy, if not outright hostility. Quite apart from the republic's suppression of the Madiun revolt, the war in Korea, the struggle of the Viet Minh against the French in Vietnam and of the Malayan Communist party against the British, convinced the ruling Communist party in China that a revolutionary wave was sweeping East Asia and little was to be gained from fostering close ties with bourgeois governments. Moreover, China's rulers probably had less experience and feel for Indonesia than for any other Southeast Asian country. Sadly, the passing of time was not necessarily going to repair this deficit.

²D. Mozingo, *Chinese Policy toward Indonesia, 1949-67* (Ithaca, N.Y.: Cornell University Press, 1976), p. 87.

³Herbert Feith, *The Decline of Constitutional Democracy in Indonesia* (Ithaca, N.Y.: Cornell University Press, 1962), pp. 192-93, and Mozingo, *Chinese Policy*, pp. 94-101; see also "Sebuah Puncak, Setelah Jurang Terlewati," *Tempo*, March 4, 1990.

Nevertheless, by the mid-fifties the regional context had changed considerably. The Korean War had ended and the Geneva agreement of 1954 had brought at least a temporary respite from war to Indochina. Furthermore, unlike Thailand or the Philippines, Indonesia did not have an attitude of outright hostility to China and had avoided involvement in security arrangements with the United States, such as SEATO. The way was, therefore, set for Chou En-lai's historic visit to Indonesia in 1955. In the space of a few weeks, Chou transformed Sino-Indonesian relations from the distinctly cool to something resembling reasonable friendship. The Chinese prime minister's role at the Bandung Afro-Asian solidarity conference, where he espoused the principles of peaceful coexistence and noninterference, made a distinct impression on the Indonesians and helped to contribute significantly to the success of the conference. Prior to the conference, Chou had signed the Sino-Indonesian Nationality Treaty, under which China made several concessions to Indonesia. Under the terms of the treaty, Indonesian Chinese were obliged to choose between Indonesian or Chinese nationality. In the aftermath of Chou's visit, President Sukarno paid his first visit to China in October 1956. Two years later, in April 1958, China offered Indonesia significant political and financial support during the PRRI-Permesta rebellion, including for the first time a \$16 million loan for the purchase of rice and textiles.

The 1959 Crisis

The goodwill generated by these measures, however, was almost totally lost during the crisis that beset Sino-Indonesian relations in 1959. In a series of discriminatory measures, President Sukarno's government revoked the trading licenses of Chinese in rural areas. In West Java, the army followed this measure by ordering all Chinese to evacuate to the major towns. Chinese diplomats in Jakarta openly criticized the measures and tried to advise the local Chinese of their rights. Relations between Peking and Jakarta became severely strained, and China sent ships to Indonesian ports to evacuate more than 120,000 local Chinese. The crisis in relations lasted almost a year and was only prevented from becoming a disastrous diplomatic rupture for two reasons. First, China itself steadily retreated on all the major points of issue, and second, the Indonesian army effectively overplayed its hand. The damage to bilateral relations, though, was considerable. Moreover, the incident dramatically reinforced the Indonesian military's suspicion and hostility toward China. Indeed, this may have been the most lasting effect of the incident.

Some time elapsed before Sino-Indonesian relations recovered from the crisis of 1959. In April 1961, Chinese Foreign Minister Chen Yi visited Indonesia, and in June Sukarno paid his second visit to China. But when Sukarno stepped up his campaign over the Netherlands occupation of West New Guinea (Irian Barat), the Soviet Union rather than China was his principal foreign backer. Moscow provided Jakarta with considerable financial and military assistance as well as diplomatic support. At this stage in its development, China almost certainly was not in a position to render aid on this scale. In October 1961, it did loan \$30 million for building textile factories. But Indonesia was also reluctant after the 1959 crisis to move too close to China.

During 1962 to 1963, matters were to change considerably. The resolution of the Irian campaign and the territory's incorporation into Indonesia was soon followed by another external crisis prompted by the formation of Malaysia. This time, support from the Soviet Union was not so forthcoming, especially as Moscow had only just emerged from the trauma of the Cuban missile crisis.⁴ Like Indonesia, however, China viewed the creation of Malaysia with considerable suspicion, seeing it as an attempt to bolster the position of West-

⁴Michael Leifer, *Indonesian Foreign Policy*, (London: Allen and Unwin, 1983), pp. 69–70.

ern imperialism in Southeast Asia. Peking's longtime patronage of the Malayan Communist party also led it into opposition to the new federation. At the same time, from 1963 the PKI began to move significantly closer to the Chinese Communist party ideologically and lent support to Peking's denunciations of Soviet revisionism. Increasingly, Peking and Jakarta shared a common platform of militant opposition to Western imperialism. But beneath this platform, there remained considerable unease in the army at the emerging Peking-Jakarta axis. Indeed, military support for the anti-Malaysia campaign was premised on hostility to China. Many in the army feared that a Malaysian federation was not viable and that the new state would be dominated by ethnic Chinese and possibly, eventually by China itself.⁵

"Gestapu" and the Break in Relations

The diplomatic culmination of Sukarno's campaign against Malaysia came in December 1964 when Indonesia became the only state ever to withdraw from the United Nations. This bold gesture left Sukarno with nowhere to go internationally except into China's arms. He apparently had already recognized this when in November 1964 he flew to Shanghai for talks with Chinese Prime Minister Chou En-lai. Sukarno's sudden visit to China followed Indonesia's failure to secure the backing of the Nonaligned Movement for its anti-Malaysia campaign at a meeting in Cairo the same month. At the end of November, Chinese Foreign Minister Chen Yi visited Jakarta for a week-long visit and granted Indonesia a \$50 million loan. The burgeoning political axis between the two countries was cemented in January 1965 when Foreign Minister Subandrio led a large delegation to Peking that concluded an agreement on political principles. Throughout 1965, contacts between China and Indonesia increased markedly. In May, Peng Chen, a Chinese Communist party politburo member, visited Indonesia to attend the 45th anniversary celebrations of the PKI. In the same month, President Sukarno, in an address to the National Defense Institute, endorsed a PKI proposal for the creation of an armed militia, adding that the idea had also been proposed to him by Chou En-lai.⁶ In August, at an Independence Day rally attended by Chinese Foreign Minister Chen Yi, Sukarno again took up this idea and formally proclaimed the existence of an anti-imperialist alliance between Indonesia and China.⁷ The announcement of these two initiatives thoroughly alarmed senior figures in the army and undoubtedly contributed to their feeling that drastic political change was necessary if Indonesia was not irrevocably to move to the left and fall into the Chinese camp.

The September 30 incident (Gestapu), involving an attempted leftist coup and a counter-coup led by General Suharto, provided the *casus belli* for a military offensive against the Indonesian Communist party, the overseas Chinese, and China itself. For most senior military figures these were three elements of the same security problem. The floodgates were now open, and the pent up frustrations and hostilities of two decades burst forth. In the process, Indonesia was the scene of one of the worst bloodbaths in modern Asian history. The political map of the country was effectively redrawn in the eighteen months after October 1965, eliminating the world's third largest Communist party and leading to the eventual replacement of President Sukarno by General Suharto.

Although evidence existed that PKI leaders were at least apprised of the leftist Untung coup of September 30, 1965, little or no indication was found of Chinese involvement. In one

⁵See George McT. Kahin "Comments," in Tang Tsou, *China in Crisis*, 2: 353; also Mohammad Hatta, "One Indonesian View of the Malaysia Issue," *Asian Survey* March 1965, cited in Leifer, p. 73.

⁶Harold Crouch, *The Army and Politics in Indonesia*, rev. ed. (Ithaca, N.Y.: Cornell University Press, 1988), p. 89-90.

⁷Mozingo, *Chinese Policy*, p. 13; Leifer, *Indonesian Foreign Policy*, p. 105.

sense this did not matter. For just as the military were deeply suspicious of local Chinese, whom they considered to be pro-Communist and loyal to Peking, given the PKI's ideological orientation and Sukarno's proclamation of a Peking-Jakarta axis, it was axiomatic that the military would accuse China of involvement in the coup. China, the PKI, and local Chinese were inextricably linked in the military mind. Moreover, the existence of an externally inspired plot lent credibility to the military's desire for a break in relations with China and justified their own dominant position in politics after 1965.

For China, needless to say, the events of September and October 1965 were a debacle. Almost overnight what had looked like the most spectacular achievement of Chinese foreign policy had turned into a dramatic reverse. So spectacular was this reversal that the Chinese leadership appears to have taken weeks and months to digest it. As late as early 1966 they seem to have clung to the hope that although the PKI had been liquidated, Sukarno might yet be able to pull off some political miracle and contain the right-wing generals.⁸ It was only in May 1966 that China withdrew its ambassador from Jakarta.

Following President Sukarno's handover of effective power to General Suharto on March 11, 1966, pressure grew from within the military for a complete break in relations with China.⁹ New Order Foreign Minister Adam Malik, anxious that Indonesia should retain a nonaligned profile in its foreign policy, was able for many months to keep these pressures at bay. In April, however, Djawoto, the Indonesian ambassador in Peking, asked for and was granted political asylum in China. For its part, China, realizing that Sukarno had failed to regain the political initiative, was increasingly critical of the New Order regime. China's criticisms were mostly directed at the mistreatment of ethnic Chinese; it showed less concern over the fate of the PKI or the reorientation in Indonesian foreign policy.¹⁰ But as in the 1959 crisis in Sino-Indonesian relations, Peking's belated defense of its friends and allies in Indonesia played into the army's hands. By early 1967, the military pressure on Malik to break with China had become intense. In April, the Chinese chargé d'affaires in Jakarta was expelled. A renewed outbreak of anti-Chinese rioting in Jakarta coincided with the takeover of the Foreign Ministry in Peking by an ultra-left group. As the Cultural Revolution gripped China, Peking spent little effort in trying to maintain relations with Indonesia. In July, it gave public backing to the now underground PKI and called for a "people's war" against the "Suharto Fascist regime." Daily demonstrations outside the Indonesian embassy in Peking emphasized that it was only a matter of time before a final break came. It is a testimony to the influence Adam Malik exercised over Suharto that even at this stage he was able to avoid a total rupture, declaring instead on October 9, 1967 that relations with China were frozen.

Back from the Brink

Almost a quarter-century was to pass before normal diplomatic relations between Indonesia and China were restored. This despite the fact that by the end of the 1970s Indonesia was one of the few major countries in Asia, if not in the world, that had not normalized relations with China in the wake of the "Open Door" policy. In the immediate years after 1967, both countries maintained a policy of outright hostility toward each other. At least until 1971, Peking lent its full support to the underground PKI, offering shelter to a number of

⁸Mozingo, *Chinese Policy*, p. 234.

⁹Crouch, *The Army and Politics*, pp. 331–34; A. Nadesan, *Sino-Indonesian Relations 1950–67* (Paper submitted to the 25th Annual Meeting of the Midwest Conference on Asian Affairs, University of Minnesota, October 15–16, 1976), pp. 23–5.

¹⁰Sheldon Simon, *The Broken Triangle: Peking, Djakarta and the PKI*, (Baltimore: Johns Hopkins, 1969), pp.126.

Indonesian Communist exiles and reiterating its call for armed revolt in Indonesia.¹¹ On the other side, Indonesia continued to see China as a major external threat and a promoter of domestic instability. Military concerns about security meant that with regard to China, the considerations of the generals often far outweighed those of the foreign ministry in Jakarta. Thus, in 1971 when China at last gained admission to the United Nations, Indonesia voted for a United States-sponsored resolution requiring a two-thirds majority to sanction Taiwan's expulsion and then abstained on the decisive vote to allow Peking entry to the world body.¹²

On China, more than any other issue, the ministries of Foreign Affairs and Defense have been at odds. A reluctant participant in the 1967 decision to freeze relations, Malik as early as 1972 pronounced in favor of the restoration of diplomatic relations. Intermittent ministerial contact was resumed at this time, the first meeting taking place in Paris. For many years Indonesia was to hold to a position that Peking would have to apologize for its alleged role in the events of 1965 and cut its connections with Southeast Asian Communist parties, especially the PKI. Fears were deeply ingrained that China would seek to manipulate the political loyalties of the economically powerful Chinese minority. After 1965, the New Order government had gone to considerable lengths to purge local Chinese of their ethnic identity, closing Chinese schools and even banning all materials written in the Chinese language. Moslem groups, along with the military, have been prominent in voicing their opposition to restoring ties with China. And although President Suharto's government has not generally been noted for its concessions to the Moslem opposition, it has usually avoided offering them any leverage to criticize the regime.

The cumulative effect of these objections was that relations with China remained frozen even when in 1974–1975 three of Indonesia's partners in ASEAN—Malaysia, the Philippines, and Thailand recognized China and opened diplomatic relations. For its part, China had by the mid-seventies considerably muted its criticism of the Suharto government. Anti-Chinese riots in Bandung in 1973, for example, and again in Jakarta in January 1974 drew no real response from Peking.¹³ But after the triumph of communism in Indochina in 1975 and the withdrawal of the United States from mainland Southeast Asia, Indonesia was forced to rethink its strategic priorities. Not having diplomatic relations with China at a time when Peking was emerging as one of the most powerful players in Southeast Asia seemed to be taking unnecessary risks.

This logic seemed to be behind President Suharto's announcement in March 1978 that Indonesia was moving to prepare the way for restoring diplomatic links.¹⁴ In September 1977, the Foreign Minister, Adam Malik, had met with his Chinese counterpart, Huang Hua, at the United Nations in New York, the first such meeting since the freezing of relations in 1967.¹⁵ In May, a delegation from the Indonesian Chamber of Commerce (KADIN) visited China and reached an agreement on the resumption of direct trading ties.¹⁶ But President Suharto's move drew a critical response from the Moslem Development Unity party. In parliament it was critical not only of any move to resume diplomatic ties but also to direct

¹¹Wayne Bert, "Chinese Relations with Burma and Indonesia," *Asian Survey*, 15 (6) (June (1975): 483–4.

¹²Leifer, *Indonesian Foreign Policy*, p. 127.

¹³Bert, "Chinese Relations," p. 484.

¹⁴Leifer, *Indonesian Foreign Policy*, p. 180; Wayne Bert, "Chinese Policy towards Burma and Indonesia: A Post-Mao Perspective," *Asian Survey* 25 (9) (September 1985): 971.

¹⁵"Malik bicara dengan Menlu RRT Huang Hua," *Merdeka*, October 3, 1977.

¹⁶"Sudah Disetujui, Hubungan Dagang Langsung Indonesia-PRC," *Kompas*, May 19, 1978.

trading links.¹⁷ For the Islamic factions, opposition to China stemmed from economic as well as ideological motives. Many Islamic leaders, who were also business people, resented the dominant economic position of the ethnic Chinese; they argued that only when there was a strong indigenous middle class should Indonesia think of reestablishing relations with China.

Suharto had scarcely made his announcement when developments in Indochina once again shifted to the advantage of conservatives in the Indonesian military establishment. In the spring of 1978, relations between China and Vietnam deteriorated rapidly over Hanoi's treatment of the ethnic Chinese in what had formerly been South Vietnam. Peking protested vociferously and dispatched ships to Saigon to evacuate Chinese.¹⁸ For Indonesians, the parallels with their own experience with China in 1959 were all too obvious. And even Vietnam's invasion of Cambodia to topple the Khmer Rouge in December 1978 was offset for many Indonesian generals by China's punitive attack on Vietnam in February 1979. China, rather than Vietnam, seemed to many figures in the Indonesian military establishment to be the real threat to Southeast Asia in the long run.¹⁹ Increasingly, any moves toward normalization were to become the subject of ill-concealed spoiling operations by the military. In December 1981, for example, an Indonesian trade mission to China that had been planned for several months had to be cancelled following a surprise visit to Jakarta by Taiwan Prime Minister Sun Yun-hsuan.²⁰ To add salt to China's wounds, the Taiwan premier was received by President Suharto himself.

The Debate in the Eighties

Despite some faltering initiatives in the 1970s, the outlook for Sino-Indonesian relations in the early eighties scarcely looked any better than it had a decade or so earlier. Fundamental distrust of China, especially by the military, remained as deeply entrenched as ever. Nor was this picture changed by Vietnam's 1978 invasion of Cambodia and attempt to establish political hegemony over Indochina. The establishment of a Soviet military presence at the former American bases at Da Nang and Cam Ranh Bay did not ring the alarm bells in Jakarta that it rang in Bangkok and Singapore. Even Foreign Minister Dr. Mochtar Kusumaatmadja downplayed the significance of the Soviet military bases in Vietnam. On the contrary, Vietnam was seen as a strong bulwark to Chinese encroachment in the region, and the long-term military perception of China as the main threat to stability in Southeast Asia remained unchanged.

This point was driven home dramatically in February 1984 when to the delight of Vietnam, General Benny Murdani, the commander-in-chief of the Indonesian armed forces, visited Hanoi. Not only was Murdani the most senior ASEAN official to visit Hanoi since its invasion of Cambodia but he was the first non-Communist military commander to hold extensive military consultations with the Vietnamese.²¹

¹⁷See *Antara*, May 25, 1978 for comments of Amin Iskandar, Chairman of the Islamic PPP.

¹⁸See Nayan Chanda, *Brother Enemy: The War After the War*, (New York: Macmillan, Collier Books, 1988), pp. 231-47; see also Leo Suryadinata, *China and the ASEAN States The Ethnic Chinese Dimension*, (Singapore: Singapore University Press, 1985), p. 1.

¹⁹These views were not confined to the military; see, for example, the opinions of the Golkar Secretary General Sarwono Kusumaatmadja, "RI Harus Hati-Kati Amati RRT," *Merdeka*, January 10, 1985; see also, Harold Crouch, "No Enemy in Sight," *Far Eastern Economic Review*, February 14, 1985, pp. 32-34.

²⁰Bert, "Chinese Policy towards Burma," pp. 971-72; Leifer, *Indonesian Foreign Policy*, p. 171.

²¹Nayan Chanda, "ASEAN's Odd Man Out," *Far Eastern Economic Review*, March 1, 1984, p. 8.

Moreover, a new irritant in Sino-Indonesian relations had arisen following Jakarta's annexation in 1976 of the former Portuguese colony of East Timor, an action that was described by Peking as "a naked act of aggression."²² At the United Nations, China backed up its condemnation by voting until 1982 for a resolution calling on Indonesia to withdraw its forces from East Timor and allow its people to decide their own fate. (No vote on this matter has been taken at the General Assembly since 1982.)

China has waited patiently for Indonesian attitudes to change. From the early 1970s, Peking rarely commented critically on events in Indonesia. East Timor was something of an exception; not to have condemned Indonesia might have lost China considerable support elsewhere in the Third World, especially in Africa where other former Portuguese colonies galvanized opposition to Indonesia's move. China could also take some consolation from the fact that although Jakarta was more sympathetic to Hanoi than was any other ASEAN capital, after 1982 Indonesia and China shared common ground in supporting the opposition Coalition Government of Democratic Kampuchea led by Prince Sihanouk. Other issues, such as the Soviet military intervention in Afghanistan, also indicated a shared point of view between China and Indonesia on an important international matter. Another more vital issue for Jakarta that received Chinese support was Indonesia's initiative for legal recognition of its declared archipelagic status, which was finally included in the draft convention of the Law of the Sea Conference in 1982.²³ Peking's support showed China's willingness to conciliate Indonesia, the most important power in Southeast Asia, as long as Jakarta did not develop close ties with the Soviet Union or actively oppose China on major issues.

That patience began to show some sign of success by the mid-eighties. Adam Malik, freed of the constraints of the offices of foreign minister and vice-president, seemed increasingly critical of official policy toward China. He stated bluntly in 1984 that there had been no indication of Chinese involvement in subversion in Indonesia since the mid-sixties and that normalization of relations was necessary if Indonesia wanted to pursue a more active policy on the international stage. Even before normalization, Malik urged that Foreign Minister Mochtar should travel to Peking on behalf of ASEAN for discussions of the Cambodian conflict.²⁴ Although Mochtar himself was quick to say that the time was still not ripe for normalization of relations with China, Malik's intervention had placed the issue firmly on the public agenda again.²⁵

The first real breakthrough in Sino-Indonesian relations since 1967 came in 1985 when Chinese Foreign Minister Wu Xueqian was invited to Indonesia for the thirtieth anniversary of the 1955 Bandung Afro-Asian solidarity conference. The presence of a Chinese minister in Indonesia for the first time in two decades added interest to an otherwise painfully lackluster conference, which only served to underline the failure of the "Orde Baru" to generate anything like the support that President Sukarno had enjoyed in the Third World.²⁶ But if Wu's visit did at least succeed in breaking the ice, there was to be no dramatic reconciliation. At the end of the visit in an embarrassing incident, Wu was apparently offered a meet-

²²S. Kim, *China, the United Nations and World Order*, (Princeton, N.J.: Princeton University Press, 1979), p. 222-23.

²³G. W. Choudhury, *China in World Affairs: The Foreign Policy of the PRC since 1970* (Boulder, Colo.: Westview, 1982), p. 240.

²⁴Bert, "Chinese Policy," p. 973; *Kompas*, March 1 and March 9, 1984.

²⁵*Sinar Harapan*, March 9, 1984.

²⁶Conspicuous by their absence, although invited, were Rajiv Gandhi, Pham Van Dong, and Prince Sihanouk; see Richard Nations and Lincoln Kaye, "Repeat Performance," *Far Eastern Economic Review*, May 2, 1985.

ing with Suharto after his scheduled time of departure. The meeting never took place, and both sides blamed each other for a lost opportunity.²⁷ Behind this gaffe, Indonesian officials indicated their displeasure at China's continued unwillingness to apologize for the events of 1965 and to break its ties with Southeast Asian Communist parties.²⁸ And to emphasize its continued lack of any shared strategic interests with China, the Indonesian armed forces chief Benny Murdani invited Vietnamese Defense Minister Van Tien Dung to Jakarta only one week before Wu's historic visit.

But if the Wu visit had not led to any dramatic breakthrough in political relations between the two states, it did lead to Jakarta giving the green light to the resumption of direct trading links between Indonesia and China. The logic for doing so was inescapable. By the mid-eighties, Indonesia was running a substantial deficit in its indirect trade with China. Indonesian business people were increasingly irked at the substantial cut made by traders in third countries like Singapore and Hong Kong. KADIN, the Indonesian Chamber of Commerce and Industry, was vocal in its demands that direct trading to be resumed. Fortunately, its vice-chairman, Probosutedjo, was also Suharto's brother-in-law. In April, Probosutedjo had visited Peking with a group of Indonesian businessmen, anxious that they were missing out on a China market that was only too accessible to other ASEAN business. Indonesia's efforts to boost its non-oil exports also underlined the need to find new markets. In July, a memorandum of understanding between KADIN and the China Council for the Promotion of International Trade (CCPIT) was signed in Singapore.²⁹ An exchange of trade delegations was carried out within two months after the agreement to resume direct trade. Although this move, coming so soon after the Win visit, was the most concrete manifestation by Indonesia in many years of its desire for better relations with China, the acute sensitivity of Jakarta was once again only too obvious. The memorandum that the two countries' trade organizations signed was remarkable for omitting any mention by name of either the Republic of Indonesia or the People's Republic of China. The Indonesian government had insisted on deletion of the names from the text to amplify the unofficial nature of the agreement. The requirement for both Chinese and Indonesian business executives to handle visa procedures either in Singapore or Hong Kong, and not in each other's capitals, further reflected Indonesia's continuing caution toward China.

Important though the agreement to resume direct trade was, no real breakthrough on the diplomatic front occurred. Indeed, the caveats the Indonesian authorities had made about even the resumption of trading relations, the failure of Suharto to meet with Wu Xueqian, and the Vietnamese defense minister's visit to Jakarta all emphasized the ambivalence with which Indonesia continued to regard China. But throughout the late 1980s, it became increasingly obvious that Indonesia was paying a considerable political price because of the absence of diplomatic relations with China. Its ambitions to play a greater role within the Nonaligned Movement and even to chair the movement and its efforts to find a solution to the Cambodian conflict through the Jakarta Informal Meetings (JIMS) were all hampered by the absence of diplomatic relations with China. The two meetings that Indonesia hosted

²⁷Richard Nations, "Wu-ing Suharto," *Far Eastern Economic Review*, May 23, 1985; "Tampaknya Masih Lama Lagi," *Merdeka*, April 29, 1985. For critical reactions from the Islamic United Development party to the visit see comments of Amin Iskandar, "Harus Dibuktikan Tak Ada Hubungan PKC dengan Komunis Indonesia," *Sinar Harapan*, April 26, 1985.

²⁸There was an expectation in official circles that Wu had brought a letter from Deng Xiaoping for Suharto; see the interview with Mochtar in *Tempo*, April 27, 1985, p. 18.

²⁹*Sinar Harapan*, July 4 and July 5, 1985; *Kompas*, July 5, 1985; see also the interview with Moerdiono, the Cabinet Secretary who was in charge of managing reestablishment of relations on Indonesian side, *Tempo*, May 25, 1990.

on Cambodia were handicapped by the noninclusion of China, the principal diplomatic and military backer of the Cambodian resistance, and gave Vietnam a greater opportunity to dominate the proceedings. Growing indications that the two superpowers were disengaging from Southeast Asia also made Indonesia feel that it had to position itself to take a more active part in the processes of detente. Rapprochement between the Soviet Union and China showed only too clearly that detente was not limited to the superpowers and illustrated that the balance of power in Asia was undergoing radical change. Indonesia could no longer afford to be isolated from one of the key players in East Asia.³⁰

The final breakthrough came on February 23, 1989, in the Imperial Hotel in Tokyo when President Suharto met with Chinese Foreign Minister Qian Qichen. In a move that took observers by surprise, the two countries agreed to move toward normalizing their relations at an early date.³¹ Qian repeated assurances that China would not meddle in Indonesian domestic affairs at either state or party levels. In separate talks with Indonesian State Secretary Moerdiono, Qian also said that exiled members of the PKI in China would not henceforth be allowed to carry out political activities. (As chairman of the coordinating body set up by presidential decree after the trade agreement of 1985, Moerdiono was the only senior official closely involved in the Tokyo negotiations. Although negotiations with the Chinese have taken place since 1985 at the United Nations in New York, they have been handled exclusively by the State Secretariat.³²

In looking at the reasons why such a major change in Indonesian foreign policy took place, it is clear that external factors, and especially changes in East Asia itself, had a major impact on revising Indonesian attitudes towards China. By early 1989, the increasing tempo of superpower detente was already indicating strongly that the Cold War era was drawing to a close. Inevitably, the shock waves from this change were beginning to be felt in East Asia. In the weeks before Suharto's meeting with Qian Qichen in Tokyo, Soviet Foreign Minister Eduard Shevardnadze had visited Peking, laying the ground for the historic summit between President Gorbachev and Deng Xiaoping in May 1989 that was to signal Sino-Soviet rapprochement. Elsewhere, the Soviet Union was indicating its desire to open relations with South Korea, and Vietnam was preparing to announce a military withdrawal from Cambodia after a decade-long involvement, while Thailand's new Premier Chatichai Choonhavan was declaring his desire to see Indochina transformed from a battle zone into a marketplace. By contrast, Indonesian foreign policy seemed to be in a rut. A second major initiative on Cambodia, "JIM II," had ended in failure while Indonesia's ambitions to chair the Nonaligned Movement seemed nowhere near success. Jakarta seemed unable to shake off its image in the Third World as being too closely tied to the United States and Japan. The attractions of at last normalizing relations with China, and the dangers of even greater isolation if Indonesia did not do so, had become all too evident.

Quite apart from the external factors that pushed President Suharto to undertake such a reversal in foreign policy, a reversal that few observers expected, domestic factors militating against normalization had by 1989 become less serious than they had been earlier. It is significant that the move came after the 1987 elections and after Suharto's own reelection as

³⁰See "Satu Lagi, Hubungan Diplomatik antara RI dan RRT," *Merdeka*, June 11, 1990; Richard Borsuk, "Indonesia's Resumption of Ties to China Signals Desire for More Regional Clout," *Asian Wall Street Journal*, August 13, 1990.

³¹Hamish McDonald, "Breaking the Ice," *Far Eastern Economic Review*, March 9, 1989, pp. 10-11; "Berjabat Tangan Dengan Cina," *Tempo*, March 4, 1989, pp. 14-22, see especially interview with the Foreign Minister, Ali Alatas.

³²Michael Vatikiotis, "Another Step Closer," *Far Eastern Economic Review*, November 30, 1990, p. 36.

president in 1988. By recognizing China after the elections, Suharto avoided having the matter become an election issue and a potential vote winner for the Islamic United Development party (PPP). More interesting for what it says about the politics of the New Order was the absence of anything other than muted response from the military and security authorities. On several occasions in 1989, Yoga Sugama, the former chief of Bakin, the powerful state intelligence agency, did urge the government to slow the normalization process, and in July the governor of the National Defense Institute, Major General Soebiakto, warned that China remained a threat to Southeast Asia.³³ But there were no overt manifestations of military displeasure such as occurred in 1981 when the Taiwanese prime minister visited Jakarta, or again in 1985 when the military invited the Vietnamese defense minister to visit Jakarta only one week before the Chinese foreign minister.

Economic arguments may well have helped sway the president's mind. In the eighties, Indonesia became increasingly concerned about diversifying its economy away from oil and gas and boosting other exports. The attraction of a billion strong market was as great for Indonesian traders as it was for business people elsewhere. Although direct trade with China had been resumed in 1985, as a country that still did not have diplomatic relations with China, Indonesia's goods were subject to 10–30 percent import levies. Moreover, many of the business people heavily involved in the China trade were either close to Suharto or members of his own family. Two of the three Indonesian banks that are correspondents for the Bank of China, Bank Umum Nasional and Bank Central Asia, are controlled by Liem Sioe Liong, who has long been closely identified with Suharto. KADIN's China trade committee is run from the offices of a company that is 40 percent owned by one of the president's sons, Bambang Trihadmojo, and Suharto's half-brother, Probosutedjo, has long been an advocate of closer trading ties with China.

Perhaps most importantly, by the end of the eighties the government seemed to be more confident of the loyalties of Indonesia's Chinese community. Although suspicion and resentment of the Chinese remains rife in many quarters in Indonesia, the government itself seems convinced that despite the continued existence of three hundred thousand "stateless" Chinese, the assimilationist policies of the New Order have worked.³⁴ Despite many shortcomings, a new liberal policy on naturalization that was introduced in 1980 and does seem to have had a considerable impact on what had been a long-running sore in Sino-Indonesian relations.³⁵

Within eighteen months of the Tokyo meeting, Indonesian Foreign Minister Ali Alatas had visited Peking and Chinese Prime Minister Li Peng had visited Jakarta. Diplomatic relations were officially restored on July 8, 1990.³⁶ For China, the resumption of ties with Indonesia represented a major diplomatic triumph at a time when much of the rest of the world had shunned contact with Peking after the bloody suppression of the democracy movement in June 1989. By a grim irony, massacres marked the freezing of relations between the two countries in 1967 and their unfreezing in 1990.

³³See *Far Eastern Economic Review*, October 26, November 16 and November 30, 1989.

³⁴Leo Suryadinata, "Indonesian Policies towards the Chinese Minority under the New Order," *Asian Survey*, 16 (8) 1987: 770–787.

³⁵Rum Hardjono, "Antara Normalisasi dengan Penyelesaian Hoakiao," *Kompas*, September 22, 1978.

³⁶Michael Vaikiotis, "Red Carpets, Red Flags," *Far Eastern Economic Review*, August 23, 1990, pp. 8–9; Michael Williams, "In Asia, Two Giants Bury the Ax," *International Herald Tribune*, June 29, 1990; see also "Communique of the Government of the Republic of Indonesia and the Government of the People's Republic of China on the Resumption of Diplomatic Relations between the Two Countries," United Nations document, NV/90/21, July 6, 1990.

Appendix 1
Annotated Chronology of Sino-Indonesian Relations

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| 1910 | The Netherlands East Indies government allows China to open consulates in Indonesia for the first time. |
| March 28, 1950 | The People's Republic of China recognizes Indonesia. Two months after the Soviet Union does. |
| July 20, 1950 | The first Chinese ambassador, Wang Jen-Shu, arrives in Indonesia. |
| January 21, 1951 | Indonesian chargé d'affaires, Isak Mahdi, arrives in Peking. |
| March 1951 | The PRC is allowed to open consulates in Medan, Banjarmasin, and Makassar. |
| August 1951 | The Chinese embassy gives refuge to communist leader Alimin during clampdown on PKI (Sukiman razzia). |
| October 1953 | The first Indonesian ambassador, Arnold Monontu, arrives in Peking. |
| April 22, 1955 | In the Sino-Indonesian Dual Nationality Treaty, China makes important concessions. Agreement is not ratified by the Indonesian parliament until 1958. |
| April 1955 | Chinese Prime Minister Chou En-lai attends the Bandung Conference of Afro-Asian nations and outlines principles of peaceful coexistence as the basis of relations between non-Western states. |
| October 1956 | President Sukarno pays his first visit to China at the end of a world tour. His impressions of China contribute to the adoption of Guided Democracy in 1951. |
| April 1958 | China offers political and financial support during the PRRI-Permesta rebellion—a \$16 million loan for the purchase of rice and textiles. |
| May 1959 | A major crisis in Sino-Indonesian relations follows measures revoking trading licences of Chinese in rural areas. The army in West Java orders all Chinese to be evacuated to major towns. |
| October 1959 | Indonesian Foreign Minister Subandrio flies to Peking for talks on the crisis. |
| May 1960 | Indonesia and China are on the verge of a diplomatic break. China eventually backs down. |
| April 1961 | Chinese Foreign Minister Chen Yi visits Indonesia, reestablishing good relations. |
| June 1961 | Sukarno visits China for the second time. |
| October 1961 | China lends Indonesia \$30 million for building textile factories. |
| April 1963 | Chinese President Liu Shao-chi visits Indonesia. |
| November 1964 | Sukarno makes a surprise visit to Shanghai for talks with Chou En-lai. His visit follows the failure of the Cairo nonaligned meeting to back Indonesia's opposition to Malaysia. |

- November 27, 1964 Chinese Foreign Minister Chen Yi arrives in Jakarta for a week long visit and announces a \$50 million loan for Indonesia.
- January 1965 Subandrio visits Peking at the head of a large Indonesian delegation. A Sino-Indonesian declaration of diplomatic and political unity is issued.
- May 1965 Chinese CP politburo member, Peng Chen, visits Jakarta for the 45th anniversary celebrations of the Indonesian Communist party (PKI).
- August 17, 1965 Sukarno announces the Sino-Indonesian alliance.
- October 1, 1965 The Untung coup attempt is defeated by the military under General Suharto.
- October 16, 1965 The army enters the offices of a Chinese commercial counselor in Jakarta, which begins a rapid deterioration in Sino-Indonesian relations.
- April 1966 The Indonesian ambassador in Peking, Djawoto, asks for political asylum.
- May 1966 The Chinese ambassador is recalled from Jakarta. All Chinese economic aid is suspended.
- September 1966 Indonesian Foreign Minister Adam Malik accuses China of being involved in the Untung coup attempt. The trial of Subandrio opens with allegations that Chinese arms were supplied to coup plotters. Demonstrations occur outside the Chinese embassy in Jakarta.
- April 24, 1967 Chinese chargé d'affaires is expelled from Indonesia. On the following day, China expels the Indonesian chargé d'affaires.
- July 7, 1967 China endorses the new PKI revolutionary line and calls for a people's war against the "Suharto fascist regime" three months after Sukarno is stripped of all remaining power.
- August 1967 Demonstrations and attacks occur on the Indonesian embassy in Peking.
- October 7, 1967 Indonesia announces the freezing of diplomatic relations with China.
- April 1985 The Chinese foreign minister visits Indonesia for the commemoration of the 1955 Bandung conference. An expected meeting with President Suharto fails to take place.
- February 23, 1989 President Suharto meets with Chinese Foreign Minister Qian Qichen in Tokyo at the funeral of Emperor Hirohito. An agreement is reached on normalizing relations.
- September 1989 Talks take place in New York between Ali Alatas and Qian Qichen.
- July 1, 1990 Ali Alatas visits China, the first visit by an Indonesian minister in a quarter-century.
- August 8, 1990 Diplomatic relations between China and Indonesia are officially restored.