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C O N F I D E N T I A L SECTION 01 OF 02 STATE 139172

Classified By: EAP A/S Christopher R. Hill, Reasons 1.4 (b) and (d)

1. (C) SUMMARY: Describing the situation in Timor-Leste as stabilized, President Ramos-Horta praised the international forces for their role in the success of presidential and parliamentary elections. The Government of Timor-Leste (GOTL) is now tackling its most urgent policy challenges, particularly police reform, internally displaced persons (IDPs), the "petitioners," and military fugitive Major Alfredo Reinado. Ramos-Horta requested U.S. support to expand opportunities for Timorese to study abroad, particularly in the Philippines and Indonesia. Reaffirming U.S. support for Timor-Leste's continued development, A/S Hill agreed to consider additional educational assistance. Hill also urged Timor-Leste to support a UNGA resolution on human rights violations in Iran. End Summary.

POLITICAL SITUATION

2. (C) In a September 23 meeting on the Margins of UNGA, President Ramos-Horta reported that the political and security situation in Timor-Leste had stabilized but remained precarious. He defended his decision to ask Xanana Gusmao and the alliance parties to form a new government in August. Political dialogue at all levels following the June 30 parliamentary elections convinced him that the FRETILIN Party could not gain enough outside support to command a majority in the Parliament, despite winning the most votes. FRETILIN’s failure to challenge him in court confirms that it recognized the constitutionality of his decision, he said.

PUBLIC SECURITY

3. (C) Ramos-Horta praised the international forces for maintaining public security during and after elections. The Australian-led International Stabilization Force and the Portuguese National Guard in particular have done "an outstanding job." He lamented that the UN Police are "a mixed bag," the inevitable result of a combined force of over 30 nationalities. The violence that flared up in August has dissipated and the day-to-day security situation is back to normal, he said. Underscoring the institutional weakness of the Timorese National Police (PNTL), the President cautioned that it will take time for the PNTL to function effectively. By contrast, he credited the "strong leadership" of the Timorese defense force (F-FDTL) with holding the military together during the unrest of 2006.

EAST-WEST DIFFERENCES AND THE IDP ISSUE

4. (U) When A/S Hill inquired about the East-West differences that surfaced in 2006, Ramos-Horta dismissed them as "an oversimplification by experts amplified by the media." He contended that there has never been a war between Easterners and Westerners in Timorese history. The situation is actually more complex because there are multiple ethnic groups. When they mix in Dili, they compete for housing, jobs, and market space. Citing the commercial prowess of traders from Laga and the envy it provokes, Ramos-Horta...
suggested that varying rates of success among the different
groups fuels the rivalries among them.

5. (U) In response to A/S Hill's urging that the GOTL
address the IDP problem, Ramos-Horta indicated that finding
new homes for displaced persons is a high priority of the new
government. He noted that the UN, the GOTL, and
non-governmental organizations have reached an agreement to
stop blanket food distribution. Once the new budget is
approved, the GOTL will move ahead in other ways to resolve
the IDP issue, he added. Ramos-Horta complained that
FRETILIN was not interested in solving the IDP problem when
he was prime minister. It is still not interested in doing
so because many political supporters live in the IDP camps
and it can easily manipulate them, he said.

THE PETITIONERS AND REINADO

6. (C) Ramos-Horta described his plans to address the
concerns of the petitioners dismissed from F-FDTL in 2006.
He has proposed that petitioners wishing to rejoin the army
must reapply and submit to screening. Those not wishing to
reapply and those who do not pass the screening would receive

a severance package of three years' salary. When A/S Hill
inquired how the government plans to deal with Major Reinado,
the President explained that he is trying to arrange for
Reinado to surrender peacefully and submit to justice.

BILATERAL ASSISTANCE

7. (U) A/S Hill reaffirmed the U.S. commitment to support
Timor-Leste as it tackles the challenges ahead, including
through our bilateral assistance programs. Ramos-Horta
expressed gratitude for U.S. assistance, particularly the
scholarships for Timorese to study at the East-West Center in
Hawaii. He described how he also hoped to send more Timorese
students to study abroad in low-cost countries, in particular
in the Philippines and Indonesia, as a way of developing the
human capital of Timor-Leste's next generation. Noting that
President Gloria Macapagal-Arroyo supports the idea,
Ramos-Horta requested U.S. assistance in facilitating such
"tripartite" programs. A/S Hill stressed the importancy of
expanding English language education and agreed to consider
the matter.

UNGA

8. (C) A/S Hill urged that Timor-Leste support a resolution
on human rights violations in Iran that the UN General
Assembly will consider this session. Ramos-Horta underscored
Timor-Leste's strong record of supporting U.S. positions at
the UN, and agreed to consider the Timorese position on the
matter. Noting that Timor-Leste does not have any relations
with Iran or Venezuela, the President also criticized the
behavior of both President Mahmoud Ahmadinejad and President
Hugo Chavez at the UN as "unacceptable."