

Policy-making and pragmatism : Australia's management of security cooperation with Indonesia during the new order period

Author:

Boyle, Michael George

Publication Date:

2002

DOI:

<https://doi.org/10.26190/unsworks/6497>

License:

<https://creativecommons.org/licenses/by-nc-nd/3.0/au/>

Link to license to see what you are allowed to do with this resource.

Downloaded from <http://hdl.handle.net/1959.4/59666> in <https://unsworks.unsw.edu.au> on 2024-05-03

**POLICY-MAKING AND PRAGMATISM:
AUSTRALIA'S MANAGEMENT
OF
SECURITY COOPERATION WITH INDONESIA
DURING THE NEW ORDER PERIOD**

Michael Boyle

**A thesis submitted for the degree of Doctor of Philosophy
of the University of New South Wales, 2002**

Table of Contents

<i>Table of Contents</i>	<i>ii</i>
<i>Abstract</i>	<i>iii</i>
<i>Declaration</i>	<i>iv</i>
<i>Notes on Terminology</i>	<i>v</i>
<i>Abbreviations</i>	<i>vi</i>
Introduction	1
Chapter 1 ‘Making Policy on Principle and Practical Interest’: A New Beginning 1965-1966.	23
Chapter 2 ‘Putting Our Toe Into ... Deep Water’: Economic and Defence Cooperation 1967-1972.	67
Chapter 3 Caught Between the Past and the Future: The Contributions of John Gorton and William McMahon 1967-1972.	133
Chapter 4 Order and Disorder: Whitlam and Indonesia 1972-1975.	180
Chapter 5 ‘The tempo of the gamelan music had increased ... the players had to dance more vigorously’: The Fraser Government and Indonesia 1975-1982.	240
Chapter 6 ‘Adding ballast to the relationship’: The Hawke Government and Indonesia 1983-1991.	280
Chapter 7 The Keating Legacy 1991-1996.	318
Chapter 8 The End of Security Cooperation: The Howard Government and Indonesia 1996-1999.	371
Conclusion	409
Appendices:	
1. Bilateral Aid/Official Development Assistance to Indonesia 1965-1999.	423
2. Comparison Defence Cooperation/Cooperative Funds to Indonesia with Selected Countries 1966-2000.	424
3. Allocation of Defence Cooperation/Cooperative Funds to Indonesia 1972-1999.	426
4. Major Combined or Reciprocated Exercises between Australia and Indonesia 1973-1999.	428
5. Summary of the Number of Indonesian Trainee/Study Visits in Australia 1968-1998.	431
Bibliography	432

Abstract

The enduring geostrategic factors, of Indonesia's proximity and geography, and dissimilar size and cultures, have always been acknowledged to be central to Australia's security. The attempted coup on 30 September 1965 presented new possibilities of an anti-communist and friendlier government in Jakarta and an improvement in regional stability. The region was also undergoing profound strategic change. Within 10 years, British military forces had withdrawn from Malaysia and Singapore, and the United States had completed its military withdrawal from Vietnam. In their absence Australian diplomacy was compelled to accept an increased responsibility for regional stability, and successive governments explored a variety of security arrangements with Indonesia: the Gorton government proposed a security pact with Indonesia; Whitlam explored the possibilities of a broad, regionally-based organisation; and Fraser attempted to foster closer relations with Indonesia through ASEAN. These initiatives were rejected because of Indonesia's predilection for the status of non-alignment. Australian governments, however, employed programs of economic assistance and defence cooperation to promote the legitimacy of the New Order and, through Indonesia's improving social cohesion and stability, acquire a measure of security with Indonesia. Economic assistance and defence cooperation were continued throughout the New Order period despite Indonesia's illegal invasion of East Timor and continuing human rights abuses, including the 1991 Dili massacre. Successive Australian governments were cognisant of the alternatives to social cohesion - of disorder, instability and possible militarism - and preferred to encourage the New Order with all its imperfections. In 1995 the overall success of the governments' activities was manifested in a secretly-negotiated Security Agreement. Personal relations between Suharto and Keating promoted the elements of trust and understanding that underpinned the Agreement but the diplomatic chaos and violence in East Timor in 1999 destroyed any residual trust and understanding in the relationship. The Australian community had tolerated some 30 years of misgivings and suspicion of government policies in managing bilateral relations; the violence triggered overwhelming community pressure on the government to stop the violence, and Australian combat troops were once again deployed to oppose Indonesian forces. Security cooperation with Indonesia had fractured, and a new state of uncertainty had emerged.

Declaration

I hereby declare that this submission is my own work and to the best of my knowledge it contains no material previously published or written by another person, nor material which to a substantial extent has been accepted for the award of any other degree or diploma at UNSW or any other educational institution, except where due acknowledgement is made in the thesis. Any contribution made to the research by colleagues, with whom I have worked at UNSW or elsewhere, during my candidature, is fully acknowledged.

I also declare that the intellectual content of this thesis is the product of my own work, except to the extent that assistance from others in the project's design and conception or in style, presentation and linguistic expression is acknowledged.

Notes on Terminology

In the main, contemporary nomenclature and spelling are used to convey the atmosphere of the time and occasionally to provide continuity in relating facts, describing circumstances and connecting the threads of disparate political themes and debate. For example, *East Timor* and *Portuguese Timor*, *Borneo* and *Kalimantan*, and *Celebes* and *Sulawesi* are respectively used interchangeably depending on the perspective or the historical framework of the argument.

In particular, the geographic area of West New Guinea has had several names. Names are used in their historical sense: Dutch or West New Guinea, to denote the Dutch colonial period of administrative control to 1962; West Irian and Irian Barat, the period from 1963 to 1973; on 3 March 1973, Indonesia renamed the province to Irian Jaya, meaning Victorious Irian; and from 1998 onwards the names, West Papua and Papua, became more frequently used. Other specific or unusual usage is registered in the footnotes.

Apart from significant slogans, such as *Konfrontasi*, foreign language terminology is not employed. Indonesian names appear in their current form, although the Dutch-derived spelling of the day, such as Soekarno, Soeharto, Djakarta, is used when directly quoting from documents, newspapers and other cited material. *South Vietnam* and *Vietnam* are used interchangeably, as occurred in the period under review, to denote the zone south of the 17th parallel under the established government known as the Republic of Vietnam.

Abbreviations

AACM	ASEAN-Australia Consultative Meeting
AAP	Australian Associated Press
ABC	Australian Broadcasting Commission
ABRI	The Indonesian Armed Forces (<i>Angkatan Bersenjata Republik Indonesia</i>)
ACTU	Australian Council of Trade Unions
ADB	Asian Development Bank
ADF	Australian Defence Force
AFAR	Australian Foreign Affairs Record
AFTA	ASEAN Free Trade Area
AIDA	Australia-Indonesia Development Area
AIDAB	Australian International Development Assistance Bureau
AJSS	Australian Joint Services Staff (London)
ALP	Australian Labor Party
AMDA	Anglo-Malayan Defence Agreement
AMS	Australia Indonesia Agreement on Maintaining Security
ANZUS	Australian, New Zealand, United States (Security Treaty)
APEC	Asia Pacific Economic Cooperation
APODETI	Popular Democratic Association of Timorese (<i>Associação Popular Democrática Timorense</i>)
ARF	ASEAN Regional Forum
ASC	Army Staff College, Queenscliff
ASEAN	Association of South East Asian Nations
ASEM	Asia Europe Meeting
ASIAT	Australian Society for Inter-Country Aid (Timor)
ASIS	Australian Secret Intelligence Service
AUSMIN	Australia-United States Ministerial Meeting
BAKIN	State Intelligence Coordinating Agency (<i>Badan Koordinasi Intelijens Negara</i>)

CDF	Chief of the Defence Force (Australia)
CER	Closer Economic Relations (between New Zealand and Australia)
CIET	Campaign for an Independent East Timor
CNIA	Current Notes on International Affairs
CO	Cabinet Office
CPD	Commonwealth Parliamentary Debates
CRO	Commonwealth Relations Office (London)
CS	Denotes the archival indicator for Cabinet Office files
CSCA	Conference on Security Cooperation in Asia
CSIRO	Commonwealth Scientific and Industrial Research Organization
CSIS	Centre for Strategic and International Studies (Indonesia)
CSO	Commonwealth Signals Organization
CSR	Commonwealth Strategic Reserve
DCP	Defence Cooperation Programme
DFA	Department of Foreign Affairs
DFAT	Department of Foreign Affairs and Trade
DoD	Department of Defence
DEA	Department of External Affairs
DIFF	Development Import Finance Facility
DIO	Defence Intelligence Organisation (Australia)
DLP	Democratic Labor Party
DSD	Defence Signals Directorate
EAEC	East Asian Economic Caucus
EFIC	Export Finance and Insurance Corporation
EFAMO	Environment for Future Australian Military Operations
ECAPE	Economic Commission for Asia and the Far East
FAD	Foreign Affairs and Defence Committee of Cabinet
FALINTIL	Armed Forces for the National Liberation of East Timor (<i>Forças Armadas de Libertação Nacional de Timor-Leste</i>)
FPDA	Five Power Defence Arrangements
FO	Foreign Office (British)

FRETILIN	Revolutionary Front for an Independent East Timor (<i>Frente Revolucionária de Timor Leste Independente</i>)
IBRD	International Bank for Reconstruction and Development
ICRC	International Committee of the Red Cross
IGGI	Inter-Government Group for Indonesia
IMF	International Monetary Fund
INTERFET	International Force for East Timor
KODAM	Military Regional Command (<i>Komando Daerah Militer</i>)
JIC	Joint Intelligence Committee
JIO	Joint Intelligence Organization
MPR	People's Consultative Assembly (<i>Majelis Permusyawaratan Rakyat</i>)
NAA	National Archives of Australia
NATO	North Atlantic Treaty Organization
NGO	Non-Government Organisation
NLA	National Library of Australia
ODA	Official Development Assistance
ONA	Office of National Assessments
OPM	Free Papua Movement (<i>Organisasi Papua Merdeka</i>)
PIR	Pacific Island Regiment
PKI	Indonesian Communist Party (<i>Partai Komunis Indonesia</i>)
PM	Prime Minister
PM&C	Department of Prime Minister and Cabinet
PNG	Papua New Guinea
PRO	Public Records Office (London)
RAAF	Royal Australian Air Force
RAN	Royal Australian Navy
RAR	Royal Australian Regiment
<i>Repelita</i>	Five Year Development Plan (<i>Rencana Pembangunan Lima Tahun</i>)
RMC	Royal Military College, Duntroon
SAS	Special Air Services

SEATO	South East Asia Treaty Organisation
SESKOAD	Indonesian Army Command and Staff College
SESKOAL	Indonesian Navy Command and Staff College
SESKOAU	Indonesian Air Force Command and Staff College
SPCG	Strategic Policy Coordination Group (Australia)
TNI	ABRI was renamed Indonesian National Army (<i>Tentara Nasional Indonesia</i>) when the Indonesian police was separately established from the military
UDT	Timorese Democratic Union (<i>União Democrática de Timor</i>)
UN	United Nations
UNAMET	United Nations Assistance Mission to East Timor
UNTAET	United Nations Transitional Administration in East Timor
US	United States of America
VCDF	Vice Chief of the Defence Force (Australia)
ZOPFAN	South East Asia Zone of Peace, Freedom and Neutrality

INTRODUCTION

BACKGROUND

Australia's relations with Indonesia have always been concerned with security: security from Indonesia and security with Indonesia. This is understandable from the geostrategic circumstances of proximity, from Indonesia's geography in straddling Australia's major trading routes to North and East Asia, and from the import of dissimilar cultures, religion, language and unequal populations, which only accentuate notions of difference and separateness. Australia has very few natural allies in its neighbourhood, and through geography is obliged to live closely with neighbours who share little tradition or history that can deliver a common understanding of social values and systems.¹

During the post-colonial period after the Second World War, security from and with Indonesia generated political consideration and apprehension when nationalist and communist influences in Australia's near region gathered an unhealthy political momentum. Security planning rested on strategic factors that emphasised alliances and geography. In March 1950, Percy Spender, Minister for External Affairs and Minister for External Territories, declared that the defence of Australia was inextricably linked to the defence of Indonesia and Papua New Guinea.² He acknowledged:

In both the ultimate and the intermediate, the foreign policy of any country must have regard primarily and constantly to its geographic situation and its special needs over a reasonably long period of time. Its essence consists of the means employed to accomplish its aims in a peaceful manner. A nation's foreign policy must, however, be closely integrated with that of defence. For if

¹ Gareth Evans, 'Making Australian Foreign Policy', *Australian Fabian Society Pamphlet*, Number 50, Australian Fabian Society, Melbourne, 1989, pp.7-10.

² Ministerial Statement, *CPD*, House of Representatives, Volume 206, 9 March 1950, pp.621-41. Tange recalled that at his first meeting with the new Minister for External Affairs in early December 1949, Spender indicated his intention to fashion a new foreign policy based on a closer relationship with the United States, better relations with the British Commonwealth, and a defence focus on Papua New Guinea and Indonesia. At the meeting, Spender also sketched for Tange 'some arrangements for assistance between countries in the Commonwealth' - intimations of the future Colombo Plan. Interview Sir Arthur Tange, 1981, Oral TRC 1023, Oral History Section, NLA, p.73.

the foreign policy which is followed proves incapable of achieving or maintaining peace, the departments of war must take over. Indeed the military strength of a nation may largely condition the means employed by foreign policy in seeking to achieve its purpose.³

Of utmost importance were the 'security of our own homeland and the maintenance of peace in the area, in which our country is geographically placed', which, he added, could be principally 'done through a broad policy of economic and technical assistance to South East Asia countries'. Spender had recently returned from the first meeting of interested parties in Colombo, which was convened to discuss a new plan of economic and technical assistance to countries in South and South East Asia.⁴ The focus on economic development had its origins in the overall plan to defeat communist-inspired exploitation of under-developed countries. Spender believed that Asia had replaced Europe as the battleground against communism; and the war against communism could only be won through comprehensive economic programs, backed where necessary by strong military partnerships.⁵

During his return trip, he spent several days in Jakarta in discussions with President Sukarno and formed the opinion that Indonesia and its new leadership could suffer from communist-inspired social unrest.⁶ He held that the 'Indonesian Government will need encouragement and active help from outside if it is to maintain order and at the same time give attention to the urgent economic problems that have grown up during and since the war'. There was no debate over the options for Australia; its history, cultural and economic livelihood defined its membership of the 'Western camp' and its opposition to communism; and the government accepted that military support from the United Kingdom or from the United States was required to offset Australia's incapacity to provide sufficient independent military strength in times of major regional conflict.⁷ If this could be achieved, then Australia was well placed to deal with activities of the Soviet Union in the Pacific region and an emerging China, which threatened to 'stir up unrest and rebellion in Asia'.⁸

³ Ministerial Statement, *CPD*, House of Representatives, Volume 206, 9 March 1950, p.622.

⁴ The new arrangement would later become known as the Colombo Plan. Sir Percy Spender, *Exercises in Diplomacy. The ANZUS Treaty and the Colombo Plan*, Sydney University Press, Sydney, 1969, pp.191-282.

⁵ Ministerial Statement, *CPD*, House of Representatives, Volume 206, 9 March 1950, p.623.

⁶ *Ibid.*, p.629.

⁷ *Ibid.*

⁸ *Ibid.*, p.626.

Spender was one of a vanguard of realists that believed in an Asia Pacific security pact:

It is therefore desirable that all governments ... should consider immediately whether some form of regional pact for common defence is a practical proposition ... What I envisage is a defensive military arrangement having as its basis a firm agreement between countries that have a vital interest in the stability of Asia and the Pacific ... We look toward a pact that has also positive aims – the promotion of democratic institutions, higher living standards, and increased cultural and commercial ties.⁹

The concept of a Pacific pact was not new and was first raised during the early days of federation. During the 1920s successive prime ministers had called for a conference with Canada, New Zealand and the United States to discuss security.¹⁰ In 1936 the Australian government expressed interest in a regional pact to provide for mutual assistance in the event of an attack from Japan. Moreover, the war with Japan had demonstrated how valuable such an arrangement would be to Australia and New Zealand, whose geographic isolation was seen in terms of the vulnerability of the long lines of communication with allies. In May 1946 the Commonwealth Prime Ministers' Conference agreed that Australia, Britain and New Zealand should continue to negotiate with the United States and other interested countries to develop a 'general defence scheme' in the Pacific. Even the ANZUS Treaty was regarded as a forerunner of a larger Pacific pact; twice, in the preamble and in Article 8, the Treaty notes the coordination of defence efforts 'pending the development of a more comprehensive system of regional security in the Pacific'.¹¹

Previous discussions had focused on military-only arrangements; in contrast, Spender noted the importance of 'positive aims' through the 'promotion of democratic institutions of higher living standards and increased cultural and commercial ties', which signalled a more comprehensive diplomatic package for the Asia Pacific region and promoted security in a much broader sense; yet, he was equally pragmatic to realize that the potential for early success in negotiations was limited and accepted that:

Australia has a duty to itself, which must not be neglected. This is the duty of ensuring by every means open to us that, in the island areas immediately adjacent to Australia, in whatever direction

⁹ *Ibid.*, p.632.

¹⁰ N.K. Meaney, 'Alfred Deakin's Pacific Agreement Proposal and its Significance for Australian-Imperial Relations', *Journal of Commonwealth Political Studies*, November 1967, pp.200-13.

¹¹ For an analysis of the historical developments leading to the ANZUS Treaty see J.G. Starke, *The ANZUS Treaty Alliance*, Melbourne University Press, Melbourne, 1965, pp.4-26, 76-160.

they lie, nothing takes place that can any way offer a threat to Australian security, either in the short term or the long term.¹²

Spender was identifying the prudent undercurrent of systemic ambivalence in security cooperation. Long-term assistance to Indonesia, for example, could result in a strong nation that contributes to stability and security in the northern approaches to Australia; a strong Indonesia could also become a serious threat to Australia if relations were to deteriorate. Spender believed that Australia's security should be promoted through economic and technical means in the islands to the north in the first instance, and if these should fail only then should military activities be contemplated. These activities should include the military strategy of forward defence, where Australian forces would be deployed in the near region within their capacity to thwart communist insurgency and aggression.

The relevance of Spender's approach had longevity because the geostrategic factors that he identified have not changed; Indonesia's proximity to Australia, its archipelagic dominance of Australia's major trade routes, its considerable population, and its cultural differences all accentuate difference; and in the application of military strategies, a hostile Indonesia could only be resisted with the assistance of a major power. These were the geostrategic factors that guided successive prime ministers and foreign ministers in constructing short and long-term objectives to accommodate Australia's security interests.¹³ These security interests were regarded as 'permanent interests', in the Palmerstonian manner, where the northern approaches to Australia had to remain free from domination from a major power because only from or through the archipelagic ring could a significant military threat to the Australian mainland be launched. Spender considered that the policy of forward deployments of Australian military forces in the archipelagic ring offered a deterrent effect to emerging security threats, particularly when backed by strong alliances with major

¹² Ministerial Statement, *CPD*, House of Representatives, Volume 206, 9 March 1950, p.632.

¹³ In January 1974 the newly appointed Secretary, Department of Foreign Affairs accepted the task to review the foreign policy that Gough Whitlam had inherited. He mused:

The time had come for modernization. The task was to bring Australian foreign policy up to date. And that had been neglected with Liberal-Country Party governments carrying on faithfully the policy laid down by Spender in one speech on 11 March 1950 [sic] which coloured Australian foreign policy for many, many years, and still does today.

The review changed little. Interview Alan Renouf, Oral TRC 2981/6, 13 November 1993, Oral History Section, NLA, p.124. See also 'Australia's Relations with Indonesia', *AFAR*, Volume 44, August 1973, pp.560-1.

powers. To be sure, if hostile threats did emerge that were beyond Australia's capacity to manage, then it was acknowledged that Australia's longer term security rested on direct military assistance from the United States and the United Kingdom, or from extant security arrangements in a wider Asia Pacific pact if one had been negotiated.¹⁴ The unintended strategic weakness in Spender's proclaimed security interests would only emerge when military commitments from major powers, or from wider security arrangements, were not forthcoming. In these circumstances, a new security accommodation with Indonesia would have to be fashioned.

THE ATTEMPTED COUP 30 SEPTEMBER 1965

The emergence of an anti-communist government after the attempted coup of 30 September 1965 provided fresh opportunities to construct more intimate security arrangements with Indonesia. At the time of the attempted coup, the political element of the relationship was weathering the storms of the de-colonisation of West New Guinea and the creation of the new federated state of Malaysia, which gave rise to Confrontation and the deployments of Australian military forces to fight Indonesian forces in the Malay peninsula and in Borneo. Confrontation had disturbed bilateral defence cooperation, and the Australian Cabinet had reduced economic assistance to a trickle of Colombo training assistance for Indonesians and two development projects in the Indonesian archipelago. After the attempted coup, the effects of implementing Australia's permanent security interests can be observed in the method by which the Menzies government managed the post-coup period. The government's objective was unambiguous: to encourage the development of a stable and

¹⁴ Australia's geostrategic position has often been compared with the that of England's, and Spender's blueprint echoed with Lord Palmerston's, and England's foreign policy, in the 19th Century: 'England has neither permanent friends nor permanent enemies; she has permanent interests'; and, the importance of the low countries which 'had to remain free' from domination by a major power because Palmerston believed that only from or through the low countries could an assault be launched across the Channel into England. Thus England's foreign policy rested on the absence of major power activities, or inimical alliances in the low countries. Letter, Palmerston to Granville, 16 August 1831, in Kenneth Bourne, *The Foreign Policy of Victorian England 1830-1902*, Oxford University Press, Oxford, 1970, pp.219-220. The analogy continued: for example, Hugh White, then Deputy Secretary, Strategic and Intelligence, in the Department of Defence espoused the common thread in 1996. See Hugh White, 'New Directions in Australian Defence Planning', Helen Hookey, and Denny Roy, (Editors), 'Australian Defence Planning: Five Views from Policy Makers', *Canberra Papers on Strategy and Defence*, Number 120, Strategic and Defence Studies Centre, The Australian National University, Canberra, 1997, p.14.

benign Indonesia that would not threaten Australia. At first, the government substantiated the political resolve of Suharto's New Order government to end Confrontation and its potential to mature into a stable, anti-communist government; then, after the Minister for External Affairs was reassured that China's influence in Indonesia's domestic affairs had abated, the government offered assistance, in the Spender fashion, through unconditional economic aid within Australia's capacity to provide and military cooperation which was gradually introduced after the formal ending of Confrontation. Economic and military assistance promoted Suharto's legitimacy, encouraged national cohesion, and established a basis to grow a more enduring relationship. An anti-communist government in Jakarta also offered much closer cooperation across the broad range of inter-government contacts and increased the possibilities of Indonesia's inclusion in the anti-communist security of the 'Western camp'; Suharto's New Order government, however, chose a different path, of non-alignment, which ostensibly precluded Indonesian membership of formal security pacts but did not preclude its membership of the new regional organisation, the Association of South East Asian Nations (ASEAN).

OTHER REGIONAL INFLUENCES

Other influences came to bear on Australia's security in this most important period: decisions were made in London to withdraw British forces from the Far East once Confrontation ended, and the United States commitment to the Vietnam War was under review by the United States Administration. A military withdrawal of the major powers from the region challenged the continuation of Australia's strategy of forward defence, raised new security issues for Malaysia and Singapore, and forced a reassessment of Australia's security relationship with Indonesia. How should a hostile Indonesia be accommodated in the absence of major power support to Australia? Answers to this question drove successive Australian governments to attempt a variety of management measures: the Gorton government unsuccessfully proposed a mutual defence pact; in the absence of Australian membership of ASEAN, the Whitlam government sought to enmesh Indonesia in a wider Asia Pacific arrangement of peace and prosperity in the fashion of Spender's announcement in 1950; and the Fraser and Hawke governments were more concerned with engaging Indonesia through a stronger ASEAN while maintaining bilateral

relations in the aftermath of Indonesia's invasion of East Timor and the subsequent relational tensions that were generated from political accidents of fate.¹⁵ Throughout the period, successive governments continued economic and development assistance unabashedly in spite of political disagreements or human rights abuses; and military cooperation continued to grow, reaching remarkable levels of cooperation during the period of the Keating government, although on occasions Indonesia suspended or cancelled defence activities to protest and register political disappointment in the time-honoured diplomatic fashion.

To be sure, security remained the dominant theme in the history of the relationship, and the Australian government's success in managing security cooperation was a barometer both of the health of bilateral relations and of the personal rapport between President Suharto and the respective Australian prime minister of the day. By 1994, the regional climate permitted a shift from Indonesia's rigidly-held position of non-alignment. Gone from the security equations were the influences of the Cold War; a new Asia Pacific organisation had established new patterns of economic interaction across the region; the longevity and stability of Suharto's New Order had permitted more outward-looking security policies; and the Keating government was able to negotiate a security agreement with Suharto in a climate of confidence that had slowly developed since the attempted coup. The Security Agreement was predicated on the notion of shared security interests rather than defence against a common enemy, and shared interests reflected a multi-dimensional approach to regional security in the manner envisaged by Spender. Spender had always argued that any form of defensive security agreement should have 'as its basis a firm agreement between countries that have a vital interest in the stability of Asia and the Pacific', and Keating, whether intentionally or not, proffered a similar belief of 'similar strategic concerns'.¹⁶ The machinery of the Agreement centred on regular consultation on matters affecting common security and to promote, in accordance with the policies and priorities of each, cooperative

¹⁵ One such act of fate was the publishing of David Jenkins' critical articles on the Suharto family, which resulted in a serious disruption to political relations. See Chapter 6, pp.282-6.

¹⁶ Ministerial Statement, *CPD*, House of Representatives, Volume 206, 9 March 1990, p.623; and Paul Keating, *Engagement. Australia Faces the Asia-Pacific*, Macmillan, Sydney, 2000, p.142.

activities in the security field. The Agreement was in principle a public announcement that reminded Australians that Indonesia was not Australia's enemy.

THE END OF SECURITY COOPERATION

The Security Agreement lasted some four years, and its termination in September 1999, at the behest of the Indonesian government, signified the end to an extended phase of security cooperation and the failure of successive governments to manage the political problems from the invasion of East Timor. East Timor, in the vernacular of the Security Agreement, was the fissure in Keating's concept of 'similar strategic concerns'; and for many Australians, the Indonesian-inspired violent excesses after the ballot for independence destroyed the last vestiges of political respect that buttressed relations with Indonesia. Australian military forces were deployed as part of a multinational force to re-establish peace in the province; and, for the first time since 1966, Australian forces once more opposed Indonesian forces.

The issue of Indonesian human rights violations was not always demonstrably present in the Australian psyche throughout the New Order period. Abhorrence of human rights abuses eventually surfaced to test relations with Indonesia, in spite of the political, economic and military gains over the period, reminding the theorists that the definition of security goes beyond political, economic and defence interrelationships.¹⁷ In the post-Cold War period, security seemed to include a much stronger social dimension to satisfy the demands of a domestic constituency more knowledgeable and concerned about social issues. Spender recognized the importance of a knowledgeable constituency, which he saw as a depository of support, rather than of opposition, and a check to government excesses. He supervised the setting up of a standing committee on foreign affairs with a broad mandate to 'study external affairs in the widest sense'. 'If the people are not kept sufficiently informed grave mistakes may be made. And so it is the Government's intention

¹⁷ See, for example, Barry Buzan, *People, States and Fear: The National Security Problem in International Affairs*, Wheatsheaf Books, Sussex, 1983, in particular pp.15-7; Mel Gurtov, *Global Politics In The Human Interest*, Lynne Rienner Publishers, Boulder, 1991, pp.1-6; Richard Ullman, 'Redefining Security', *International Security*, Volume 8, Number 1, Summer 1983, pp.132-5; Alan Dupont, 'New Dimensions of Security', paper prepared for the Joint SDSC and IISS Conference on 'The New Security Agenda in the Asia Pacific Region, Canberra, 1-3 May 1996, pp.6-12.

to keep the House promptly and fully informed on all developments in our external relations' through the standing committee.¹⁸ Successive governments had managed relations with Indonesia after the invasion of East Timor in a secretive fashion, which only escalated the suspicion and mistrust of the New Order government and generated a political divide between government policy and community expectations, as Spender had warned against.

Paul Keating reminded his audiences that Australians and Indonesians are 'different people with different cultures and different views on issues that matter to us'.¹⁹ The way Australians see Asia is mostly determined by the way that they see themselves; and for many Australians the precepts of democracy in the Australian tradition have conditioned 'the belief that good will win over bad, change can be effected for the better'.²⁰ Governance, for many Australians, plays a forcible role in judging other countries; and it 'influences how we want others to govern and conduct themselves'. Over time the failings of New Order governance dissuaded many Australians from supporting Suharto's actions. A relationship between dissimilar countries involves compromise and judgments based on pragmatism.²¹ Compromise and pragmatism rarely sit well with the Australian community when domestic interests challenge government practices. The management of security cooperation with Indonesia during the New Order period was based on compromise and pragmatism; when idealism challenged the primacy of pragmatism over East Timor, the bilateral security relationship faltered; and the relationship became, once again, primarily concerned with the security dimension.

THE THESIS

In the literature on Australia-Indonesia relations, there are no studies that encompass the topic, 'Policy-making and Pragmatism: Australia's Management of Security Cooperation

¹⁸ Ministerial Statement, *CPD*, House of Representatives, Volume 206, 9 March 1950, p.622.

¹⁹ Speech by the Prime Minister, the Hon. P.J Keating, "Australia Today Indonesia '94", Sydney, 16 March 1994, cited in Tony Arnold, 'Indonesians our partners: PM', *The Sydney Morning Herald*, 17 March 1994, p.4.

²⁰ Alison Broinowski, 'Asian Perceptions of Australia', Australian Cultural History Conference, Sydney, 26 June 1989.

²¹ Evans, 'Making Australian Foreign Policy', pp.11-2, 44.

with Indonesia during the New Order Period'.²² Indeed, there are no detailed publications on Australia's relationship with Indonesia during the New Order period. Of the general histories on Australia's relations with Indonesia, all were published before 1998 and relied for the most part on the public face of policy-making through press statements, *Hansard*, interviews with principals, and personnel experience. They lack the benefits of recently released official documentation under the Commonwealth *Archives Act 1983* and additional documentation outside the 30-year rule that was released at the direction of government. These have included the Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy. Australia and Indonesian Incorporation of Portuguese Timor 1974-1976*, which was published in 2000. The publication is a collection of selected official documentation with some important commentary on East Timor and government policy-making; as well, the publication of the documentation coincided with the early public release of most of the departmental files, which were scrutinised for the publication. David Goldsworthy's edited *Facing North – A Century of Australian Engagement with Asia. Volume: 1901-the 1970s*, published in 2001, also provides a commentary on government policy on engagement with Asia, but the requirement to examine the period from 1901 for all of Asia necessarily imposed limitations on the depth of analysis that could be given to Australia's relations with Indonesia during the New Order period.²³

Bob Catley's and Vinsensio Dugis', *Australia Indonesia Relations since 1945 – The Garuda and the Kangaroo* is the only work that covers most of the New Order period. Its brief to encompass the history of the relationship from 1945 again restricts the depth of analysis of the New Order period and its publication in 1998 precluded access to the official documentation that is now available. *Australia Indonesia Relations since 1945*, however, is one of two works that includes minor reference to Australia's defence cooperation program with Indonesia; the treatment is not detailed with only five references in a publication of over 300 pages. They provide little understanding on how the program was developed from

²² For example, see Pauline Kerr, David Sullivan, and Robin Ward, *A Select Bibliography of Australia's Foreign Relations, 1975-1992*, Department of International Relations, Research School of Pacific and Asian Studies, The Australian National University, Canberra, 1994.

²³ Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy. Australia and Indonesian Incorporation of Portuguese Timor 1974-1976*, Melbourne University Press, Melbourne, 2000;

the 1960s, its history, costs, scope and political use.²⁴ David Urquhart's thesis, 'Australia's Military Aid Programs 1950-1990', is the other work that makes mention of defence cooperation with Indonesia, but in the broad with an equal focus on Australian cooperative activities with all other countries in South and South East Asia. Again, his topic and time frame restricted the analysis and the detail that could be covered.²⁵

Whereas most other works have focused on a particular incident, for example the Indonesian invasion of East Timor, or on a political or economic theme, all have restricted their analyses to a short time period.²⁶ Other publications have provided a general Indonesian history, with an Indonesian perspective rather than with an Australian one with which this thesis is concerned.²⁷ Most publications have concentrated exclusively on the political relationship, or focused on economic cooperation without the benefit of access to recent official documentation; and few have covered Australian economic and development assistance up to and including 1999.²⁸

The significance of this study lies in its interpretation of the web of interconnectedness of the political, economic and defence threads of security that enabled successive Australian governments to manage security cooperation during the New Order period. The interconnectedness linked the extent of economic and military assistance to the political realities of the relationship. If political difficulties suddenly developed, economic

David Goldsworthy, (Editor), *Facing North – A Century of Australian Engagement with Asia. Volume: 1901-the 1970s*, Melbourne University Press, Melbourne, 2001.

²⁴ Bob Catley, Vinsensio Dugis, *Australia Indonesia Relations since 1945 – The Garuda and the Kangaroo*, Ashgate Publishing, Aldershot, 1998, pp.48-9, 83, 280-1.

²⁵ D.A.K Urquhart, 'Australia's Military Aid Programs 1950-1990', *M.A. (Honours) Thesis*, University College, University of New South Wales, Australian Defence Force Academy, Canberra, 1990.

²⁶ For example, Ball, D. & Wilson, Helen, (Editors), *Strange Neighbours. The Australia-Indonesia Relationship*, Allen & Unwin, North Sydney, 1991; Peter Carey and G. Carter Bentley, (Editors), *East Timor at the Crossroads: the Forging of a Nation*, University of Hawaii Press, Honolulu, 1995; Philip J. Eldridge, *Indonesia and Australia: The Politics of Aid and Development Since 1966*, Development Studies Centre Monograph Number 18, The Australian National University, Canberra, 1979; Ingrid Palmer, *The Indonesian Economy Since 1965 – A Case Study of Political Economy*, Frank Cass and Company, London, 1978; K. McGovern, 'Australian Government Policies towards Indonesia 1965-1972', *B.A. (Honours)*, University of Queensland, St. Lucia, 1975; M. Haupt, 'Australia's Relations with Indonesia 1945-1962', *Ph.D. Thesis*, Fletcher School of Law and Diplomacy, Medford, Massachusetts, 1970; and Nancy Viviani, 'Australian Attitudes and Policies Towards Indonesia', *Ph.D. Thesis*, The Australian National University, Canberra, 1973.

²⁷ R. Cribb, and C. Brown, *Modern Indonesia – a History since 1945*, Longman, London, 1995.

²⁸ For example, H.W. Arndt, *The Indonesian Economy: Collected Papers*, Chopmen Publishers, Singapore, 1984.

assistance was not disturbed, even though at times military cooperation might have been suspended; in contrast, when the political relationship was strong, economic assistance continued and military cooperation was expanded or extended in scope. The interconnectedness reflected the commonality and continuity of geostrategic factors, first enunciated by Spender, and substantiates previously unacknowledged initiatives to accommodate security from and security with Indonesia, particularly in the critical period of 1965-1974, when prime ministers and prime ministers-in-waiting explored a variety of options in seeking closer security arrangements with Indonesia in ways not hitherto acknowledged or understood. The result is not a general focus on events that shaped security cooperation; rather, the study demonstrates why and under what political circumstances economic assistance and defence cooperation were used by successive Australian prime ministers to shape and build the security relationship with Indonesia.

An analysis of the role of major foreign policy actors is also an important feature of the thesis in understanding how the relationship altered especially through the eccentricities of the personal relationships that developed between President Suharto and the respective Australian prime minister of the day. The study takes advantage of all available hitherto classified government documentation, including documentation released under the 30-year rule of the Commonwealth *Archives Act* up to 1971, recently released selected government documentation on the government's activities on East Timor for the period 1974-1976, and interviews with important principals in the security policy-making arena during the period under review. Unfortunately, not all principals agreed to be interviewed; and where possible, other policy-makers were selected to explore and assess the available information. My own experience of some 30 years in the Australian Defence Force, including policy-making appointments at the highest levels in the Departments of Prime Minister and Cabinet and Defence, has also been used to identify areas for research.

A further context for the thesis is the international relations literature on the analysis of the security behaviour of states.²⁹ In the classical realist world, with each state 'in command of

²⁹ For detail on the debate between the realist and idealist schools of thought on international security, including the development of 'classical realism', see Kenneth Waltz, 'Realist Thinking and Neorealist

a discrete territory and population, and with each capable of monopolizing the legitimate use of force within that territory', the principal security functions during the New Order period remained focused for both Australia and Indonesia on internal security, self-defence and, if necessary, war.³⁰ This was the conditional nature that underpinned the realist development of Australia's security policies towards Indonesia where policy mostly rested on the result of rational assessments of the perceived threat, the varying risks, and the resultant priority changes to security policy. Moreover, the empirical record of Australia's relations with Indonesia is one that starts and ends with conflict, from Confrontation which officially ended in 1966 to military operations in East Timor in 1999. The period in between only confirmed that bilateral relations were dominated by the self-interest of the two states, that the state as an entity has not become less central to regional considerations in spite of issues of continuity and change, and that increased security cooperation between the two states was unable to thwart anarchy in East Timor. Indeed, the period under review reflected the continuing debate on the relativities of national and international security perspectives to which Barry Buzan contributed through his 1983 seminal work, *People, States, and Fear*.³¹ Buzan's argument takes up the theme that *cooperative security* rests on the notion that the prevention and resolution of conflict emphasises cooperation more than competition, and does not exclusively focus on security as a military issue. For many international relations analysts, the core of security contains moral, ideological and normative ingredients, and that a state consists of three distinct components: the idea of a state, which manifests as nationalism; the physical nature of the state, which embraces population, resources, culture and technology; and lastly, the institutional systems that administer the state.³² For some, the notion of *cooperative security* does not go far enough,

Theory', *The Journal of International Affairs*, Volume 44, Number 1, 1990; and Michael Joseph Smith, *Realist Thought from Weber to Kissinger*, Louisiana State University Press, Baton Rouge, 1986.

³⁰ John Bayliss, 'International Security in the Post-Cold War Era', in John Bayliss and Steve Smith, (Editors), *The Globalization of World Politics*, Oxford University Press, Oxford, 1997, p.208.

³¹ Barry Buzan, *People, States, and Fear*. *The National Security Problem in International Relations*, Wheatsheaf Books, Brighton, 1983, in particular pp.9-12, 214-237. See also Barry Buzan, Ole Wæver, Jaap de Wilde, *Security. A New Framework For Analysis*, Lynne Rienner Publishers, Colorado, 1998, in particular pp.21-48; and Ken Booth, 'Security and Self: Reflections of a Fallen Realist', in Keith Krause and Michael C. Williams, (Editors), *Critical Security Studies. Concepts and Cases*, University of Minnesota Press, Minneapolis, 1997, pp.83-119.

³² Buzan, *People, States, and Fear*, p.7.

and the term, *comprehensive security*, is often preferred because it conveys the perspective that security is multi-dimensional in character:

demanding attention not only to the political and diplomatic disputes that have so often produced conflict in the past, but to such factors as economic underdevelopment, trade disputes, and unregulated population flows, environment degradation, drug trafficking, terrorism and human rights abuses.³³

Comprehensive security, however, is sometimes criticised because it is considered to be too all-embracing and loses practical utility.

Spender and Menzies, for example, anticipated Buzan's later discussions of the 'contested' nature of security, and in 1950 espoused a definition of security that included political, social, and economic ingredients as well as a principal focus on the military element.³⁴ Broader assistance to the states in Australia's immediate north would render strategic circumstances more benign; if these were to deteriorate, then assistance from more powerful nations would be necessary by virtue of Australia's small population and limited military capacity. Spender and Menzies were both realists and set Australia's security course with Indonesia, which projected economic assistance to Indonesia in the first instant, coupled with alliances that could secure Australia's interests in the event of a hostile Indonesia, while suggesting forms of security that could engage Indonesia in a wider Asia Pacific security arrangement. By the 1990s, many international relations analysts were promoting the notion of *common security*, which carried elements of both *comprehensive security* and *collective security*, and yielded a commitment to joint survival, 'to work cooperatively ... to maximise the degree of interdependence between nations: in short, to achieve security with others, not against them'. *Common security* has generally involved discussion of a military focus, while sometimes emphasising 'non-provocative' defence,

³³ Gareth Evans, *Cooperating for Peace: The Global Agenda for the 1990s and Beyond*, Allen & Unwin, St Leonards, 1993, p.15.

³⁴ The 'contested' nature of the definition of security has been extended further to take into account environmental, demographic and societal security pressures. See, for example, Robert D. Kaplan, 'The Coming Anarchy', *The Atlantic Monthly*, Volume 273, Number 2, February 1994, pp.44-76; Dennis Pirages, 'Demographic Change and Ecological Insecurity', in Michael T. Klare and Daniel C. Thomas, (Editors), *World Security. Challenges For A New Century*, St. Martin's Press, New York, pp.314-31; Thomas Homer-Dixon, 'Environmental Scarcity and Intergroup Conflict', in Klare and Thomas, *World Security*, pp.290-313; and the important work of Ronnie D. Lipschutz, 'Negotiating the Boundaries of Difference and Security at Millennium's End', in Ronnie d. Lipschutz, (Editor), *On Security*, Colombia University Press, New York, 1995, pp.212-28.

and military confidence building measures, such as defence cooperative programs. *Common security* provided successive foreign ministers with an overarching framework to engage in regional cooperation in order to address the elements of insecurity and uncertainty that existed after the end of the Cold War. Gareth Evans, for example, oversaw a period of security policy-making in which these academic ideas had a decisive impact on policy-making.³⁵

Thus the thesis argues that it is possible to analyse the diplomatic actions of successive Australian governments in these terms. During the 1960s, Hasluck, Gorton and Whitlam, at different times, unsuccessfully promoted a variety of collective security arrangements with Suharto.³⁶ Failure resulted in the pursuit of new arrangements, based firstly on policies consistent with the notion of comprehensive security then more on principles akin to those of common security in which commitment to joint survival took into account the security interests of neighbours to achieve ‘security with others, not against them’. These inevitably evolved into increased military confidence-building activities with Indonesia.³⁷ At this historical point the theoretical basis of Australian policy became explicit with Foreign Minister Evans affirming the idea of *common security* as the central objective of his government’s approach to Indonesia. The end of the Cold War only added to the momentum, and the practice of *common security* remained significant to the development of bilateral relations, which culminated in the signing of the Security Agreement in 1995. The Agreement provided processes of consultation to manage differences, and to go beyond national security norms because of the acceptance that both nations shared common regional security interests. East Timorese independence, however, demonstrated the vulnerability of these imagined shared common security interests. As Buzan has argued, the national security imperative ‘of minimising vulnerabilities sits unhappily with the risks’ posed by such agreements, and the prospects for a successful agreement are weakened

³⁵ The idea of *common security* gained international attention when articulated by the 1982 Independent Commission on Disarmament and Security Issues (the Palme Commission). Evans, *Cooperating for Peace*, p.36.

³⁶ In this context, collective security is characterized by its military focus, its renouncement of the use of force between the member states, and general agreement to come to the aid of any member state attacked by a defector. For debate on the definition of common security, see *Ibid.*, pp.15-6.

³⁷ *Ibid*, p.16. See also Buzan, *People, States and Fear*, p.208; and Baylis, ‘International Security in the Post-Cold War Era’, p.209.

when national security strategies generate greater importance than those of the agreement in question.³⁸ The empirical evidence of state behaviour in the New Order period always suggested caution; to be sure, Indonesia's interests have always dictated its political behaviour within the bilateral relationship, and this is also true of Australian practices. Thus the false dawn of new cooperative inter-state relations with Indonesia illustrated the unresolved tension between national and trans-nation concepts of security. In the event, national security policies designed to serve narrow national interests were reasserted, and the resultant predominance of realist attitudes by the actors in the drama marked a return to the assumptions of the past.³⁹

At the source of the idea of national interest is the classical principle of national security and survival, first identified and analysed by Charles Beard in 1934 and later advocated by Hans Morgenthau during the 1950s and 1960s.⁴⁰ Beard argued that the national interest was not linked to any particular dynastic or state-familial interests; it was an analytical tool that enabled analysts to identify the objectives of foreign and security policies, an all-embracing concept of political discourse to justify policy preferences that represented the interests of the nation and the consequent rationale for the exercise of state power. Indeed, Morgenthau argued power was of central importance to the function of a state; and the use of power was the primary national interest of the state. The national interest, so defined, would then influence the development of military and economic policies in the first instance by identifying the 'perennial standard by which political action' could be judged and directed.⁴¹ This was true of the behaviour of the principal Australian policy-makers during the New Order period, but it was not true of Suharto's political endeavours.

³⁸ Buzan, *People, States and Fear*, p.214. See also Barry Buzan, 'From International System to International Society: Structural Realism and Regime Theory Meet the English School', *International Organization* 47, Number 3, Summer, 1993, pp.327-52.

³⁹ For further discussion of the developments in both theory and practice, see Russell Trood and Ken Booth, 'Strategic Culture and Conflict Management', in Ken Booth and Russell Trood, *Strategic Cultures in the Asia Pacific Region*, St. Martin's Press, New York, 1999, in particular pp.323, 327-9, 333-5, 337; Bayliss, 'International Security in the Post-Cold War Era', p.210; and Desmond Ball, 'The Agenda for Cooperation', a Paper prepared for the Australian College of Defence and Strategic Studies 1995 Conference, *Asia-Pacific Security: The Challenges Ahead*, Canberra, 27-28 November 1995.

⁴⁰ See Charles A. Beard, *The Idea of the National Interest. An Analytical Study in American Foreign Policy*, The Macmillan Company, New York, 1934, pp.25-8; and Hans J. Morgenthau, *Politics and Nations. The Struggle for Power and Peace*, Alfred. A. Knopf, New York, 1967, pp.9-10.

⁴¹ *Ibid.*, p.9.

It could be argued that the political, economic, social and military interests that Suharto practised were more in the earlier fashion of princely or dynastic interests, or even the more impersonal *interesse di stato* in which the Indonesian state was driven ‘by the egoism of its own needs and interests’ rather than by other motives of policy.⁴² The actions of the Indonesian government in East Timor and West New Guinea are illustrative. In contrast, for most of the New Order period, Australian actions, whether deliberate or not, were more in parallel with the notion that the national interest reflected an intertwining of national security and power and that political actions had to be undertaken to lessen the impact of a belligerent Indonesia on Australian security. Spender had identified that Australia’s security should be promoted through economic and technical means in the islands to the north in the first instance, and if these should fail only then should military activities be contemplated. For Spender, national survival was the ongoing issue; the Cold War, the spread of communism in the islands to Australia’s north, the instability that resulted from de-colonisation, all to a greater or lesser extent threatened regional stability. Spender’s initial emphasis on military and economic dimensions to the exclusion of most other factors mirrored the Morgenthau approach to the notion of the national interest and to the resultant realism in policy-making. For Morgenthau, and equally for successive Australian governments, the conception that idealism and moral values could play a dominant part in formulating security policy aimed at national survival was an anathema; and for most of the New Order period, the supremacy of the national interest over abstract moral principles remained the major characteristic in Australian policy-making. By 1999, however, the government’s approach to policy-making was disturbed by the demands of the Australian public who responded to the Indonesian-inspired violence in East Timor in an unequivocal fashion, by urging Australian political and military intervention to secure peace and independence for the East Timorese. Australian security policy-making was tested and found wanting; the interests that now guided policy-making were a more diverse, pluralistic set of subjective preferences that could change periodically both in response to strong domestic concerns and to shifts in the international environment.

⁴² Beard, *op.cit.*, p.23.

The thesis also provides evidence to support the presence of a strategic culture element in conflict management between Australia and Indonesia. Elise Boulding's observations that diplomatic skills emerge from the culture of society, from its 'values, religious beliefs, and behavioural practices' evokes a number of levels of application to an analysis of the bilateral relationship.⁴³ In the first instance, attention to the relationship of political culture and external behaviour improves the understanding of the actions of both the Australian and Indonesian governments in dealing with the issues of Indonesia's internal security and its effects on regional security. The characteristics of Indonesia culture promoted longer time horizons than those that characterized Australian political thinking and planning; and the New Order period witnessed an Indonesian reliance on more bilateral rather than multilateral approaches to conflict resolution and encouraged the exercise of other forms of military, economic and cultural interrelationships. The thesis will also show that Indonesia's commitment to the 'informality of structures and modalities' foiled early Australian attempts to negotiate a structured security arrangement. Finally, the role of the Indonesian military, which extends beyond national defence to include politics, economic development and social discipline, offered a marked contrast to that of the Australian Defence Force in Australian society.⁴⁴ The thesis therefore supports Ken Booth's and Russell Trood's contention that the element of strategic culture cannot be ignored 'in any account of strategy which purports to analytical richness'.⁴⁵

THESIS OUTLINE

Of necessity, the chronology of events, with some exceptions, determined the overall structure of the thesis. Sometimes the strands of an issue could not be laid out in neat, straight time-lines; the security relationship with Indonesia was never simple, and it was important and relevant to revisit issues that continued to touch others.

⁴³ Elise Boulding, 'States, Boundaries, and Environmental Security', in Dennis J.D. Sandole and Hugo van de Merwe, (Editors), *Conflict Resolution Theory and Practice: Integration and Application*, Manchester University Press, Manchester, 1993, p.204.

⁴⁴ Desmond Ball, 'Strategic Culture in the Asia-Pacific Region', *Working Paper*, Strategic and Defence Studies Centre, Canberra, 1993, pp.21-2.

⁴⁵ Booth and Trood, *Strategic Cultures in the Asia Pacific Region*, p.vii.

Chapter One details the elements of ambiguity and uncertainty in the security relationship before, during and directly after the attempted coup on 30 September 1965. The available information demonstrates that the Australian government was caught unawares by the attempted coup and cautiously responded to the new anti-communist government in Jakarta in the absence of comprehensive information and intelligence. The chapter also details the conflicting influences on its approach to Indonesia from the effects of Confrontation, the British withdrawal from Malaysia and Singapore, and the linkages between Australia's commitments to South Vietnam and its military support for Malaysia.

Chapters Two and Three cover the same period, from the attempted coup in 1965 to 1972. For structural reasons, the material has been divided into economic and military cooperation with Indonesia in Chapter Two and the interconnected development of the political relationship under the Gorton and McMahon governments in Chapter Three. Chapter Two therefore details the development of economic and defence cooperation before and after the attempted coup and establishes the pattern for assistance that future governments built upon. The Indonesian/Papuan New Guinea border is also addressed because of the military tensions that arose through Indonesia's aggressive policing of West Papuans' crossing into Papua New Guinea, which was then under Australia's administrative control. The 1969 act of free choice in West New Guinea is also analysed because of its relevance to forewarn of probable Indonesian political and military actions in East Timor in 1999 after the ballot for independence. Chapter Three traces the roles of the Prime Ministers, John Gorton and William McMahon, in managing the relationship during a period of regional political change in which the British military withdrawal from Malaysia and Singapore and an expected end to the Vietnam War questioned the relevance of Australia's forward defence strategy. The forward defence strategy depended on Indonesian acceptance of continued Australian deployments in Malaysia and Singapore. First Paul Hasluck and then John Gorton unsuccessfully explored the possibility of a security arrangement with Indonesia to counterbalance the probable absence of military assistance from either the United Kingdom or the United States in times of a larger scale regional conflict. Economic assistance was increased in a new format of longer-term

programs; and, at the urging of the United States, defence cooperation was expanded to include major items of combat equipment.

Chapter Four covers the period from 1972 to 1975, and details the attempts by Gough Whitlam to broaden the regional security architecture with Indonesia's support. Whitlam had also unsuccessfully explored the possibility of a security pact with Suharto in 1967, and the Labor government now sought new forms of regional co-operation, not bedevilled by great power rivalries, which would permit the withdrawal of Australian forces from Malaysia and Singapore. The withdrawal of forces was also predicated on increased economic and defence assistance, and the period saw significant increases in economic and defence cooperation in spite of the diplomatic difficulties that occurred from the decolonisation of East Timor. Indonesia invaded East Timor in 1975, but not without secretly informing the Australian government of its intentions, military plans and timings. Prime ministerial discussions with Suharto on East Timor demonstrated a level of intimacy not previously apparent in the relationship. The effects of the government's poor handling of the invasion, including the secrecy of inter-government communications surrounding the invasion, endured and became the foundation for community suspicion and mistrust of future governments' management of the Indonesian relationship.

Chapter Five covers the period 1975-1983, which included the period of transition from the Whitlam government to the interim Fraser government at the very time of the final phase of the Indonesian invasion of East Timor. The Fraser government continued the policies of its predecessor and took few actions to prevent or deter the invasion. Domestic politics significantly extended into the international arena, and public reaction to the invasion prevented the Fraser government from announcing acceptance of Indonesian sovereignty of the colony. Fraser used policies of secrecy and gradualism to hide from the Australian community his objective to restore the health of the relationship through *de jure* recognition of Indonesian sovereignty. His public reluctance to support the invasion was not well-received in Jakarta, and the government was forced to use a range of diplomatic practices to maintain the relationship: economic assistance and defence cooperation were increased despite ongoing human rights abuses in East Timor; a new emphasis on strengthening the

activities of ASEAN was initiated; and structural changes were introduced to increase Australian and Indonesian government contact.

Chapter Six details the period 1983 -1991 during which time a number of political accidents of fate tested the resilient nature of relations: the political fall-out from East Timor had not ceased; the public release of the Dibb Review into Australia's military capabilities raised questions on the security nature of the relationship; and Australian media criticism of the Suharto family led to a break-down in the military and political aspects of the security relationship. In response, the Hawke government supervised new inter-governmental structures to manage the relationship across the political and defence fields of contact.

Chapter Seven details the government's responses to the 1991 Dili massacre during a time of leadership change from Hawke to Keating. The highest levels of confidence and trust in the security relationship were achieved during the time of the Keating government. The strong, personal influences of Keating, coupled with the success of the new inter-governmental structures that were introduced under Hawke, promoted an expanded defence cooperation program, which now included cooperative and combined military exercises not previously attempted, and achieved a secretly-negotiated security agreement with Indonesia. The Security Agreement signified to the Australian community and to the region the government's confident predilection to manage security planning with rather than from Indonesia. The Agreement's strengths were also its weaknesses; once strategic interests were not shared, the Agreement became hollow in its intent to foster inter-government discussions on contentious issues.

Chapter Eight covers the period of 1996-99 in which the Indonesian economy collapsed, leading to Suharto's resignation in May 1998 and new political circumstances in which the Australia government played a leading role in the tragedy of the ballot for East Timorese independence. The chapter overviews the security relationship to the ending of the Security Agreement on 16 September 1999 at the behest of the Indonesian government, three days after President Habibie gave agreement for Australia to lead an international force into East Timor. The Indonesian announcement to end the Security Agreement was a political

gesture that signified the end to trust and understanding between the two governments. The Agreement originally represented a mutual decision that Australia and Indonesia would build their security together, based on commitment and benefits - commitment of successive Coalition and Labor governments to the Suharto regime, and the benefits of stability and security that the Suharto regime delivered in return. East Timor and human rights issues interceded to undermine the relationship, ending the Security Agreement and changing the political and military environment between the two countries. Once again, Australian and Indonesian troops faced each other across a border in much the same fashion of Confrontation, some 34 years earlier.

The Conclusion draws together the strands of an important historical period in Australia's management of security planning and cooperation with Indonesia. It also overviews the development of security thinking throughout the period, which directly and indirectly influenced Australian policy-makers.

CHAPTER 1

‘MAKING POLICY ON PRINCIPLE AND PRACTICAL INTEREST’:

A NEW BEGINNING 1965 – 1966

THE ATTEMPTED COUP – 30 SEPTEMBER 1965

News of the attempted coup of 30 September 1965 did not arouse the Australian public's interest or noticeably generate government anxiety. The first substantive coverage appeared in the Saturday press on 2 October 1965 and mirrored what had been published in the major tabloids in London and what Radio Malaysia had reported through its monitoring of Radio Indonesia.¹ Australian press coverage of Asia was limited to four full-time reporters, with two stationed in Singapore, one in Tokyo and one in Jakarta; and for most of the first week after the coup, Australian newspapers relied on A.A.P.-Reuters and World Cable Service (London) for information, with analyses provided by Australian-based Asian specialists such as Bruce Grant and Max Hastings.² Television and radio reporting was also constrained. The Australian Broadcasting Commission's Philip Koch was one of the few remaining Western radio and television journalists in Jakarta because President Sukarno had expelled most of the British and American broadcasters. He found himself confined in the presidential palace by PKI officials overnight and was unable to provide television and radio coverage until later.³

¹ It is not intended to cover the attempted coup in detail except where its effects are relevant to Australian security policies and decision-making. For detail of the attempted coup, see Harold Crouch, *The Army and Politics in Indonesia*, (revised edition), Cornell University Press, Ithaca, 1988, pp.97-135; *The September 30th Movement-The Attempted Coup by the Indonesian Communist Party*, The State Secretariat of the Republic of Indonesia, Jakarta, 1995; John Hughes, *The Indonesian Upheaval*, D. McKay Company, New York, 1967; and Brian May, *The Indonesian Tragedy*, Routledge & Kegan Paul, London, 1978. For less conventional views on the attempted coup, see D. Levi, 'Indonesia: The Year of the Coup', *Asian Survey*, Volume 1, Number 2, February 1966; *A Preliminary Analysis of the October 1, 1965 Coup in Indonesia*, Cornell University Modern Indonesia Project, 1971; and Rex Mortimer, 'Unresolved Problems of the Indonesian Coup', *Australian Outlook*, Volume XXV, Number 1, April 1971, pp.94-101.

² 'Asian Issues in the Australian Press', speech by Sir James Plimsoll, 23 November 1965, in *CNIA*, Volume 36, November 1965, p.751. Frank Palmos of *The Sun-Herald* was the first Australian to report the coup from Jakarta. Frank Palmos, 'I saw the convoys roll in', *The Sun-Herald*, 3 October 1965, p.2.

³ Interview A.R. Parsons, 7 July 2000; and K. S. Inglis, assisted by Jan Brazier, *This is the ABC – The Australian Broadcasting Commission 1932-1983*, Melbourne University Press, Melbourne, 1983, pp.264-5. Christopher Koch used the detail of the attempted coup and his brother's ordeal for his novel, *The Year*

News of the attempted coup competed with the press coverage of the ongoing domestic waterfront dispute, the Rhodesian crisis, military action in Kashmir and the Vietnam War, and did not make the front pages until later.⁴ Reporting was initially disordered, furnishing a mosaic of information that seemed to add to the confusion. The kidnapping of 'five generals' was acknowledged; the movement of tanks and troops into Jakarta was reported; there was speculation on a possible air attack on the city because of the apparent involvement of the Indonesian air force in the coup; and the whereabouts of President Sukarno was unknown although, through Radio Japan, it had been reported that the President 'still held the reins of government'.⁵ Some newspapers carried the detail of the broadcast by Colonel Untung in which he announced 'a counter-coup' and the arrest of a number of generals who were members of 'Dewan Djenderal', a coalition 'supported by the CIA' which had plotted to seize power from the President on 5 October.⁶ This was old news and its belated presentation only served to add to the confusion. By Monday, however, there was sufficient information for editorials to declare that Australian 'stakes in the events' were high, 'Confrontation of Malaysia is likely from now on to be a very minor preoccupation of Djakarta's rulers', 'President Sukarno is no longer in effective control', and that General Suharto 'is in charge of the Indonesian army'.⁷ Even after two weeks, coverage proved unreliable; *The Bulletin*, for example, editorialized on 16 October that the 'Communist PKI seems to have emerged with little more than a loss in prestige'.⁸

The Australian government was similarly searching for accurate information. Most Cabinet members were notified of the coup during the afternoon of 1 October, and the remainder of the Menzies' ministry informed during dinner at Government House, Yarralumla. There was 'much speculation on the future'; however, no special

of *Living Dangerously*. See Christopher Koch's article on the development of the novel in the ABC magazine, *24 Hours*, January 1981.

⁴ For example, 'Djakarta city of guns and tanks', *The Sun-Herald*, 3 October 1965, p.2; and 'Sukarno safe, generals arrested, says broadcast', *The Australian* 4 October 1965, p.4.

⁵ 'Sukarno mystery. Dead or Alive?', *The Sun-Herald*, 3 October 1965, p.2.

⁶ 'Junta claims Sukarno "under guards"', *The Sydney Morning Herald*, 2 October 1965, p.3.

⁷ 'Ultimatum to Rebels', *The Australian*, 4 October 1965 p.1. See also Editorial, 'Power struggle in Indonesia', *The Sydney Morning Herald*, 4 October 1965 p.2; and Editorial, 'Confused crisis in Indonesia', *The Australian*, 4 October 1965, p.6.

⁸ 'From Djakarta to Tokyo', *The Bulletin*, 16 October 1965, p.13.

arrangements were initiated for an early Cabinet discussion.⁹ The first official comment appeared on Tuesday 5 October when a Department of External Affairs spokesman reported that the situation was 'still too confused' for any authoritative assessment to be made, and communications with the Australian embassy were 'patchy'. The spokesman added that Australia's Ambassador to Jakarta, Keith Shann, had confirmed that embassy staff were safe, and that the Minister for External Affairs would remain in Canberra during the parliamentary break to 'watch events'.¹⁰

Official reporting was constrained by the poor communications with Indonesia and the embassy staff.¹¹ During the early stages of Confrontation, Indonesian authorities severed the telegram links between Jakarta and Singapore, which had been the normal way that encrypted cables were transmitted between the embassy and Canberra. In an effort to maintain communications, albeit at a much-reduced rate of transmission, an improvised method was employed to relay coded Morse from the embassy via an Australian naval ship which was positioned in the Java Sea.¹² This method affected the capacity of Canberra-based officials to request and receive timely information for analysis and advice to government. It also meant that Shann was left to operate on instructions, which generally arrived weekly from the minister or his department in the diplomatic bag on the Thursday Qantas flight.¹³ Happenstance did provide Hasluck with some timely opinion. An embassy staff member, Alf Parsons, returned to Australia on 1 October and was diverted to Canberra for debriefing and to see Hasluck.¹⁴

⁹ Don Aitkin, (Editor), *The Howson Diaries – The Life of Politics - Peter Howson*, the Viking Press, Ringwood, p.177. Dinner guests included all junior ministers, the Opposition Leader Arthur Calwell, and Air Chief Marshal Sir Fredrick Scherger, then Chairman, Chiefs of Staff Committee.

¹⁰ 'Embassy staff safe', *The Australian*, 4 October 1965, p.1. Shann held the appointment of Ambassador to Jakarta from 6 November 1962 to 6 April 1966.

¹¹ Only eight cablegrams from Jakarta were received in Canberra in a timely manner for the period 1-15 October 1965. DEA file 3034/101/1 Part 26, CRS 1839/280, DEA file 570/7/9 Part 3, CRS A1838/273 and DEA file JA1965/07, CRS A6364/4, NAA.

¹² Barwick, when Minister for External Affairs, authorized the new system using the Australian naval communications in Darwin and at HMAS *Harman*, Canberra. Communications would be transmitted from the embassy via ship to Darwin and/or to HMAS *Harman*, then to government; the reverse was employed when communications were initiated from Canberra. Interview Sir Keith Shann, 1985, Oral TRC 1857, Oral History Section, NLA, p.190. For Barwick's involvement, see David Marr, *Barwick*, Allen & Unwin, North Sydney, p.197.

¹³ Shann recalled that the number of cablegrams received at the embassy during Confrontation averaged two per week. Interview Sir Keith Shann, 1985, Oral TRC 1857, Oral History Section, NLA, p.203.

¹⁴ Parsons was in his second Jakarta posting and was one of the first Australian diplomats to arrive in the newly independent Indonesia in 1950. After postings in Berlin and at the United Nations Headquarters in New York, he returned to Jakarta in 1964 as counsellor. Interview A.R. Parsons, 7 July 2000.

Parsons recalled that ‘over the next few days’:

I had several conversations [with Hasluck] trying to unravel the mysteries of what had happened. Several of the very senior officers of the Department pointed out that it was unusual for the Minister, who kept his distance from all officials, to see one as relatively junior as I then was and unprecedented for him to do it several times as quickly as he did. I stayed in Canberra for a week and then went on leave.¹⁵

Hasluck’s working arrangements with his department included a centralized policy and decision-making that encompassed an ‘immense amount of detail’.¹⁶ His previous experiences as a departmental officer influenced his approach to the role of minister; he observed how officers could withhold information or selectively inform the minister on policy or policy implementation, and his experiences with the eccentricities of Evatt as minister, who zealously centralized decision-making, apparently failed to influence Hasluck’s ministerial work habits. Hasluck felt compelled to decide and implement policy, in effect undertaking the responsibilities of minister and departmental head. It was also well known that he disliked a number of senior departmental officers. He also distinguished between Canberra-based officers with whom he remained aloof and overseas officers to whom he deferred because of their local knowledge.¹⁷ Parsons therefore found himself in a position of influence without the usual constraints imposed on Canberra-based officers.¹⁸

¹⁵ Although political confusion remained in Jakarta, unlike in a traditional coup, the city remained ‘remarkably calm and subdued’, and movement through the city was relatively easy. The telephone system was not working, and the embassy’s emergency radio could not cope with the reporting requirements. Shann decided that in the circumstances Parsons should not cancel his planned leave to Australia. Alf Parsons, *South East Asian Days*, Centre for the Study of Australia-Asia Relations, Uniprint, Brisbane, 1998, pp.61-2. Surprisingly, no other department or intelligence agency took advantage of Parsons’ presence in Canberra. Interview A.R. Parsons, 7 July 2000.

¹⁶ See Robert Porter, *Paul Hasluck. A Political History*, University Of Western Australia Press, Nedlands, 1993, pp. 276, and for detail on Hasluck’s experiences as a public servant and diplomat, particularly his relationship with the Minister for External Affairs, H.V. Evatt, see pp.18-69. See also, Peter Boyce, ‘The Mind of Paul Hasluck’, *The Bulletin*, 16 October 1965, pp.24-5.

¹⁷ There were exceptions. In 1964 Hasluck rebuked David Anderson, the Ambassador to Saigon, for suggesting that new aid projects should not be undertaken because of the ‘rapid succession of governments’ in South Vietnam. Hasluck decreed that Anderson was a defeatist, and was not to question government policy again. Gough Whitlam, *The Whitlam Government 1972-1975*, Penguin, Ringwood, 1985, p.35. Parsons first met Hasluck during Hasluck’s first visit to Jakarta in 1964. Interview A.R. Parsons, 7 July 2000.

¹⁸ Hasluck wrote of the period 1941-1945: ‘I was continually irritated by the indifference the Department of External Affairs showed to any of the difficulties faced by staff abroad’. Paul Hasluck, *Diplomatic Witness. Australian Foreign Affairs 1941-1947*, Melbourne University Press, Melbourne, 1980, p.287; see also pp.43-5, 142-4, 233-4, for his descriptive experiences on lost files, policy advice to government and the departmental work ethic of the time. He was not the only person to undergo frustration; Tange experienced similar problems when working for Evatt and Hasluck. Interview Sir Arthur Tange, 1981, Oral TRC 1023, Oral History Section, NLA, pp.55-7, 65-8. For Hasluck’s observations on senior public servants, see Nicholas Hasluck, (Editor), *The Chance of Politics – Paul Hasluck*, The Text Publishing Company, Melbourne, 1997, pp.50-7,

Parsons had little difficulty in focusing Hasluck's attention on the inconsistencies that surrounded the coup by identifying some of the questions the government should address before committing itself:

[It] is hard to sort out exactly what was really at the heart of the coup. Why was it so ineffectual? Why did it go so wrong for the plotters? Why did it collapse so easily? Indeed, was it really a 'coup d'état' – neither the Head of State nor the Government were under threat – or simply an attempted purge of the Army leadership?¹⁹

He was also able to flesh out the cables that the embassy had dispatched in the intervening period. Shann reported that the attempted coup seemed not to be 'inspired by the PKI', suggesting it was 'far more ominous' that the PKI had 'come out in support' of the coup. He advised that the army would probably use the attempted coup to neutralize the influence of communism and intimated that the army should be allowed to do so. Shann was also concerned that the British might take advantage of the political instability in Jakarta to increase military activity in Borneo and wondered what Canberra should do to 'let the Army know that their internal preoccupations would not be complicated by external worries'.²⁰ The minister's response was measured, directing that until circumstances were clarified, public or private statements on the situation were to be 'restrained'.²¹

In the Senate during the afternoon of 5 October, the government formally responded when Senator John Gorton, in a prepared statement from the Department of External Affairs, confirmed that a small group of army personnel, led by a colonel of the Palace Guard Regiment, had kidnapped and killed a number of senior army officers and launched some form of a coup. The group issued public statements claiming that it had taken the action because it:

believed that a group of senior Army generals were themselves about to attempt a coup on 5th October, Armed Services Day. The group said it had acted to protect the President ... and that it had established a revolutionary council which was now the source of all political authority in Indonesia.

¹⁹ Parsons, *South East Asian Days*, p.65.

²⁰ Cablegram 1156, Jakarta to Canberra, 2 October 1965; Cablegram 1159, Shann to Canberra, 3 October 1965; Cablegram 1182, Shann to Canberra, 7 October 1965, DEA file 570/7/9 Part 3, CRS A1838/273, NAA.

²¹ Cablegram 1176, Canberra to Jakarta, 6 October 1966, DEA file 570/7/9 Part 3, CRS A1838/273, NAA.

Gorton added:

Several prominent Indonesian figures, among them armed services officers, were included in this council, some almost certainly without their knowledge ... It was not yet known who were the people and groups behind the attempted 30th September coup. On 2nd October the leading Communist newspaper in Djakarta had an editorial expressing support for the coup and leading Communist figures in Djakarta seem to have gone underground. According to several reports there is some unrest and disturbance in the province of Central Java. It is not possible to give a clearer picture than that at this moment.²²

Before the House of Representatives resumed on 12 October 1965, Menzies and Hasluck were briefed on the recommended approach to parliamentary and press questions. Recent newspaper reports of 11 October suggested that senior Indonesian army officers had reaffirmed the policy of Confrontation. It was agreed that Hasluck would, 'if questioned, avoid comment on the particulars of the situation'; and Menzies would 'take the general line that, faced with a policy of Confrontation, Australia naturally has no option but to continue' to support Malaysia.²³ In view of the pronouncements of President Sukarno and Foreign Minister Subandrio on Confrontation, departmental officials advised Menzies that 'we do not know how much the Indonesian army line genuinely represents its basic attitude [on Confrontation], and how much is window dressing'.²⁴

Hasluck was indeed queried during Question Time and stressed that the political situation in Indonesia was still 'fluid and the eventual outcome uncertain', adding that 'it would not be of much value to offer any provisional comment' on what the shape of the new government might be, or to make comment on how Australia should respond.²⁵ The Labor Opposition did not take issue with Hasluck's comments, choosing to raise for debate a matter of public importance, the continued existence of the Snowy Mountains Authority.²⁶

²² Question without Notice, *CPD*, Senate, Volume 29, 5 October 1965, pp.789-90. Gorton represented the Minister for External affairs in the Senate. The importance of the Indonesian coup as a matter of concern in the Senate can be gauged by the number of and when questions were asked. Only two questions were asked in October, and the next question following the 5 October statement was not tabled until 20 October 1965. In the House of Representatives three questions were asked during the October/November period.

²³ Minute, P. H. Bailey, First Assistant Secretary, Prime Minister's Department to the Prime Minister, 12 October 1966, in PM file 65/5183, CRS A463/50, NAA.

²⁴ *Ibid.*

²⁵ Question without Notice, *CPD*, House of Representatives, Volume 48, 12 October 1965, p.1651.

²⁶ Labor proposed the establishment of a national conservation authority to incorporate the Snowy Mountains Authority, thereby saving the staff, knowledge and skills acquired from the Snowy Mountains

On 15 October, in a ministerial statement covering the troubled areas of Vietnam, Kashmir and Indonesia, Hasluck spent less than a quarter of the time on Indonesia, iterating what was known about the coup and declaring that 'it would be inappropriate to offer conjecture about the future course of events'.²⁷ Military staff in Canberra were quoted as saying that the success of Colonel Untung and his followers to capture most of the Indonesian senior generals indicated how well the coup was kept a secret.²⁸ The Australian government was equally caught unawares and undecided on the way ahead.

POLITICAL ASSESSMENTS ON INDONESIA 1963-1965

Since 1963 assessments did canvas the prospect of a coup but discounted its possibility on the basis that President Sukarno was firmly in control. Trying to interpret Sukarno's future in Indonesian politics was an abiding endeavour of Australian diplomats. To bring reason and certainty to the concepts of duality and ambiguity that were present in Indonesian politics could only benefit Australian policy-making.²⁹ There were commentators who saw Indonesian politics as a shadow play, with Sukarno the '*great dalang*' able to play the '*wayang* of the left', the PKI, against the Indonesian army, the '*wayang* of the right'.³⁰ Yet, like the search for understanding of the shadow play, the search for easy conclusions in Indonesian politics can sometimes be problematic. The puppet master, the '*great dalang*', can invariably manipulate the story line of the play to arouse and sustain audience expectations, while ensuring that good triumphs over evil;

Scheme. Discussion of Matter of Public Importance, *CPD*, House of Representatives, Volume 48, 12 October 1965, pp.1665-83.

²⁷ Ministerial Statement, *CPD*, House of Representatives, Volume 48, 19 October 1965 pp.1913-4.

²⁸ Peter Hastings, 'Sukarno – this could be the end of the road', *The Australian*, 4 October 1965, p.5.

²⁹ Greg Sheridan is one who has continued to emphasize the conceptions of duality, ambiguity and personal non-confrontation in Indonesian politics. Greg Sheridan, 'Our ignorance a hindrance', *The Australian*, 18 February 2000, p.10. See also N. Viviani, 'Australian Attitudes and Policies Towards Indonesia', *Ph.D. Thesis*, Australian National University, Canberra, 1973.

³⁰ The notion of Sukarno as the puppet master, 'whirling them along on the stream of time', playing one side against the other, like puppets in *wayang kulit*, shadow plays, is depicted in Christopher J. Koch, *The Year of Living Dangerously*, Random House, Sydney, 1978, p.132. Shadow plays are based on based on the Indian epics of Ramayana and Mahabharata and have dozens of characters, good and bad, virtuous princes and endangered princesses, wise kings, ambitious usurpers, brave warriors and endearing clowns. All are known to *wayang* fans, who identify contemporary social and political identities with traditional *wayang* characters. Jan Mráze, 'Javanese Wayang Kulit in the Times of Comedy: Clown Scenes, Innovation, and the Performance's Being in the Present World, Part 2', in *Indonesia*, Southeast Asia Program Publications, Cornell University, Number 69, April 2000, pp.107-75. For discussion of the cross-over of politics and culture in Indonesia, see Herbert Feith, 'Symbols, Ritual and Ideology in Indonesian Politics', Conference Paper presented to the Australian Political Studies Association, Canberra, August 1962.

and the puppets, sometimes concealed in the shadows, may not always satisfy those expectations:

The West asks for clear conclusions, final judgments. A philosophy must be correct or incorrect, a man good or bad. But in the *wayang* no such final conclusions are ever drawn. The struggle of the Right and the Left never ends because neither side is wholly good or bad.³¹

Duality and ambiguity also featured in Australia's response to Confrontation. The government had formulated a response to support the federation of Malaysia while maintaining 'firm and friendly' relations with Indonesia.³² The attempted coup had reinforced the importance of Indonesian stability to Australia's security, and Indonesian stability had always been a central theme of intelligence assessments during the Sukarno period. Up to the time of the coup, it was Shann's belief:

Both internally and externally, the unavowed but real partnership of President Sukarno and the Communist Party of Indonesia (PKI) continued during these months to harass all internal opponents of communism, and internationally, to bring Indonesia into a closer and closer political alliance with, or, more accurately, a more and more direct subservience to Communist China.³³

Throughout 1964 and the first part of 1965, Sukarno had further consolidated his dominant political position, and was 'currently a more popular mass figure than ever'.³⁴ Assessments, therefore, canvassed the consequences of the health of Sukarno and the possibilities of succession after his death. In November 1963 Shann suggested that a successor regime would be based on the armed services and the bureaucracy and that there would eventually be a 'showdown' between the Indonesian army and the PKI. Whether 'Sukarno was assassinated or died from natural causes, power would probably be transferred smoothly'.³⁵ This view was rejected at a conference with United States' officials in the following year. The United States Department of State believed the PKI could 'conceivably attempt a coup d'état following the death of Sukarno', with the hope

³¹ Koch, *The Year of Living Dangerously*, p.265.

³² Detail on Australia's policy on Confrontation is covered later in the Chapter.

³³ 'Annual Report January – December 1965', 10 February 1966, DEA file 3034/10/21 Part 21, CRS A1838/321, NAA.

³⁴ Dispatch No 1/1964, 'Ambassador's Report January 1964 – January 1965' of 28 January 1965, DEA file 3034/10/21 Part 1, CRS A1838/321, NAA. From 1965 onwards, the Ambassador's Report was re-titled Annual Report. The Report was the annual summary and assessment submitted to the Secretary, DEA, who would circulate the report within DEA, and to other interested departments and agencies. The report covered political, social, economic and military information and assessments, and contained detailed administrative information. In 1964, for example, Australian visitors to Indonesia were few and included E. G. Whitlam (then deputy leader of the Opposition), C.T. Moodie (Chair of the Joint Intelligence Committee), and John Kerr QC. The report noted that the number of Australians working in Indonesia and registered with the Australian embassy in January 1965 was 251.

of catching 'the army off balance by a fait accompli'. A coup would be open to a counter-coup, and 'the transition stage would be a period of political ferment' during which time the 'personalities in the leading positions of government might change several times'.³⁶

Circumstances in Jakarta were difficult to probe, and sometimes judgments were too readily made during visits by Australian politicians. Shann arranged a five-day visit program for Malcolm Fraser in February 1965, some seven months before the attempted coup. Fraser met a number of Indonesian officials, including the chairman of the PKI, D.N. Aidit, and held discussions with embassy and other diplomats. His conclusions reflected the more popular views of the day, but with some modification. He believed the Indonesian economy would weather the burgeoning overseas debt; he concluded that Aidit was a 'dangerous man' and, through him, the PKI would someday win political power in Jakarta, but this would be unlikely through a coup because the PKI knew the 'virtue of patience'. Fraser noted how Sukarno was holding the country together by communicating a 'sense of national purpose' which was difficult for outsiders to comprehend; and he thought the army might 'still have sufficient initiative to oppose an attempted PKI takeover'. For Fraser, two important issues emerged for the future: how should Australia accommodate a PKI-led government, and was Sukarno's objective to dominate the entire south west Pacific? Fraser returned to Australia, having completed what Shann later referred to as 'the best visit I've ever had from a politician'.³⁷ The issues, however, lost their piquancy after the attempted coup.

Intelligence assessments generally supported the improbability of a coup. The Joint Intelligence Committee (JIC) Assessment of 1965 concluded that it was 'possible' that Sukarno may die of natural causes during the next three years. It suggested, more resolutely than the Department of External Affairs, that while Sukarno remained President the 'PKI is unlikely to attempt a coup d'état, and any significant movement for

³⁵ Note, Shann to Jockel, 6 November 1963, DEA file 3034/2/1/7, CRS A1838/321, NAA.

³⁶ Department of State (Bureau of Intelligence and Research), 'The Succession in Indonesia', 9 March 1964, DEA file 3034/2/1/7, CRS 1838/321, NAA.

³⁷ Fraser was one of the few government 'back-benchers' who made private overseas visits to acquire local knowledge. He later described his Indonesian visit to Parliament. *CPD*, House of Representatives, Volume 45, 23 March 1965, pp.243-5. See also Phillip Ayres, *Malcolm Fraser. A Biography*, William Heinemann, Richmond, 1987, pp.101-2; and Interview Sir Keith Shann, 1985, Oral TRC 1857, Oral History Section, NLA, p.70.

reform or revolt is most unlikely' either from 'within political groups in Java or from other sources in Indonesia'.³⁸

There were no recommendations on the likelihood of an army-induced coup, in spite of rumours and speculations during the preceding 12 months, nor was there any consideration of counter-coups. Other intelligence reporting did counsel the possibility of an army-led coup, but these reports were mostly disregarded.³⁹ In December 1964 an Indonesian army officer informed the Australian Naval Advisor in Singapore that a coup was planned for 'some time between 19-26 December, or failing that early in January 1965'. The Indonesian officer affirmed widespread army dissatisfaction with the growing PKI influence. The army would replace Sukarno with one of its own and the PKI would be suppressed. Early warning of the coup was given to ensure that the United States and Australia would not interfere during the transfer of power period.⁴⁰ On 22 June 1965, the United States Ambassador to London, David Bruce, briefed Australian officials that the Indonesian Ambassador to Bangkok, Diah, intended to apprehend Sukarno during the President's next transit stop, precipitating an army take-over in Indonesia. Bruce wanted to reassure the Australian government of the United States' refusal to provide assistance.⁴¹ The knowledge of Diah's intentions, however, was not confined to Washington, London and Bangkok; information about the plot had been provided to Malaysian authorities earlier in June, and this had been duly reported to Canberra.⁴² The extent of anti-PKI sentiment by elements of the Indonesian army was ripe for exploitation and was perhaps utilized by overseas intelligence agencies to undermine Sukarno's authority.⁴³ In the post-coup period, the knowledge of that unrest

³⁸ JIC (AUST) (65) 43, 'The Outlook for Indonesia', March 1965 in DEA file 1961/1111, CRS A1209/85, NAA. The JIC reported directly to the Defence Committee and consisted of representatives from the Departments of External Affairs and Defence, and the three Service Directors of Intelligence. For a description of its functions, see T. B. Millar, *Australia's Defence*, Melbourne University Press, Carlton, 1969, Appendix D.

³⁹ DEA Report, 'Likely Developments In Indonesia In The Event of Sukarno's Death Within The Next Few Months', 26 September 1965, in DEA file 3034/10/1, CRS A1938/321, NAA.

⁴⁰ Cablegram 1322, Australian High Commissioner, Singapore to Canberra, 21 December 1964, PM file 64/6814, CRS A1209/85, NAA.

⁴¹ Letter, Australian High Commissioner, London to Prime Minister, 24 June 1965, PM file 64/6814, CRS A1209/85, NAA.

⁴² Cablegram 1384, Australian High Commission, Kuala Lumpur to Canberra, 15 July 1965, PM file 64/6814, CRS A1209/85, NAA.

⁴³ Reports of alleged intelligence operations against the Sukarno government by American, British and Australian intelligence agencies were recently published without adequate analysis to judge their impact and influence on the attempted coup. For example, Stephen Dorril wrote that MI6 was instructed in 1964-65 to 'blacken the PKI in the eyes of the army and the people', and MI6, in coordination with ASIS,

nurtured suspicions by some Indonesian and Australian officials about the role of the army in the attempted coup, the extent of General Suharto's prior knowledge of and his personal involvement in the coup.⁴⁴

Five days before the coup, the Department of External Affairs was finalizing a routine review of the Indonesian situation. Recent reports confirmed that Sukarno's health may already be 'in a stage of rapid decline' and that the PKI was known 'to be worried about his possible death'.⁴⁵ Options were explored, focusing on their probability:

The position of competing factions in Indonesia will be affected by such things as where Sukarno dies, whether his death can be kept secret for a time and if so from whom. These factors may or may not be important in the long run but they could result in one or other faction having a significant early advantage ... It seems necessary to consider ... the alternatives [that] can probably be reduced to five:

- (a) Civil war, general disorder;
- (b) A PKI coup;
- (c) A military coup;
- (d) A coalition in which the balance of advantage appears to be with the PKI;
- (e) A coalition in which the balance of advantage appears to be against the PKI.⁴⁶

The review noted that the PKI had not been able to develop a para-military arm, the Fifth Force, and lacked the arms and military prowess to undertake a coup.⁴⁷ The PKI had also failed to penetrate the armed services, and this was considered to be a major limitation to the success of a PKI-led coup, even with 'the Air Force in on its side'.⁴⁸

launched some six operations 'to sow dissension' within the PKI. Stephen Dorril, *MI6: Fifty Years of Special Operations*, Fourth Estate, London, 2000, p.718.

⁴⁴ See, for example, Rahardi S. Karni, (Editor), *The Devious Dalang – Sukarno and the so-called Untung-Putsch. Eye-witness Report by Bambang S. Widjanarko. Verbatim Testimony Of Colonel Bambang S Widjanarko On The October 1965 Purge Of The Indonesian General Staff*, Interdoc Publishing House, The Hague, 1974; May, *The Indonesian Tragedy*, pp.91-139; and Crouch, *The Army and Politics in Indonesia*, (revised edition), pp.123-5.

⁴⁵ DEA Report, 'Likely Developments In Indonesia In The Event of Sukarno's Death Within The Next Few Months', 26 September 1965, in DEA file 3034/10/1, CRS A1838/321, NAA. Information on Sukarno's health was obtained from his medical counsellor, from medical purchases for him and knowledge of his planned visit to Vienna for medical consultations.

⁴⁶ DEA Report, 'Likely Developments In Indonesia In The Event of Sukarno's Death Within The Next Few Months', 26 September 1965, in DEA file 3034/10/1, CRS A1838/321, NAA.

⁴⁷ The PKI had not relinquished the desire to take control of and participate in operations against Malaysia in Borneo and attempted to fashion a people's military force, generally referred to as the Fifth Force. See J.A.C. Mackie, *Konfrontasi, The Indonesia-Malaysia Dispute 1963-1966*, Oxford University Press, London, 1974, pp.244-5.

⁴⁸ During the night of 1 October 1965, Suharto announced on radio that he had taken command of the army and that an understanding had been reached between the army, navy and the police to crush the revolt. The Indonesian air force was not mentioned in the broadcast. Cited in Crouch, *The Army and Politics in Indonesia*, (revised edition), p.99.

Australian and United States diplomatic reporting had confirmed that senior elements of the Indonesian air force were sympathetic to the PKI. The review suggested that the PKI could muster popular support in Java but lacked the potential for success in the outer islands. Staging a coup would ‘appear to be out of character for the [PKI] Central Committee’, and the review concluded that a PKI coup ‘can probably be ruled out’.⁴⁹

The review suggested that the army could successfully carry out a coup; yet ‘on balance, military leaders seem more likely to be deterred from action by the fear of precipitating civil war’. Sukarno was still very popular, and a move against the President may not gain the support of a substantive majority of the Indonesian people, resulting in civil unrest and disturbance across the archipelago. Moreover, military leaders harboured suspicions about the loyalty of some military units, particular air force units, and conflict between elements of the armed forces was not conducive to a successful coup. The probability of a military coup, the review concluded, ‘cannot be ruled out’ but appeared less likely.⁵⁰ In circumstances in which Sukarno’s death became quickly known, then ‘the unmanageable political eruption’ that Shann believed to be a possibility, could result in general disorder, perhaps leading to a civil war if competing parties were unable to agree on an acceptable coalition of political power. The establishment of ‘some kind of coalition appears ... to be the most likely’; and, ‘whatever the form of the coalition’, the review suggested, ‘there would be little change for some time in Indonesia’s stand on foreign policy matters’. Confrontation ‘may not necessarily end quickly’; and a new government would need to address economic conditions, which ‘would lead to some moderation in Indonesian attitudes’ over time.⁵¹

The review appeared not to have canvassed non-Australian intelligence reporting. The suggestion of ‘some kind of coalition’ of PKI and the Indonesian armed forces featured elements of the assessment that was made some 20 months before, was an option not endorsed by United States intelligence, and in hindsight proved to be incorrect. Nonetheless, the review acknowledged two major objectives for future Australian foreign policy:

⁴⁹ DEA Report, ‘Likely Developments In Indonesia In The Event of Sukarno’s Death Within The Next Few Months’, 26 September 1965, in DEA file 3034/10/1, CRS A1838/321, NAA.

⁵⁰ *Ibid.*, p.3.

⁵¹ *Ibid.*, p.4.

to contribute, if this is possible, to ensuring that Sukarno is succeeded by a non-communist government likely in the long run to moderate Indonesian foreign policy; and to support, and be seen to be supporting, the continued cohesion of the Indonesian States.⁵²

In 1964 Cabinet discussed the possibility that Indonesia could fragment through an unsuccessful policy of Confrontation. In the event of fragmentation, the Malaysian government raised the matter of absorption of Sumatra and Kalimantan into its federation. Both Menzies and Hasluck expressed 'alarm' at the suggestion and at Malaysia's diplomatic efforts in seeking Commonwealth support for a possible incorporation.⁵³ In early 1965 Cabinet discussed the possibility that the Indonesian republic might eventually 'revert to a federal system or to a looser form of union' and agreed to have the possibility kept under review.⁵⁴ Indonesia was perceived to be an unnatural nation-state, comprising of 13,677 islands inhabited by five major ethnic groups who spoke some 600 languages and dialects.⁵⁵ The Australian government had no preference for the form of governance of the republic as long as it remained cohesive and was foremost non-communist in outlook; and Australian officials had made no secret of such a 'desirable' outcome.⁵⁶

The timing of the review, some five days before the coup, provided the most recent policy advice to government and furnished some understanding of the government's cautious actions during the initial post-coup period. The apparent lack of warning about the coup, about the factions in support of the coup, and the potential for success of the counter-coup and the aftermath, including the future role of President Sukarno, meant that the government deliberately remained constrained in its statements and actions until the particulars became evident. The government also accepted the essentiality 'for the

⁵² *Ibid.*

⁵³ The matter was discussed in Cabinet without memorandum. All Cabinet ministers accepted the need to keep Indonesia united. File note on Cabinet discussion, DEA file 3034/2/6/11, CRS A1838/277, NAA.

⁵⁴ Dispatch 1965/3, Shann to R.G. Menzies, Acting Minister for External Affairs, 12 May 1965, in DEA file 3034/10/1 Part 25, CRS A1838/280, NAA.

⁵⁵ Some 668 languages have been identified; the major ethnic groups are Javanese-45%, Sundanese – 14%, Madurese – 7.5%, coastal Malays – 7.5%, and others 26%. *Indonesia - a country study*, Fifth Edition, Federal Research Division, Library of Congress, Washington DC, 1993, pp.xxx, xxxi.

⁵⁶ Dispatch 1965/3, Shann to Menzies, Acting Minister for External Affairs, 12 May 1965, in DEA 3034/10/1 Part 25, CRS A1838/280, NAA. Rear Admiral Davies, the Head of the British Defence Liaison Staff (BDLS), Canberra, informed the British Chiefs of Staff Committee that 'a possible break-up of Indonesia has in the past been a constant fear of ... Australians.' Letter, Davies to Secretary, Chiefs of Staff Committee, 21 May 1965, quoted in Peter Dennis & Jeffrey Grey, *Emergency and Confrontation: Australian Military Operations in Malaya and Borneo 1950-1966*, Allen & Unwin in association with the Australian War Memorial, Sydney, 1996, p.320.

long-term relationship' that Australia should not publicly support the coup losers even if the control of government reverted to communism through the PKI's gaining political control.⁵⁷

The review also advanced considerations for the ending of Confrontation once it was established that non-communists had 'the upper hand', either by military coup or within a coalition:

An important measure for the consolidation of their position ... could be the indication of moves by Malaysia to arrange an amicable end for the Indonesians [in] a face-saving settlement of Confrontation. Such a move would probably have to imply a measure of Indonesian victory, some sort of formal Maphilindo arrangements and perhaps the promise of an eventual act of reascertainment in Sabah and Sarawak, and the implication of this for us balanced against the desirability of strengthening the new Indonesian Government would have to be thought out. Similarly, we would need to be ready to examine requests for economic assistance promptly, while being on guard against providing the Government's enemies with opportunities to attack it. We have to face the fact that a non-communist succession Government is likely either from conviction or for tactical reasons to continue to adhere, at least for a time, to the major Indonesian ideological concepts centred on anti-colonialism.⁵⁸

AMBIGUITY IN THE RELATIONSHIP

The relationship between Australia and Indonesia was deliberately ambiguous during the latter part of 1964 and the first half of 1965. Understanding Indonesia's future intentions remained the highest priority, and understanding what had not transpired between the two countries was just as important as what had been said or done. For the government and its policy advisers, the concurrent management of Australian support for Malaysia during Confrontation and the longer-term bilateral relationship with Indonesia was necessarily complicated. On 3 February 1965, the government declared that an infantry battalion would be sent to Borneo; in March, national service was announced; and, on 29 April, the government confirmed that Australian combat troops would be committed to Vietnam.⁵⁹ Hasluck's speech at the SEATO meeting in London on 3 May 1965 criticized Sukarno's 'dangerous and nonsensical' policies and

⁵⁷ Dispatch 1965/3, Shann to Menzies, Acting Minister for External Affairs, 12 May 1965, DEA 3034/10/1 Part 25, CRS A1838/280, NAA.

⁵⁸ Briefing Paper, 'Likely Political Developments in Indonesia in the Event of Sukarno's Death within the Next Few Weeks', 26 September 1965, DEA file 3034/10/1 Part 26, CRS A1838/280, NAA.

condemned the growing relationship between China and Indonesia.⁶⁰ Yet the reporting of these matters in Indonesia was considered 'fair' for any of the 'criticism, editorial or otherwise, even in the Communist press, let alone any other demonstrations of righteous anger'. According to Sir Keith Waller, a senior departmental officer at the time, Shann forewarned the Indonesian authorities of statements from Australia critical of Indonesia's regional activities.⁶¹ Shann was unsure as to why the Indonesians persisted in treating Australia 'which, by all local standards, is behaving very badly ... with such calmness and even friendliness'.⁶² He opined that maybe the 'soft treatment' was a carefully constructed piece of Indonesian policy differentiation in which Australia appeared not to be regarded:

even by the PKI, as a really true-blue Nekolim. The ordinary Indonesian regards us with reasonable affection, although I no longer put much faith on the so-called 'reservoir of goodwill'. We are not a great power. We do not threaten Indonesia. Were it possible to persuade the United States and United Kingdom to give up on Vietnam and Malaysia, what on earth could we do? Moreover, if under Chinese influence, Indonesia has decided or agreed that the United States and, to a lesser extent, the United Kingdom are the main Nekolim powers, and the principal threats to Indonesia and Chinese hegemony in the area, why blur the issue by introducing other enemies such as Australia? ... It is still just possible that they continue to think of us as somehow different from Britain and Europe, that we have an equalitarian democratic identity of our own, and that we want to come to terms with the region in which we live. Or expressed in other words, the Indonesians have not yet made up their minds whether it is our support for their independent struggle or our present opposition to their international policies which is the aberration.⁶³

Shann was an experienced diplomat. He had extensive bureaucratic experience in several federal departments, and overseas service in postings to New York, Paris,

⁵⁹ Peter Howson's diary entry, 19 March 1965 notes the Department of External Affairs' reaction to the announcement as 'rattling the sabre' and 'endangering relations with Indonesia'. Aitkin, *The Howson Diaries*, p.147.

⁶⁰ Ministerial Statement, *CNIA*, Volume 36, May 1965, Canberra, pp.251-3.

⁶¹ Interview Sir Keith Shann, 1985, Oral TRC 1857, Oral History Section, NLA, pp. 1-4. Waller was the author of the 1963 DEA paper, 'Historical Notes on Australia-Indonesia Relations', in which the two important ideas of Indonesian territorial integrity and a 'lasting element of understanding' between Australia and Indonesia were recommended. These two ideas are similar to the two objectives for Australia-Indonesia relations espoused in the later DEA review before the 1965 attempted coup. DEA file 3034/10/1 Part 12, CRS A1838/2, NAA

⁶² Dispatch 1965/3, 'Australia and Indonesia – What's Next', Shann to Menzies, Acting Minister for External Affairs, 12 May 1965, DEA file 3034/10/1, CRS A1838/280, NAA.

⁶³ *Ibid.*, pp.2-3. For Sukarno, NEKOLIM, the 'neo-colonial imperialists', were the enemy of the 'new emerging forces', NEFOS. Mackie contends that the origins and character of Confrontation 'were inextricably bound up with the development of the doctrine of the new emerging forces'. Mackie, *Konfrontasi*, pp.1-2.

Manila and London. His attendance at the 1955 Asian-African Conference in Bandung as the official Australian observer exposed him to the surge of anti-colonialism in Indonesia⁶⁴, which manifested itself into the period of Guided Democracy and Sukarno's 'continuing revolution', and to the growing tensions between the 'new emerging forces' (NEFOS) and the 'old established forces' (OLDEFOS).⁶⁵ His secondments to the United Nations provided him with many Indonesian contacts with whom he was able to engage when he assumed the appointment of Ambassador to Jakarta in 1962.⁶⁶ After Confrontation started, he continued to send Indonesian students to Australia under the Colombo Plan 'very quietly, without telling the government very much about it'.⁶⁷ In September 1963 Shann was able to intercede, as part of a combined foreign missions' group, to recover vital papers from the burnt-down British embassy. That he was able to enter the building, have the safe opened and papers carried to his car by embassy staff without being challenged was an indication of Shann's capacity to secure Indonesian cooperation.⁶⁸ It was also a demonstration of Indonesia's policy differentiation between Britain and Australia.⁶⁹

By May 1965 Shann had served some three years in Indonesia and was observed to be neither personally 'committed to' nor emotionally antagonistic towards Indonesia; he was sufficiently pragmatic to consider all possibilities to provide robust advice to Canberra even when the advice was contrary to the prevailing view. On the apparent Indonesian 'softness' towards Australia, he advanced a 'much less comforting theory':

The Indonesians certainly have us on their list of Nekolim powers, but with a footnote saying that we will be dealt with at a later stage. This later stage will be when they see the 'whites of our eyes in New Guinea'. Then they will use our record in Malaysia and Vietnam as well as our

⁶⁴ The concept of Afro-Asianism was expressed in the ten principles of peaceful coexistence as a code of behaviour for developing nations, and was agreed at the 1955 Bandung conference by some 29 African and Asian nations. Sukarno used the code of behaviour for propaganda purposes against those Western nations, such as the United States, Britain and to a lesser extent, Australia, that maintained colonial interests or were considered to be interfering in the domestic politics of new emerging nations. Some analysts suggested that the code provided justification for Sukarno's policy of Confrontation – the removal of British influence in Malaya, Singapore and Borneo. Stephen Constant, 'Afro-Asian Myth', *The Australian*, 18 November 1965, p.7.

⁶⁵ For accounts of Guided Democracy and NEFOS, see C.L.M. Penders, *The Life and Times of Sukarno*, Oxford University Press, Kuala Lumpur, 1974; Mackie, *Konfrontasi*, pp.79-110; R. McKie, *The Emergence of Malaysia*, Greenwood Press, Westport, 1963; and W. Henderson, *West New Guinea: The Dispute and its Settlement*, Seton University Press, New York, 1972.

⁶⁶ Interview Sir Keith Shann, 1985, Oral TRC 1857, Oral History Section, NLA, pp.201-9.

⁶⁷ *Ibid.*, p.37.

⁶⁸ Cablegram 874, Shann to Tange, 23 September 1963, PM file 63/6642, CRS A1209/80, NAA.

⁶⁹ Marr makes the point that the 'vital papers' included Australian and British codes. Marr, *Barwick*, p.200.

opposition to any communist inspired expansionism anywhere else in the world as the rod with which to beat us, but until then we will be relatively immune from serious or sustained attacks. In this way Indonesian policy towards us has some similarity to their approach to the Portuguese and Portuguese Timor.⁷⁰

Other Australian intelligence had confirmed that groups within the ruling elite were suggesting that Confrontation and the Chinese relationship should be regarded as 'short-term' political expedencies.⁷¹ By May 1965 Shann identified 'a temporary relaxation of pressure against Malaysia' and those countries supporting Malaysia. He reported to Canberra recent conversations with PKI officials about the 'reasonableness' of the Australian government that confirmed a PKI policy to downplay publicly Australia's role in Confrontation; he recounted President Sukarno's comment that 'Australia will not go away; we have to get on with it'; and he reported Subandrio's comment that Indonesia 'did not mind what Australia did in relation to Malaysia and Vietnam, but did wish [Australia] would talk about it less'.⁷² In spite of the 'less comforting theory', Shann acknowledged the validity of Australian policy 'to continue to go on doing much the same thing', recommending:

a bland continuation of our Colombo Plan efforts, practical co-operation in New Guinea, and some carefully controlled information work. In short, playing the role of reasonable people who are a geographical fact in the area, but who, if roused, are capable of unpleasant things. I am not at all convinced that many Indonesians believe, or have even thought about the latter part of this proposition, but we may have to make them do so. But now is not the time. The Indonesians still tend to react rather than act against countries like Australia, and until we are sure about what

⁷⁰ Shann had previously reported the theory from a conversation with the Pakistani Ambassador to Jakarta who volunteered to apply 'an Asian mind' to the issue. Record of Conversation Ambassador/ Shann 7 May 1965, DEA file 3006/4/9 Part 24, CRS A1838, Dispatch 1965/3, 'Australia and Indonesia – What's Next', Shann to R.G. Menzies, Acting Minister for External Affairs, 12 May 1965, DEA file 3034/10/1, CRS A1838/280, NAA. Indonesia severed diplomatic relations with Portugal in February 1965. For a description of the broader policy issues on West New Guinea, see Terrance C. Markin, 'The West Irian Dispute: How the Kennedy Administration Resolved that 'Other' Southeast Asian Conflict', *Ph.D. Thesis*, The John Hopkins University, Baltimore, 1996; and Nonie Sharp, *The Rule of the Sword – The Story of West Irian*, Arena Printing Group, Malmsbury, 1977.

⁷¹ Aitkin, *The Howson Diaries*, pp.171-2.

⁷² Interview Sir Keith Shann, 1985, Oral TRC 1857, Oral History Section, NLA, p.102. Sukarno had earlier assured Shann that Indonesian relations with Australia would remain undisturbed, and 'his references to Australia were not at any time hostile'. See Cablegram 207, Shann to Canberra, 17 February 1965, DEA file 3006/4/7 Part 33, CRS A1838/333, NAA; DEA Brief to Minister, 'Australia as NEKOLIM – The Indonesian Attitude to Australia 1964-5', DEA file 3034/10/1 Part 26, CRS A1838/280, NAA. Subandrio had on several occasions indicated that Australia should be viewed as a partner to Indonesia in the region, rather than as a European outpost. Letter, Shann to Waller, 5 July 1963, DEA file 3034/10/1 Part 15, CRS A1838/280, NAA.

emerges from Algiers and what happens next in South Vietnam I believe we should continue to play a waiting game.⁷³

AUSTRALIAN PLANNING IN THE POST-COUP PERIOD

The 'waiting game' became the central tenet of Hasluck's and the government's response to the coup. During the period October 1965 to March 1966, there was no public criticism of Indonesia, no change to ongoing policy on Confrontation, and no publicly expressed concern on what the press was reporting on activities in the post-coup period. On 13 October 1965, *The Australian* suggested that the Department of External Affairs was exploring the possibility of famine relief to Indonesia during the crisis. The article noted that it was unlikely that relief would be provided if it could be construed that the provision of aid indicated the government's public support for a particular group in Indonesia.⁷⁴

There was little doubt that the preferred government option was for the Indonesian army to restore stability to Indonesia; Shann, however, cautioned that direct aid could be interpreted as 'Western interference' and jeopardize the Indonesian army's position.⁷⁵ The decision to provide aid was taken in order to relieve the effects of civil unrest; and, in recognition of Shann's concerns, the aid which was in the form of rice and medical supplies was coordinated within the international effort without the normal government fanfare and publicity.⁷⁶ In contrast, some five months later, when central Java experienced extensive flooding and some 300 000 Javanese were displaced, the government was less reluctant to publicize the gift of \$A200 000 worth of rice which was donated as immediate humanitarian support. Senator Gorton explained the contradiction of offering flood relief to a country whose troops were opposing Australian troops in Borneo as 'consistent' with Australia's 'long-term hopes for the region', adding that Australia seeks 'a region where no country tries to attack another ...

⁷³ Shann added with some mischief, that 'it is possible and even probable in this mad-house that these thoughts are wrong and naïve, and I would be grateful of the guidance of cooler and less closely engaged minds'. Dispatch 1965/3, 'Australia and Indonesia – What's Next', Shann to Menzies, Acting Minister for External Affairs, 12 May 1965, DEA file 3034/10/1, CRS A1838/280, NAA. The second Afro-Asian Conference was held in Algiers in November 1965. Shann's mention of New Guinea refers to ongoing bilateral border discussions, which are detailed in Chapter 2.

⁷⁴ 'Army's grip on country now stronger than ever', *The Australian*, 13 October 1965, p.1.

⁷⁵ Cablegram 1434, Shann to Canberra, 29 November 1965, PM file 62/817 Part 2, CRS A1209/80, NAA.

⁷⁶ *Ibid.*; Cablegram 1503, Shann to Acting Secretary, 19 December 1965; and Cablegram 4523, Washington to Canberra, 23 December 1965, PM file 62/817, CRS A1209/80, NAA.

Our friendship with Indonesia exists and will, we hope, in the years ahead help her, and ourselves, to gain these goals'.⁷⁷

The government, however, neglected to confirm the availability of rice before announcing the gift and was forced to purchase rice from Thailand because the Australian crop was already committed to overseas buyers and the domestic market. This would not be the only occasion when the government was embarrassed by insufficient domestic produce, after having announced humanitarian aid to Indonesia. In 1972 the Whitlam government would also commit to a gift of rice which Australian producers were unable to provide.⁷⁸

CONFIRMATION OF POLICY

Departmental planning was continuing at the direction of Hasluck. The attempted coup accelerated planning for the post-Confrontation period. Commitments to Confrontation had influenced the government's decision to introduce conscription and modify the pace of national development through greater expenditure on defence. The political and military commitment to Malaysia had been a 'monumental decision' for Australia 'to take the stand it had' against its neighbour of some 110 million people.⁷⁹ Confrontation yielded international pressures that had the potential to affect long-term relationships; and Confrontation had become a many-sided challenge for Australia to help sustain the successful political structure and functioning of the new federation of Malaysia. Not all issues could be addressed now because the regional shape and structure of the post-Confrontation period were still obscure.⁸⁰

In December 1965 a policy paper, endorsed by Hasluck, was circulated to staff in Jakarta, Singapore and Kuala Lumpur on the 'short-term' approach to Indonesia. The policy paper provided a framework for the present conduct of Australia's diplomacy with Indonesia. Since Menzies had delegated the responsibility to manage the detailed

⁷⁷ Quoted in Alan Ramsey, 'Indonesians accept rice gift – but we are out', *The Australian*, 5 April 1966, p.3.

⁷⁸ See Chapter 3.

⁷⁹ Ministerial Briefing Note for Cabinet meeting with Lee Kuan Yew, 16 March 1965, in CS file C4142, CRS A4940/1, NAA.

⁸⁰ Tange recalled that during the period 1959 to 1965 Australia was forced to look to protect its 'self-interests'. In spite of persistent briefings for changes to defence and foreign policies, the government

relations with Indonesia to the Minister for External Affairs, the paper was closely held and developed without the normal bureaucratic input and routine consideration by the Foreign Affairs and Defence Committee of Cabinet, although Hasluck did brief a number of Cabinet ministers on its content before it was dispatched to missions.⁸¹ Hasluck wanted to continue the general thrust of the policy approach adopted throughout 1965, with slight modifications, until events proved that changes were required.⁸² Therefore the major points of the paper were not unexpected: no major initiative involving Indonesia would be unveiled until Confrontation was ended or negotiations commenced on its ending; every effort was to be made to influence Indonesia to end Confrontation; communications with President Sukarno and Dr Subandrio were to be 'respected and maintained'; media comment on the coup and the possible outcomes were the responsibility of the minister; every assistance short of direct aid would be available to assist the Indonesian army in its quest to diminish communist influence; and assessment was to commence on the extent of assistance that could be furnished to Indonesia at the appropriate time, including coordination of economic assistance with the United States and Britain.⁸³

IDEALISM AND REALISM IN POLICY-MAKING

The short-term policy approach to Indonesia mirrored recent cable information from Shann who had reported several overtures from the Indonesian army during the October-December period. For the Indonesian army, the post-coup period was precarious with the politics in Jakarta at an extremely delicate stage. The army had moved to eliminate the 'threat of a nation-wide communist rebellion and civil war', although small-scale local insurrections continued to present a security threat. 'A wave of anti-communist feeling and violence swept the country', with the army actively participating in 'eradicating the enemy'; and student involvement in the purge became

continued to promote closer relations with Britain and the United States. Interview Sir Arthur Tange, 1989, Oral TRC 2482, Oral History Section, NLA, pp.22-3.

⁸¹ Fairhall commented that Menzies was 'coasting' during this period, preferring that Hasluck take responsibility for the detail of Australia's policy on Indonesia and referring only major issues to Cabinet. Interview Sir Allen Fairhall, 24 July 2000.

⁸² See folios for October to December 1965 in PM file 64/6814, CRS A1209/85, NAA.

⁸³ The paper was dispatched by diplomatic bag and a summary of major points sent by cablegram. A copy of the paper has not been found. The cablegram is on file. Cablegram 10973, Canberra to selected posts, 2 December 1965, PM file 64/6814, CRS A1209/85, NAA.

more prominent in the latter part of 1965.⁸⁴ The Indonesian army preferred that the Australian government did not publicly focus on the post-coup role of the army because comment of the kind 'would not be helpful' in its activities to diminish the influence of the PKI. Equal weight should be given to other active groups, such as 'youth groups, and Muslim and Christian groups'. The Indonesian army suggested that whenever possible, 'try to spike Subandrio's guns at every turn'; and labeling the army 'as pro-western or rightist' was also not beneficial while the army is attempting to wrestle power away from President Sukarno and the PKI. 'Later on the atmosphere will change', Shann was reassured.⁸⁵

The Australian government's response continued in an uncomplicated fashion; no formal statements were issued, answers in parliamentary questions were perfunctory, and media reports were neither confirmed nor denied. Radio Australia did, however, authorize broadcasts that were uncomplimentary to the Indonesian army. While Shann declared that Radio Australia's overall coverage of the post-coup period was 'completely admirable', the Department of External Affairs was less than satisfied with the coverage and continued to pressure management to be more selective in its news items. Richard Woolcott, the departmental information officer, stressed that 'Radio Australia should, by careful selection of its news items, not do anything which would be helpful to the PKI'. Shann had requested, through Woolcott, that broadcast material 'should not refer to Suharto as anti-communist because this could be harmful to his efforts; it was better to call him non-communist'. Shann believed that Radio Australia should use 'factual stories pointing out the involvement of the PKI in the coup, and the strength of feeling opposed to communist China'; he also requested stories to be run 'that Subandrio's name [implicating him along with the communists in the plot] was appearing on slogans in Jakarta'. Radio Australia's reaction to the requests was less than positive.⁸⁶

⁸⁴ James Angel, 'Australia and Indonesia, 1961-1970', in Gordon Greenwood and Norman Harper, Editors, *Australia in World Affairs 1966-1970*, the Australian Institute of International Affairs, Melbourne, 1974, pp.380-1.

⁸⁵ Cablegram 1193 10 October 1965, Cablegram 1332 4 November 1965, Cablegram 1340 5 November 1965; and Letter, Shann to Secretary, DEA, 2 December 1965, in DEA file 570/7/9 Part 3, CRS A1838/273, NAA.

⁸⁶ Independence in broadcasting was the focus of tension between the Department of External Affairs and the broadcaster. This issue is covered in Errol Hodge, *Radio Wars: Truth, propaganda and the struggle for Radio Australia*, Cambridge University Press, Cambridge, 1995, pp.7, 80-1, 90, 181-205.

Departmental control over broadcast material had been the major contentious issue in the organization's life, reaching a climax in 1964 when Hasluck failed in his attempt to have Radio Australia separated from the ABC and placed under the control of his department with its broadcast facility transferred from Melbourne to Canberra.⁸⁷ While there was considerable departmental pressure to influence the coverage of the attempted coup and the post-coup period, Radio Australia management continued to assert 'the news values in positioning stories' and provided coverage without fear or favour. Sir Keith Waller, when secretary of the Department of External Affairs, recorded:

Radio Australia news broadcasts formed an invaluable service, particularly to the Indonesians, in providing accurate, impartial news of what was actually occurring. In many cases Radio Australia enabled the Indonesians themselves to obtain a real picture of what was happening in their own country.⁸⁸

Shann continued to remind the Canberra bureaucracy that there were 'two non-governments in this country, and we must not fall into the trap of favouring one or the other'.⁸⁹ He warned Canberra about the extent of the anti-PKI campaign, emphasizing that the 'cleansing, purging and frenzy proceeds apace' in spite of Sukarno's direction that 'calm and order' was to be encouraged. 'Whatever "calm and order" means to Sukarno', Shann added, 'it means only one thing to Soeharto - further physical measures against the PKI'.⁹⁰ Hasluck's reluctance to comment publicly on issues in South East Asia aggravated the press's 'longstanding antagonism towards his dour and uncommunicative approach'. *The Australian* editorialised on 23 December 1965 that it was time that Hasluck retired. To be sure, his reluctance to comment on Indonesia was deliberate and consistent with the short-term policy paper and how he, on behalf of the

⁸⁷ Hasluck once responded to a question from a Radio Australia correspondent that this 'radio service is the propaganda arm of the Government'. The response typified Hasluck's and his department's approach to Radio Australia. See Letter, Hasluck to Secretary DEA, 4 June 1965, DEA file 3034/10/18/1, CRS A1838/2, NAA; and Hodge, *Radio Wars*, pp.82-3.

⁸⁸ Letter, Waller to Talbot Duckmanton, General Manager ABC, 6 February 1973, DFAT file 570/3/1 Part 6, cited in Hodge, *Radio Wars*, pp.175-6. Shann reported concern for Radio Australia, worrying 'that no-one has attacked Radio Australia, although the Voice [of America], Malaysia and the BBC have been given the stick'. Indonesians authorities seemed content with Radio Australia and with access to its broadcasts. Cablegram 1340, Shann to Canberra, 5 November 1965, PM file 65/6674 Part 2, CRS A1209/85, NAA.

⁸⁹ 'Annual Report January - December 1965', 10 February 1966, DEA file 3034/10/21 Part 21, CRS A1838/321, NAA.

⁹⁰ Cablegram 1314, Shann to Canberra, 30 October and Cablegram 1316, Jakarta to Canberra, 1 November 1965, PM file 65/6674 Part 2, CRS A1209/85, NAA. See also Robert Cribb, (Editor), *The Indonesian Killings 1965-1966: Studies from Java and Bali*, Monash Papers on Southeast Asia, Number 21, Centre for Southeast Asian Studies Monash University, Clayton, 1990, in particular pp.1-43.

government, had decided to conduct Indonesian policy.⁹¹ The government did not comment on the media reporting of the anti-PKI purge in which estimations of 100 000 to 200 000 killed or missing featured strongly.⁹² The government, however, was left in little doubt as to the extent of the killing. In January 1966 Shann reported ‘the barbaric slaughter’ of ‘perhaps 200 000 Indonesians [that] had been killed by Indonesians’, adding:

By no means were all of these people communists. Personal vendetta, revenge, and just sheer pleasure at killing all played their part ... The Foreign Minister himself has seen fit to inform me, quite calmly, that “there are girls of 15 in Central Java who become nervous if they do not kill someone at least twice a week”. How wrong so many of us were about these “gentle” people.⁹³

In some cases, the Indonesian army was directly involved in the massacres; but mostly, the army simply supplied weapons and ammunition to civilian gangs who carried out the killings. The process was reasonably simple; at first, elite military units would arrive in a locality, then sanction the violence through instruction or by example; and those who were jailed or detained ‘were handed over to vigilantes for killing’.⁹⁴ Indonesian Special Forces units would use similar techniques in East Timor during Indonesian occupation and after the ballot for independence in 1999.

A year later, the embassy was reporting that ‘the massacre of unimaginable proportions was still continuing well into the year’.⁹⁵ Later estimates ranged beyond 500 000; and, for some, seem ‘more realistic’.⁹⁶ In terms of numbers killed and the manner of the massacres, the US Central Intelligence Agency was no less descriptive:

⁹¹ Hasluck refused to provide any information to the press after his November/December 1965 trip to Vietnam, Philippines, Malaysia and Singapore, and newspapers reacted to Hasluck’s apparent snub. At the insistence of the Prime Minister, Harold Holt, Hasluck made a statement to the House of Representatives two days later. Hastings later wrote that ‘one of the great mysteries of the [Holt] regime has been the increasing silence of Mr. Hasluck’. Peter Hastings, ‘The men who shape our foreign policy’, 8 March 1967, p.6. See also Editorial, ‘Time for Hasluck to bow out’, *The Australian*, 23 December 1965, p.6; and Peter Edwards, *A Nation at War: Australian Politics, Society and Diplomacy during the Vietnam War 1965-1975*, Allen & Unwin in association with the Australian War Memorial, Sydney, 1997, p.96.

⁹² For example, ‘Wipe out the rebels’, *The Australian*, 2 November 1965, p.1; and Peter Hastings, ‘Conversation with Dr Subandrio’, *The Sydney Morning Herald*, 31 December 1965, p.7.

⁹³ ‘Annual Report January – December 1965’, 10 February 1966, DEA file 3034/10/21 Part 21, CRS A1838/321, NAA. For an embassy overview of the anti-PKI campaign in the outer islands, see Savingram 10, Jakarta to selected posts, 25 February 1966, DEA file JA1966/01S, CRS A6364/4, NAA.

⁹⁴ Cribb, *The Indonesian Killings 1965-1966*, p.21.

⁹⁵ ‘Annual Report January – December 1966’, 16 May 1967, DEA file 3034/10/21 Part 21, CRS A1838/321, NAA. See also folios in DEA file 3034/2/9/1 Part 1, CRS A1838/280, NAA.

⁹⁶ A. Schwartz, *A Nation in Waiting: Indonesia in the 1990s*, Allen & Unwin, Sydney, 1994, p.21. For further detail, see Hermawan Sulisty, ‘The Forgotten Years: The Missing History of Indonesia’s Mass Slaughter (Jombang-Kediri 1965-1966)’, *Ph.D. Thesis*, UMI Dissertation Services, Arizona State University, May 1997, pp.87-99, 170-87, 226-32, and 259-62.

The anti-PKI massacres in Indonesia rank as one of the worse mass killings of the twentieth century, along with the Soviet purges of the 1930s, the Nazi murders during the Second World War, and the Maoist bloodbath in the 1950s. In this regard, the Indonesian coup is certainly one of the most significant events of the twentieth century, far more significant than many other events that have received much greater publicity.⁹⁷

The notion of human rights, the violation of political expression and the paucity of democratic ideals that appeared to characterize the beginnings of the New Order period did not dissuade the Australian government from supporting the new ruling elite. Any reduction in communist influence in Indonesia was in sympathy with the government's long-term foreign policy objectives and should be encouraged. In March 1965 in his first major ministerial speech, Hasluck indicated little intention to change Australia's foreign policy; and the central assumptions of the government's policy, as expressed by Spender, Casey, Barwick and Menzies, were to continue. The existence of a global struggle was 'conceived in East-West terms' but as East-West tensions lessened, 'Asia and South East Asia took the place of Europe as the principal area of tension'.⁹⁸ Forward defence as a strategy remained but in Hasluck's view coordinated within the context of international power politics. He argued that Australia's international responsibilities affirmed Australia's military participation in South Vietnam and its encouragement of the United States commitment to South Vietnam and East Asia. He noted the 'new power of Communist China' that had emerged in international affairs, and educed a relationship between China's international ambitions and the emergence of instability in South East Asia, commenting that it would be 'foolish to imagine that these smaller wars and trouble spots can be regarded as lying apart from and having nothing to do with the great dangers and the major conflicts in world power'.⁹⁹ Hasluck stressed that events in South Vietnam owed little to local and internal factors, but should be seen as part of the wider pattern of the 'application of the doctrines of communist subversion and warfare'.¹⁰⁰ He believed that the only alternative 'is to have some sort of perpetual restraint of China by force', perhaps 'containment' in order to construct an

⁹⁷ Central Intelligence Agency, Directorate of Intelligence, 'Intelligence Report: Indonesia-1965, the coup that backfired', cited in *Ibid.*, p.20. For witness reports of some of the massacres, see Pipit Rochijat, 'Am I PKI or Non-PKI?', *Indonesia*, Number 40, October 1985, pp.37-55.

⁹⁸ *Ibid.* See also David Lowe, *Menzies and the 'Great World Struggle' – Australia's Cold War 1948-1954*, UNSW Press, Sydney, 1999, pp. 152-184; and Porter, *Paul Hasluck*, pp.244-7.

⁹⁹ Ministerial Statement, *CPD*, House of Representatives, Volume 45, 23 March 1965, pp.230-4.

Asian environment in which Australia is in neither 'opposition' nor 'subjection'. Hasluck accepted that the United States 'containment' policy of the Soviet Union was succeeding and should be duplicated against China.¹⁰¹ He concluded that Australia 'has a real interest in encouraging and supporting any developments that would help to promote our interests and in opposing any developments which would cancel them forever'.¹⁰²

There were linkages between Vietnam and Indonesia. A North Vietnamese victory, Hasluck argued, 'would provide impetus to the Communist Party in Indonesia, making communist control or direction of the Indonesian Government more likely'.¹⁰³ Conversely, if communist influence were secured in Indonesia, then the momentum in the war in Vietnam would favour a communist victory. For Hasluck the Malaysian conflict was secondary in importance to the situation in South Vietnam but his 'overriding anxiety' over the threat of communist Chinese expansionism 'caused him to believe the two conflicts interacted'. Furthermore, the dilemma 'Confrontation posed for him was that he did not want to go to war' with Indonesia, and equally he did not want to manage relations with a defeated Indonesia.¹⁰⁴ Although the linkages between Australia's commitment to Malaysia and to South Vietnam were evident, the strength of reciprocity in the commitments still remains unmeasured in spite of recent government material released under the Commonwealth *Archives Act 1983*. In Barclay's view, effective support for Malaysia 'would enable the United States to remain in the wing without having to take center stage at the time when Washington was attempting to concentrate on Vietnam'. American pressure on Sukarno could reduce 'the need for Australian involvement in Malaysia, leaving Canberra freer to show the flag in

¹⁰⁰ In his statement, Hasluck did not establish the linkage between China and North Vietnam, which, Porter argued, was the 'fundamental deficiency' in the Australian government's overall interpretation of events in Vietnam. Porter, *Paul Hasluck*, p.246.

¹⁰¹ Containment policy is detailed in George F. Kennan, 'Measures Short of War', in Giles D. Harlow and George C. Maerz, (Editors), *Measures Short of War – the George F. Kennan Lectures at the National War College 1946-47*, National Defense University Press, Washington, 1991, pp.3-20.

¹⁰² Address by Paul Hasluck in Adelaide to the Australia-Asia Association, 2 September 1965, in *CNIA*, Volume 36, September 1965, pp.538-9.

¹⁰³ Minute DEA, Deputy Secretary to Secretary, Report of Conversation between Hasluck and Counsellor US Embassy - 11 February 1965, 12 February 1965, DEA file 3006/4/7 Part 33, CRS A1838/333, NAA; Moreen Dee, 'In Australia's Own Interests. Australian Foreign Policy During Confrontation 1963-1966', *Ph.D. Thesis*, University of New England, 2000, p.274.

¹⁰⁴ Porter, *Paul Hasluck*, p.245.

Vietnam'.¹⁰⁵ Harriman's discussions with Cabinet in June 1963 confirmed that American support for Australia in the event of a major Indonesian attack depended 'partly on Australian support for the American role in Vietnam'.¹⁰⁶ Australia's efforts to secure American involvement in Vietnam throughout 1964 and early 1965 were designed to obtain greater support from the United States in relation to the threat of Confrontation and the subsequent 'defence implications for Australia'.¹⁰⁷ Apparently, these were relatively successful; agreement was reached on the conditions for American logistic support if Indonesian forces attacked Australian forces in Borneo.¹⁰⁸ Concern with Indonesian expansionism, rather than 'with an imminent threat from Communist China, seemed to define the course of Australian policy' on Vietnam.¹⁰⁹

The linkage between Indonesia and Vietnam featured in other government documents. For example, the 1964 briefing note for the Prime Minister on future Army strength and organization suggested that a 55 000 rather than a 33 000 size army 'is required' in order 'to be prepared for a sudden deterioration in relations with Indonesia' rather than for operations in South Vietnam.¹¹⁰ Moreover, in preparation for Cabinet deliberations on the 1964 Strategic Basis, the Prime Minister's briefing note described Indonesia as 'the only direct threat to Australia ... and by implication the problem of dealing with this threat should take priority over others'.¹¹¹ Cabinet eventually agreed the 1964

¹⁰⁵ Barclay's contention is well supported by the warnings delivered to Sukarno through Assistant Secretary of State for Far Eastern Affairs, William Bundy and via Secretary of State, Dean Rusk, who both threatened cancellation of aid and economic assistance if Confrontation was escalated. Glen St. J. Barclay, *Friends in High Places – Australian-American diplomatic relations since 1945*, Oxford University Press, Melbourne, 1985, pp.140-1. Barclay's analysis is based on American correspondence: letter, Rusk to Battle, 7 May 1964, and letter, Rusk to Jones, 9 May 1964, Country File, Australia, LBJ Library, USA.

¹⁰⁶ 'Report of Meeting with Mr. Averell Harriman, Under Secretary of State for Political Affairs, 7th June 1963', CS file C3812, CRS A4940/1, NAA. See also P.J. Edwards, with Gregory Pemberton, *Crises and Commitments. The Politics and Diplomacy of Australia's Involvement in Southeast Asian Conflicts 1948-1965*, Allen & Unwin in association with the Australian War Memorial, Sydney, 1992, p.379.

¹⁰⁷ Thomas-Durell Young noted that Harriman assured Cabinet ministers that the United States 'would "fight to defend" Eastern New Guinea'. Thomas-Durell Young, *Australia, New Zealand, and United States Security Relations, 1951-1986*, Westview Press, Boulder, 1992, Footnote 38, p.53.

¹⁰⁸ Agreement was reached on 17 October 1963, see 'Brief for Minister for Foreign Affairs', Department for Foreign Affairs, June 1975, in J.R. Walsh and G.J. Munster, *Documents of Australian Defence and Foreign Affairs*, Walsh & Munster, Hong Kong, 1980, p.2. It should be noted that supporting documentation has not been released or none found to confirm the veracity of the leaked record of conversation.

¹⁰⁹ G. Pemberton, *All the Way: Australia's Road to Vietnam*, Allen & Unwin, Sydney, 1987, pp.195-213.

¹¹⁰ Briefing Note for Prime Minister, Cabinet Submission 216, 'Army Strength and Organisation', 19 May 1964, CS file C3969, CRS A4940/1, NAA.

¹¹¹ Briefing Note for Prime Minister, Cabinet Submission 493, 'Strategic Basis of Australia's Defence Policy', 4 November 1964, CS file C3640, CRS A4940/1, NAA. The paper was not a normal strategic basis but an updated assessment to inform Cabinet deliberations.

Strategic Basis, which concluded that Indonesia is 'the only direct threat to Australia and its territories' with its objectives to achieve 'regional hegemony' and to 'eliminate [British influences] from the area'. 'Whereas Communist China is engaging American power, Indonesian policy is engaging British and Commonwealth powers'.¹¹²

Australia's forward defence strategy relied on a continuing American presence in East Asia, South East Asia remaining free from communist influence, and ongoing Commonwealth military deployments in Malaysia and Singapore.¹¹³ This, in turn, provided defence in depth for Australia. For this strategy to be successful Hasluck acknowledged that Australia should continue to encourage the American commitment to Vietnam and provide military forces to the conflict; Australia should also continue to support the defence of Malaysia, and undertake all that could be done to encourage Indonesia to become anti-communist. Such an approach satisfied Hasluck's contention that the spectre of communist China pervaded the unrest in East and South East Asia, and containment of Chinese activity through military action in South Vietnam could be moderately achieved.¹¹⁴ Under Hasluck and Menzies, Australian defence requirements directly shaped foreign policy objectives.¹¹⁵

The relationship between the conflicts in Vietnam and Malaysia provoked debate in Cabinet and in the bureaucracy over the priorities for military commitments and expenditure. There was general agreement that the only direct threat to Australia came from Indonesia; yet the military commitment to Vietnam increased over time through a policy which accentuated the notion of 'credit gaining' to secure future American assistance if Australia and its territories were threatened.¹¹⁶ Cabinet agreed that while

¹¹² Cabinet Decision No 592, 'Strategic Basis of Australian Defence Policy', 4 November 1964, CS file C3640, CRS A4940/1, NAA.

¹¹³ Barwick had indicated that Australia should undertake all that is necessary to ensure 'a tranquil area, steadily rising in political and economic strength', in which Australia is accepted as a 'co-operative member of the region, to which indeed we have much to contribute'. Garfield Barwick, 'Australia's Foreign Relations', in J. Wilkes, (Editor), *Australia's Defence and Foreign Policy*, Angus & Robertson, Sydney, 1964, p.16.

¹¹⁴ Ministerial Statement, *CPD*, House of Representatives, Volume 45, 23 March 1965, pp.230-4.

¹¹⁵ Tange later recalled the battles in the 1960s between the Departments of External Affairs and Defence over the relationship of foreign policy to defence policy and suggested that it took the Strategic Basis series of assessments from 1968 onwards to establish a proper connection between Australia's 'self interests' and the manner in which the Australian Defence Force should be structured for combat. Interview Sir Arthur Tange, TRC 2482, July 1989, Oral History Section, NLA, pp.9-11.

¹¹⁶ Prime Minister Holt allegedly remarked that the USA was in Vietnam 'to stay. We will win there and get protection in the South Pacific for a very small insurance premium'. Cited in Peter Howson's diary entry, 19 May 1966, Aitkin, *The Howson Diaries*, p.223.

the threat from Indonesia should take priority in government planning, it was not necessary to incite Indonesia further through the deployment of military forces to Malaysia, especially to oppose Indonesian forces in combat in Borneo. Between September 1963 and January 1965, the Menzies' Cabinet rejected some four British requests to deploy Australian combat troops to Borneo.¹¹⁷ In March 1963 Barwick persuaded Cabinet to 'continue to support the creation of Malaysia and to accept the risk that ... we may cause tension in our relations with Indonesia. Our diplomacy should, however, be directed towards maintaining a firm and friendly attitude towards this country'.¹¹⁸ In September 1963, during discussion of Prime Minister Macmillan's first request for Australia to commit combat troops to Borneo, Cabinet accepted Barwick's argument that Australia should contribute military assistance to the defence of Malaysia, but 'in addition to, and not in substitution for British and Malaysian efforts'.¹¹⁹ The decision effectively ruled out deployment of Australian forces to Borneo in the foreseeable future, 'unless circumstances deteriorated'. The decision also emphasized the government's intentions to 'preserve an effective diplomatic voice with the Indonesian leadership' for as long as possible.¹²⁰ The 'dual nature' of the March Cabinet decision underpinned the September decision; Cabinet supported the new federation of Malaysia, and Australian military opposition to Indonesia would remain 'measured and graduated'.¹²¹ Barwick was mindful that Britain 'would withdraw one day from Southeast Asia, [and] Australia would have to live with Indonesia forever'.¹²² And the 'dual nature' of the policy approach molded Australia's policy relationship with

¹¹⁷ There were at least four official requests communicated to Canberra that were discussed in Cabinet. Additional military requests were processed through the military command chain. Chin Kin Wah, *The Defence of Malaysia and Singapore. The transformation of a security system 1957-1971*, Cambridge University Press, Cambridge, 1983, pp.82-101, and Tom Pollock, *Fighting General: Public and Private Campaigns of General Sir Walter Walker*, Collins, London, 1973, pp.177-8, 195. See also Letter, Rear Admiral O.H. Becher, Australian Joint Services Staff London to Secretary, Department of Defence, 6 December 1963, PM file 1965/6154 Part 1, CRS A1209/80; Cablegram 95, Kuala Lumpur to Canberra, 10 December 1963, PM file 64/6040 Part 1, CRS A1209/80; and Cabinet Decision No.3 (FAD), 'Military Implications for Australia of the Malaysian Situation', 19 December 1963, CS file C1473, CRS A4940/1, NAA.

¹¹⁸ Cabinet Decision 675, 'Military Support for Malaysia', 5 March 1963, CS file C3640, CRS A4940/1, NAA.

¹¹⁹ Cabinet Decision 1040, 'Prime Minister's Statement on Malaysia', 24 September 1963, Defence file 245/3/4, CRS A1945/40, NAA.

¹²⁰ Minute, Chairman, Chiefs of Staffs Committee to Secretary, Defence, 7 January 1964, Defence file 245/3/7, CRS A1945/40, NAA. See also Dee, 'In Australia's Own Interests', pp.213-6.

¹²¹ *Ibid.*, p.185; Cablegram 5286, Barwick to Sir Eric Harrison, Australian High Commissioner London, 16 December 1963, DEA file 270/1/1, CRS A1838/2, NAA.

¹²² Sir Garfield Barwick, *A Radical Tory – Garfield Barwick's Reflections and Recollections*, The Federation Press, Annandale, 1995, pp.178-9. See also Marr, *Barwick*, pp.196-8; and G Woodard, 'Best

Indonesia, a policy which had emerged earlier from the West New Guinea dispute when the Menzies government decided in 1962 to place the Indonesian relationship ahead of independence for West Papuans.¹²³

As a member of Cabinet and later as Minister for Defence, Hasluck participated in Cabinet discussions on Indonesia and supported Barwick's approach.¹²⁴ Early after his appointment as Minister for External Affairs, he visited Indonesia for consultations with Sukarno, Subandrio and Nasution as part of a wider South East Asian familiarization tour. Confrontation and the deployment of Australian military forces to Malaysia did not inhibit his visiting Jakarta; maintaining diplomatic contact was an important element of Australia's 'dual' policy on Indonesia.¹²⁵ In Jakarta he took every opportunity to meet with as many Indonesian leaders as possible, as well as with other Jakarta-based diplomats, and his discussions confirmed that there was no immediate requirement to alter policy on Indonesia. He reported to Menzies:

The words, actions and policies of Indonesia are in many ways shaped by motives peculiar to themselves. This means that it is doubtful whether there is any prospect of gaining a response to an approach that relies on them being 'reasonable' or to see their own self-interest in the way that we might see it ... We certainly have to accustom ourselves to the idea that there may be more feeling than reason in their foreign policy ... The best we might do is to modify his [Sukarno's] conduct and perhaps reach a workable but constantly changing relationship through some rough kind of personal understanding, being frank and even blunt about our interests but understanding of his.¹²⁶

Hasluck's attitude gave the appearance of confidence, but skepticism remained. During discussions with Dean Rusk and Robert McNamara in Washington in July 1964, he introduced the subject of Confrontation by admitting that 'Australia felt itself under a deep obligation towards the United States not to trigger off the ANZUS commitment of

Practice in Australia's Foreign Policy: Konfrontasi', *Australian Journal of Political Science*, Volume 33, Number 1, 1998, pp.85-99.

¹²³ See Chapter 2.

¹²⁴ Hasluck was Minister for Defence for some four months (18 December 1963 - 24 April 1964) and was privy to Cabinet discussion on Indonesia and Confrontation. His previous appointment as Minister for Territories (11 May 1951 - 17 December 1963) coincided with the West New Guinea dispute.

¹²⁵ Hasluck travelled to London to attend the Commonwealth Prime Ministers' Conference and to Washington for the ANZUS Council meeting 17-18 July 1964 as well as participating in private discussions with United States officials.

¹²⁶ Letter, Hasluck to Menzies, 8 June 1964, DEA file 3034/10/1 Part 21, CRS A1838/280. See also Cablegram 716, Hasluck to Menzies, 16 June 1964, CS file C3811, CRS A4940/1, NAA.

the US without prior consultation'.¹²⁷ He mused that 'it was quite clear that nobody could have faith in Sukarno or in undertakings he might give', and he emphasized that Australia had 'no wish to be an aggressor and had no designs whatsoever on Indonesian territory', adding that 'patience would have to be exercised by the British'. He confessed that 'he was genuinely puzzled in his own mind [on] what should be done'.¹²⁸ He remained committed, however, to a graduated response and during the remainder of 1964 was able to convince Cabinet not to agree to British requests for Australian combat troops to be deployed to Borneo.

The impact that Hasluck, and his predecessor, had in Cabinet deliberations indicated a more independent line than that which was emanating from the bureaucracy.¹²⁹ The extent of policy differences between the major departments and Cabinet can be gauged by the concerns of Sir John Bunting, the Cabinet Secretary, which he expressed to the Prime Minister in July 1964:

I feel that I have noted, partly from views orally expressed by the Minister for External Affairs, partly from his recent letters to you, and partly from comments by other ministers around the Cabinet table, a trend away from full support for Malaysia. Perhaps I could mention a couple of things in my mind. Mr. Hasluck's letter (21 July) puts the view that on Malaysia we may have to walk a fine edge and not become ourselves as extreme in our declarations as a large section of the Australian public might wish. Then he adds we need to do enough to check Indonesian Confrontation and maintain the independence of Malaysia, but not so much as to make an enemy of Indonesia. Our clear purpose is to preserve Malaysia and prevent aggression from succeeding, but we have no other reason for making war on Indonesia ... I could go on. I feel that our readiness to assist Vietnam is in some degree not much more than an exercise to do less in Malaysia. I think that a recent view, put in the Cabinet committee, that we should concentrate on aiding Malaysia in the economic and social fields is at least partly a device for turning away requests on the military side. I would be glad to find that I am mistaken in the way I read the atmosphere, but I do not feel that I am. But I feel that unless you as Prime Minister take steps to renew our position of firm support for Malaysia, it will dwindle, become ambiguous, and in due

¹²⁷ Hasluck's reference to the ANZUS commitment followed government to government conversation between Rusk, Harriman, Barwick, Menzies and Kennedy, over the circumstances that the United States would assist Australian forces deployed against Indonesia under ANZUS. The issue reached political heights through Barwick's 'on-the-run' press conference at Mascot in April 1964 and through Under Secretary for State, W. Averill Harriman's amended comments to Cabinet in 1964. These incidents are well covered in Dee's thesis. Dee, 'In Australia's Own Interests', pp.197-214. For detail on discussions, see records of conversation with Dean Rusk and Robert McNamara, 16 July 1964, CS file C4040, CRS A4940/1, NAA. For detail of Barwick's press conference at Mascot, see *The Bulletin*, 2 May 1964, p.11.

¹²⁸ Hasluck requested that his comments were not to be communicated to the British and the Malaysians. Record of conversation, 16 July 1964, CS file C4040, CRS A4940/1, NAA.

¹²⁹ Dee, 'In Australia's Own Interests', pp.119-51.

course be forgotten. I have developed this minute in so personal a fashion that I think we must now agree to keep it private between you and me.¹³⁰

The note displays elements of intimacy, presumption and criticism of recent Cabinet deliberations.¹³¹ Hasluck was not alone in his views that more direct military effort was required for South Vietnam than for Malaysia. In mid-1964 the military situation in Malaysia did not warrant additional military effort 'ahead of need'; and, as noted by Bunting, most other ministers agreed with Hasluck. Under the circumstances Hasluck argued that the government should accept public criticism in not providing more military assistance to Malaysia in order that the long-term nature of the relationship with Indonesia should not be unduly disturbed.¹³² In accepting public criticism, the government had redefined the importance of the linkages between public opinion and policy-making on Indonesia. This was a significant moment in the history of the relationship; a disconnection carried with it the inherent consequences of insufficient public support; and Hasluck was gambling on the Australian public accepting the benefits of an anti-communist government in Jakarta.¹³³

Hasluck was an acknowledged agnostic and humanist. Born of parents, who were officers of the Salvation Army, he carried the moral purpose of their vocation - the spiritual and physical reformation of all who need it and the reclamation of the dissolute and degraded; and the concept of duty and obligation manifested into enduring features of his personality and attitude to public service.¹³⁴ He approached the complexity of developing a security policy for Australia in a distinctive and similar fashion of his predecessors who had practised foreign policy on 'principle and practical interest' with

¹³⁰ Personal Note, E. J. Bunting to Prime Minister, 4 August 1964, CS file C4025, CRS A4940/1, NAA.

¹³¹ For a detailed explanation of Bunting's approach to Cabinet Government, see Sir John Bunting, *R.G. Menzies - A Portrait*, Allen & Unwin, North Sydney, 1988, pp. xii, 64-95.

¹³² Dee argued that most of the Cabinet were of the view that 'too heavy an involvement in Malaysia would increase the defence program and affect economic objectives and that appeasement of Indonesia would provide the buffer Hasluck sought against China'. Dee, 'In Australia's Own Interests', pp.206, 232, 274.

¹³³ Interview Sir Allen Fairhall, 24 July 2000.

¹³⁴ When Minister for Territories during 1951- 1963, Hasluck did 'a great deal to lay a sound basis for a more enlightened and compassionate policy approach to Aboriginal administration'. See Porter, *Paul Hasluck*, pp.8, 9, 193-221, in particular pp.218-21. See also A. Healy, 'A Time for Building-Australian Administration in Papua and New Guinea, 1951-1963. By Paul Hasluck', *The Journal of Pacific History*, Volume 13, Part 1, 1978; and I. Willis, 'P.M.C. Hasluck, A Time for Building: Australian Administration in Papua and New Guinea 1951-1963', *Labour History*, Number 32, May 1977. See also the comments of his son, Nicholas Hasluck, on the influence of religion on Paul Hasluck, in Hasluck, *The Chance of Politics*, p.19.

‘consistency and dexterity’.¹³⁵ The issue of human rights, however, was perceived to be a by-product of war and economics, and not an immediate objective in itself:

We see the reality of people suffering [in Asia] because they have no opportunity for applying themselves to the normal business of living and of improving their physical lot but must be perpetually on the guard against violence. We see the present diversion to war of resources that should be applied to meet the great need for rehabilitation and reconstruction.¹³⁶

Hasluck finally responded to a question on notice on the anti-PKI purges in the House of Representatives on 16 March 1966, nearly five months after the start of the purge, offering no criticism or admonishment, but merely repeating the stated position of the Indonesian government:

In January President Sukarno announced that, according to the official Indonesian Fact Finding Mission which was set up to investigate the events after the abortive communist coup on 30 September last year, the total number killed was 87,000. Other reports have mentioned larger figures, but there is no way open to the Government to confirm or deny definitely any of these reports.¹³⁷

To be sure, the ideological shadows of the Cold War permeated the government’s rhetoric. The defeat of communism in Indonesia was sufficiently a popular sentiment to enable Holt to remark, almost disdainfully, to a New York audience in July 1966 that ‘with 500 000 to 1 000 000 Communist sympathisers knocked off, I think it is safe to assume a reorientation has taken place’.¹³⁸ The variation in the numbers reportedly killed - 87 000, 500 000 or 1 000 000 - did not matter in political terms; what was important for Holt and Hasluck was the continued success of the new anti-communist government in Jakarta. When criticism of the massacres arose from time to time, the government’s response was therefore predicated on its tolerance of the New Order

¹³⁵ Gordon Greenwood, ‘Australian Foreign Policy in Action’, in Gordon Greenwood and Norman Harper, Editors, *Australia in World Affairs 1961-1965*, the Australian Institute of International Affairs, Sydney, 1968, pp.35-7, 103-12.

¹³⁶ Address by Paul Hasluck in Adelaide, 2 September 1965, in *CNIA*, Volume 36, September 1965, p.539. In 1977 he would espouse a different contiguous theme of liberty and the inequalities between ‘men’, that ‘the true demand for liberty becomes the very essential’ of individual rights and ‘the essentials of the ideal democracy’. These thoughts echoed an essay he wrote in 1935. Such virtues were not always apparent in his encouragement and support of the New Order in Indonesia. Paul Hasluck, *Mucking About - An Autobiography*, Melbourne University Press, Melbourne, 1977, pp.275-6.

¹³⁷ Question on Notice Number 1574, *CPD*, House of Representatives, Volume 50, 16 March 1966, p.345.

¹³⁸ *The New York Times*, 6 July 1966, cited in Scott Burchill, ‘East Timor, Australia and Indonesia’, in Damien Kingsbury, (Editor), *Guns Ballot Boxes: East Timor’s Vote for Independence*, Monash Asia Institute, Melbourne, 2000, p.171.

government and seemingly indifferent to the human rights abuses.¹³⁹ Hasluck invariably responded, using similar logic and language to answer his questioners:

I am reluctant to comment on the domestic affairs of another government, but I believe it is important that the matters you have raised should be seen in their context in recent Indonesia history. On 1st October 1965 a number of senior Army officers were brutally murdered as part of an attempted coup. The Indonesian government then put down an insurrection which had been planned to take place on a national scale immediately afterward. In conditions of near civil war in the months following, considerable loss of life occurred. After the attempted coup, an unknown number of persons believed to have been implicated in it were imprisoned in Indonesia. Some of these prisoners have subsequently been released and a number have faced public trials. I am aware of reports that persons still in prison are receiving inadequate food and medical assistance. I confine myself to expressing the strong hope of the Australian Government that the efforts of the present Government in Indonesia, supported by external assistance, will improve economic and social standards and bring about stable conditions throughout the country so that violence and political upheaval can become a thing of the past.¹⁴⁰

POST-COUP MILITARY OPERATIONS IN BORNEO

On 12 November 1965, Shann reported an overture from the Indonesian army to reduce military activity in Borneo. If the British were able to coordinate a reduction in patrolling, ambushing and cross-border operations, then ‘Sukarno and Subandrio would not have further reasons to dispatch [additional] army troops to face the NEKOLIM’. By inference, these troops would continue to be available to carry out anti-PKI activities, and other troops, currently deployed in Borneo, could be re-deployed to Java. Shann added that ‘the stakes we are playing for in relation to Chinese influence here are pretty high at the moment and we must take a few risks’.¹⁴¹ Unknown to Shann, discussions had already been initiated between the British and the Malaysians, and between Indonesia and Britain. The Malaysian Deputy Prime Minister and Minister for Defence Razak appreciated that the Indonesian army activity to reclaim political control in Java could be supported by signaling to the Indonesians that they could quietly

¹³⁹ In October 1966 Professor Julius Stone’s public plea to the government to ‘do something’ about the purge was not publicly acknowledged. ‘Academics call for end to Indonesia bloodshed’, *The Australian*, 19 October 1966, p.3.

¹⁴⁰ Letters from the Minister for External Affairs to the National Secretary of the Communist Party of Australia 16 August 1968, to the Secretary of the Trades and Labor Council of Queensland 16 August 1968, and to the Secretary Federated Moulders (Metals) Union of Australia (Brisbane Branch) 22 August 1968, were of a standard format. See PM file 63/6797, CRS A1209/95, NAA.

¹⁴¹ Cablegram 1382, Shann to Canberra, 12 November 1965, PM file 65/6674 Part 2, CRS A1209/85, NAA.

withdraw units from Borneo 'for duties elsewhere without risk'. It was accepted that a gesture to assist the army during this period might lead to early negotiations on the ending of Confrontation. Razak, like Shann, was unaware that General Nasution had already obtained an assurance of good intentions from the British who promised not to expand offensive operations. After consultations amongst the United States, Australia and Britain, it was agreed that additional arrangements 'could be misinterpreted', even though there was general acknowledgement that Indonesian army success against the communists was 'very important'.¹⁴²

What 'could be misinterpreted'? From the political perspective, there were a number of unknowns throughout the post-coup period. The period saw Sukarno and Subandrio continue the rhetoric and policy of Confrontation while they attempted unsuccessfully to shore up their crumbling power base.¹⁴³ By March 1966 Suharto had assumed full executive power within the moderate triumvirate of Adam Malik (Foreign Minister) and the Sultan of Jogjakarta (Economic Minister) and himself. The new leadership, faced with a 'populace long nurtured on Confrontation, had to move cautiously'. Sukarno lingered on as head of state, and the new leadership, wishing to avoid a public showdown with the President, preferred to work through him.¹⁴⁴ While political prospects for an end to Confrontation were improving, there were few advantages in adjusting the military approach until the new leadership was firmly in control. The military perspective was equally unclear. Indonesian military activity had not sufficiently declined to give confidence to the operational staffs in Borneo that the Indonesian army was less committed to its role against Malaysia. A dominant military regime is likely to result in greater, not less, efficiency in the pursuit of military objectives, and Indonesia had increased its military forces on the Borneo border throughout 1964 and, to a lesser extent, during the first half of 1965. After the coup, Indonesian military operations abated but there were occasional skirmishes that

¹⁴² Cablegram 1153, Canberra to Shann, 5 November 1965, PM file 65/6674 Part 2, CRS A1209/85, NAA. The cablegram summarized the Razak initiative and was dispatched to Jakarta before Shann had sent his Cablegram 1382 of 12 November 1965. The delay in cablegram traffic meant that the cablegrams crossed, which caused Shann to be rebuked by DEA for exceeding his authority in suggesting to the Indonesian army that Australia would support the second initiative.

¹⁴³ For a description of Indonesia's internal power politics during the post-coup period, see Damein Kingsbury, *The Politics of Indonesia*, Oxford University Press, Melbourne, 1998, Chapter 4; Schwarz, *A Nation in Waiting*, Chapters 2 and 3.

¹⁴⁴ Chin Kin Wah, *The Defence of Malaysia and Singapore. The transformation of a security system 1957-1971*, p.118.

reinforced military doubt that Indonesian army units would be re-deployed to central Java.¹⁴⁵ Under the circumstances, promising not to increase offensive operations was a less risky and sufficient military policy. Moreover, the element of contretemps seems always to be present during times of military restraint and diplomatic activity. In November 1965 the survey ship, HMAS *Moresby*, steamed through the Sunda Strait towards Singapore, causing British warships of the Far East Fleet to be placed on alert and ‘provoking a possible Indonesian reaction’. Later in the month, a RAAF Caribou through poor navigation flew over the West Irian border, causing the Department of External Affairs to initiate urgent consultations with Indonesia.¹⁴⁶

Military operations, however, continued in Borneo and included Claret cross-border operations into Kalimantan until March 1966 when, in response to the start of negotiations between Malaysia and Indonesia, military authorities placed formal restrictions on Claret activities.¹⁴⁷ The Fourth Battalion of the Royal Australian Regiment deployed to Sarawak in April 1966 and remained there until August, participating in six Claret operations and some 30 combat ‘incidents’.¹⁴⁸ On 15 June 1966, the last major action occurred between Australian and Indonesian armed forces. Confrontation had resulted in 16 Australian Army personnel who died while on or from active service.¹⁴⁹

¹⁴⁵ For example, on 29 October 1965 an Indonesian air attack was launched on a village in Borneo, followed by at least three further air infringements in the same area. Note to Cabinet Secretary, 30 October 1965, PM file 64/6814, CRS A1209/85, NAA. Military ‘incidents’, including Australian military deaths, are summarized in Dennis and Grey, *Emergency and Confrontation*, Appendix D.

¹⁴⁶ Cablegram 34892, Jakarta to Canberra, 2 November 1965, PM file 63/6642, CRS A1209/80, NAA. When questioned why the ship had to go to Singapore, the Chief of Navy Staff stated ‘to let the crew do their Christmas shopping’; see Aitkin, *The Howson Diaries*, p.188. The movement of ships through the Indonesian archipelagic waters remains a strategic and international issue. In September 1964 the aircraft carrier, HMS *Victorious*, was refused northward passage through the Sunda Strait to Singapore, resulting in a British and Indonesian military alert. Hasluck cabled London to inform British authorities that ‘Australia did not want to be precipitated into any new situation’ without prior consultation on the movement of HMS *Victorious*. Cablegram 4345, Canberra to London, 9 September 1964, PM file M120, CRS A2908/1, NAA. Almost one year later, Australia caused Britain similar anxiety through the HMAS *Moresby* incident.

¹⁴⁷ For Australian participation in Claret operations see Dennis and Grey, *Emergency and Confrontation*, pp.246-7, 271-81, 304, 321, 333-4, 336; David Horner, ‘The Australian Army and “Confrontation”’, *Australian Outlook*, Volume 43, Number 1, April 1989, pp.61-76. For the British perspective on Claret operations, see Pollock, *Fighting General*, pp.194-207, and P. Dickens, *SAS Jungle Frontier- 22 Special Air Service Regiment in the Borneo Campaign 1963-1966*, Arms and Armour, London, 1983.

¹⁴⁸ The Australian government announced the withdrawal of 2nd SAS Squadron from Borneo on 24 July 1966. Christopher Forsyth, ‘SAS men will not be replaced in Sarawak’, *The Australian*, 25 July 1966, p.1.

THE WIND HAD CHANGED

Hasluck's first comprehensive statement on Indonesia was delivered in the House of Representatives on 10 March 1966, nearly six months after the coup. Diplomatic and intelligence reports confirmed the new leadership in Jakarta had brought with it new priorities; domestic issues were accorded importance over foreign ventures; and, Confrontation was 'no longer relevant'.¹⁵⁰ Sukarno's 'revolution' was over, replaced with an internal focus on consolidation through the ongoing anti-PKI purge and on economic reform to 'rein in' inflation, renegotiate foreign debt repayments and re-order government expenditure. Rehabilitation had replaced Sukarno's revolution.¹⁵¹

Nevertheless, Hasluck continued to be cautious; departmental advice suggested that the New Order was still 'the old, less Sukarno's direct influence and less the PKI', and Indonesia's foreign policy remained anti-imperialist and anti-colonial in tone.¹⁵² Time was needed. Embassy reporting confirmed the demise of the PKI and signaled the end of what influence China had in Indonesia. Hasluck used the opportunity of the March statement to present his perception of China's capacity to interfere in a country's domestic politics, and by inference, China's influence throughout East Asia:

The situation [in Indonesia] is in truth still fluid that it would be neither prudent nor helpful for me to engage in comment or speculation about it. It has been noteworthy that most countries, like Australia, have recognized that this is a domestic crisis. We have been circumspect in our comments on it, as have most other countries. The notable exception has been the Communist regime in Peking which, under considerable suspicion of involvement in the abortive coup of last September, has been aggressively outspoken and partisan about the in seeking to influence openly the course of internal political developments within Indonesia. We, in this country ... should take careful note of the light thrown on the conduct and motivation of Peking's external policies, including its readiness whole situation ever since. Peking has used its considerable resources of propaganda to interfere in the domestic policies of other governments ... Unfortunately, in Indonesia the past few months have also seen continuing deterioration of the

¹⁴⁹ During the contact, two Australian soldiers were wounded, one later died of wounds. Dennis and Grey, *Emergency and Confrontation*, pp.292-4, 338.

¹⁵⁰ For example, Cablegram 7, Shann to Canberra, 6 January 1966, PM file 65/6674 Part 2, CRS A1209/85, NAA. See also Mochtar Lubis, 'Report from Indonesia', *Current Affairs Bulletin*, Volume 14, 1 January 1968, pp.42-8.

¹⁵¹ DEA Minute, First Assistant Secretary to Minister, 18 May 1966, DEA file 752/2/2 Part 5, CRS A1838/2, NAA. For further detail of the domestic changes in Indonesia during this period, see Hal Hill, *The Indonesian Economy Since 1966: South East Asia's Emerging Giant*, Cambridge University Press, Melbourne, 1996, pp.1-8.

¹⁵² 'Working Paper on Indonesia', 25 August 1966, DEA file 3034/10/1 Part 28, CRS A1838/280, NAA.

economic situation, with the erosion of capital assets, the running down of foreign exchange and accumulation of debts, problems of credit and stagnating production.¹⁵³

In the following week he was able to inform his Cabinet colleagues that ‘effective power’ was now in the hands of ‘General Suharto and his associates’.¹⁵⁴ Suharto had showed political skills in confronting President Sukarno indirectly, in the non-personal way of a ‘true and patient Javanese’. He sanctioned the removal of the PKI’s influence in a manner that was ‘not always peaceful’; he endured the activities of the President who was attempting to re-gather political authority; he waited while Sukarno’s presidential authority diminished through Sukarno’s ‘flirting with the PKI’, his refusal to ban the PKI, and his ‘possible involvement in the events of 30 September [which] were taking their toll on his reputation’. Suharto and Sukarno shared common mystical inclinations; and Suharto became identified with the Javanese hero, Wrekudara the warrior, who preferred to walk to battle rather than ride in a chariot.¹⁵⁵ Like Wrekudara, Suharto seemed unafraid of the time element in human affairs; he used time to diminish the power of the leader, whilst ‘preserving national unity’ in a diverse culture that the President had come to represent. ‘How [does one] isolate and sustain a portion of a nation’s identity and obliterate the remainder?’ one journalist queried. Suharto was dealing with an Indonesia that remained ‘a difficult and touchy animal, still sensitive to past attitudes and national, political and cultural conditioning’.¹⁵⁶ The Indonesian Cabinet meeting at the Presidential Palace on 11 March 1966 became the time and place when the President finally commissioned Suharto ‘to take all measures considered necessary to guarantee security, calm and stability of the government and the revolution’.¹⁵⁷ While Sukarno nominally remained president, 11 March 1966 saw the end of Guided Democracy, the end of the Sukarno regime, and the beginning of the New Order period.

Hasluck dutifully reported to Parliament, forever judicious in his prognosis:

¹⁵³ Ministerial Statement, *CPD*, House of Representatives, Volume 50, 10 March 1966, pp.172-82; *CNIA*, Volume 37, March 1966, pp.122, 132-5.

¹⁵⁴ Cabinet Decision 86, ‘Indonesia- Without Memorandum’, 15 March 1966, CS file C1943, CRS A4940/1, NAA.

¹⁵⁵ ‘Suharto – the patient man of Jakarta’, *The Australian*, 14 March 1967, p.9.

¹⁵⁶ Peter Hastings, ‘Indonesia – what now?’, *The Australian*, 20 September 1966, p.11. See also Murray Marder, ‘Indonesian policy also standing trial’, *The Australian*, 5 October 1966, p.5.

The recent events in Indonesia have ... a conclusion and I think it is a little early for us to make any pronouncements about the nature of change or the possible outcome. I would make only two or three simple points. The first is that all the published statements, appeals or declarations made by the new Government have still been made in the name of President Sukarno who, in terms of these announcements, is still the effective head of power in Indonesia. Secondly, the announcements have called on General Suharto to protect the Indonesian revolution. They have affirmed or reaffirmed the views that have been expressed by President Sukarno for some time about the maintenance of what the Indonesians describe as anti-colonialism. There has been no indication of any intention to diminish or end the attempts to crush Malaysia ... There is a strong anti-Communist element in this change. The Indonesian Communist Party, or PKI, has been banned and other political parties have been warned not to admit to their ranks former members of that Party ... Another point that I would make is that the public pronouncements of the new Government have also admitted the seriousness of the internal economic situation in Indonesia and have shown some sort of intention to try to deal more resolutely with that problem.¹⁵⁸

On the issue of the ending of Confrontation, Hasluck counseled 'against drawing too readily any conclusions about the external aims of the Indonesian Government', although there were some in the Australian Ministry who concluded that 'Indonesia is likely to refrain from active Confrontation for some months'.¹⁵⁹ Hasluck still remained cautious, unsure of the intentions of the new leadership while Sukarno's influence, as Head of State, was difficult to evaluate.¹⁶⁰ Therefore, in Hasluck's view, it would be safer to continue to play the 'waiting game' until events in Jakarta provided more clarity.¹⁶¹

Later, in April 1966 during his farewell call with Suharto, Shann was assured that Confrontation would end 'as soon as practicable'.¹⁶² Yet Indonesian statements during

¹⁵⁷ Crouch described the day's events as 'the disguised coup of 11 March', in Crouch, *The Army and Politics in Indonesia (revised edition)*, pp.190-1. See also Parsons, *South East Asian Days*, p.63 and Schwarz, *A Nation in Waiting*, p.26.

¹⁵⁸ Ministerial Statement, CPD, House of Representatives, Volume 50, 17 March 1966, p.351.

¹⁵⁹ *Ibid.* Howson's diary entry, 28 November 1965, Aitkin, *The Howson Diaries*, p.189. Howson noted that 'if a diversion is required to stop peasants thinking of their own troubles, anti-Chinese is more likely. Moslems could come out on top with the army'.

¹⁶⁰ In formal terms, the struggle for power between Sukarno and Suharto continued for almost 18 months until the People's Consultative Assembly (MPR) removed Sukarno from the presidency in March 1967. He remained under house arrest until he died in 1970. See Kingsbury, *The Politics of Indonesia*, pp.65-7.

¹⁶¹ Hasluck had been warned by his department to be cautious about the intentions of the Indonesian army 'which quickly fell into corruption when it was given control of the Dutch estates'. 'If Malik were in control we could have some confidence ... But one Malik does not make a regime'. 'Working Paper on Indonesia', 25 August 1966, DEA file 3034/10/1 Part 28, CRS A1838/280, NAA.

¹⁶² Interview Sir Keith Shann, 1985, Oral TRC 1857, Oral History Section, NLA, p.201. Shann was replaced by H. M. Loveday who remained in the appointment until 7 March 1969.

April and May showed little departure from the previous rhetoric on Confrontation.¹⁶³ Indonesian military activities in Borneo continued intermittently, while the six meetings between Malaysia and Indonesian officials, sometimes secretly held, eventually led to the Razak-Malik Bangkok Accord and to the end of Confrontation on 11 August 1966.¹⁶⁴ Hasluck cabled Holt from Jakarta that ‘the formal ending of Confrontation this week ... may well be a prelude to Malaysian and Indonesian friendship, perhaps even an emotional closeness’. He also reported that ‘perhaps the most hopeful fact is that the break with Peking is complete’ although ‘politically [the Indonesians] have undergone no change of the semi-mystical and basically undemocratic ideas’. Hasluck suggested that the armed forces will certainly be relied upon for political stability ‘for some time to come’ and ‘this factor as well as vested interests means that one political measure they will not undertake will be the cutting down of military expenditure’. Hasluck also reported that Suharto did not want the Australian Prime Minister to visit Indonesia in the current circumstances.¹⁶⁵

On his return to Australia, Hasluck accounted the success of the Bangkok Accord and declared that the Accord contained important elements anticipated in September 1965: a face-saving settlement involving ‘the promise of an eventual act of reascertainment in Sabah and Sarawak’, and a ‘measure of Indonesian victory’.¹⁶⁶ He opined that Indonesia’s future as a viable nation is ‘in peril unless there is considerable improvement ... in creating an effective government and economy ... A new Cabinet Submission on economic aid to Indonesia would soon be lodged for discussion’.¹⁶⁷

¹⁶³ On 17 May 1966, Foreign Minister Malik ‘chose an interview’ with Radio Australia to signal the New Order was ready to end Confrontation. Cablegram 504, Canberra to selected posts, 19 May 1966, DEA file JA1966/05T, CRS A6364/4, NAA. See also Inglis, *This is the ABC*, p.265.

¹⁶⁴ Chin Kin Wah, *The Defence of Malaysia and Singapore – The transformation of a security system 1957-1971*, pp.119-20. The terms of the agreement remained secret, pending the reaffirmation of the peoples of Sabah and Sarawak, see Cablegram 837, Bangkok to Canberra, 1 June 1966, DEA file 3006/4/7, CRS A1838/227, NAA. Peter Howson wrote in his diary on 1 May 1965 that ‘Confrontation is decreasing in intensity’, Aitkin, *The Howson Diaries*, p.219.

¹⁶⁵ Hasluck fortuitously visited Jakarta from 8-10 August to meet with Adam Malik and was briefed on the success of the Bangkok Accord. Holt had already visited South Vietnam, Thailand, Malaysia and Singapore in the April/May 1966 period and had sought an invitation to visit Indonesia to complete visits to South East Asia. Cablegram 974, Hasluck to Holt, 10 August 1966, PM file 66/7507, CRS A1209/39; and Summary Record of Meeting Hasluck and Malik, 9 August 1966, DEA file 3034/10/1 Part 28, CRS A1838/280, NAA.

¹⁶⁶ Briefing Paper, ‘Likely Political Developments in Indonesia in the Event of Sukarno’s Death within the Next Few Weeks’, 26 September 1965, DEA 3034/10/1 Part 26, CRS A1838/280, NAA.

¹⁶⁷ Penscript Notes on Cabinet meeting, 15 March 1966, CS file C4095, CRS A4940/1, NAA. The Submission was developed in accordance with the short-term policy paper of November 1965. Cabinet Submission 215, ‘Aid to Indonesia’, 26 May 1966, CS file C4095, CRS A4940/1, NAA.

There were, however, signs that Indonesian New Order politics, like a shadow play, remained the child of duality and ambiguity. Secretary to the Department of Defence, Sir Edwin Hicks, briefed British officials that Indonesia was 'badly in need of economic assistance'. 'They might receive \$US500m from exports but needed \$US650m to balance their budget'; Indonesia needed 'food – some 250 000 tons of rice within the next few months and an equivalent amount for 1967: of this they had about 70 000 tons in sight'. Indonesia needed wealthy friends 'who were prepared to act surreptitiously; any open sign of Western support would be disastrous for the new regime'.¹⁶⁸ Ambiguity remained in spite of the need to address more forthrightly those economic circumstances that could weaken the cohesion of the republic. Holt was briefed that Australia should:

continue to maintain credible defence associations with Malaysia and Singapore and that we will at the same time maintain a vigorous policy of friendship towards Indonesia. The two prongs of this approach are necessary if we are to ensure that the situation does not lapse back to confrontation ... Indonesia is facing a very critical time. We have an anti-Communist Government, somewhat corrupt and slowly being discredited by the aftermath of economic mismanagement of the Sukarno regime.¹⁶⁹

The end of Confrontation established the political circumstances in which the Australian government could now assist in constructing social and economic aid programs to bolster Indonesia's national cohesion. Indonesia's national cohesion remained important to regional stability; regional stability promoted regional security; and regional security underpinned Australia's forward defence strategy. Australian security thinking, however, acknowledged that a forward defence strategy made little sense if application of the strategy did not include United States and British military support.

BRITISH WITHDRAWAL EAST OF SUEZ

The provisional decision by the newly elected Wilson Labour government to cut planned defence expenditure in the 1969-70 period from £2400 million to £2000 million resulted in the decision to reduce Britain's military role in Asia. The subsequent British Defence White Papers of 1965 and 1966 identified the scale of commitments 'East of

¹⁶⁸ Secretary of Defence Sir Edwin Hicks' briefing to the British Chiefs of Staff Committee on 19 April 1966, DEA file 287/3/22 Part 3, CRS A1838, NAA.

¹⁶⁹ Undated Briefing Note to Holt on Joint Submission No 8, 'Australia's Role in Asian Security', August 1966, CS file C4626, CRS A4940/1, NAA.

Suez' as unaffordable within the context of the target figure of £2000 million. Defence expenditure for the Malaysian-Singapore region, including the British Far East Fleet, accounted for an annual budget of £255 million of which over a third was paid in foreign exchange. The net annual saving would only be £5 million once Confrontation ended. The only conclusion that could be made was for Britain to withdraw all rather than a part of its total military force from the area if other arrangements or savings could not be found.¹⁷⁰

Defence Minister Healey's visit to Canberra in early February 1966 did little to clarify Britain's plans. The Australian Cabinet was first alerted to doubts on future British intentions in 1962.¹⁷¹ The general proposal was confirmed in discussions between Wilson and Menzies in July 1965 and from subsequent correspondence between the two prime ministers in September 1965. More detail became available from British briefings at the Pentagon in December 1965.¹⁷² Menzies' initial reaction was somewhat strident and forthright at Wilson's intimation of a British withdrawal. He protested that Britain was now 'acceding to' most of Indonesia's prime Confrontation objectives: to remove foreign military 'bases from the area', diffuse British influence and 'to restore Sabah and Sarawak to isolation'.¹⁷³ Wilson did not seek to counter Menzies' criticism, preferring to rely on Healey's visit to allay Australian suspicions; Healey's main task was to outline to Australia and New Zealand the preliminary ideas of the British defence review that projected force reductions from 1970. The major assumption to the projected economies was the ending of Confrontation by 1970, which would provide the justification of the reduction in the additional effort no longer required in the post-Confrontation period. The remaining forces, though smaller and well equipped, could

¹⁷⁰ This exacerbated Britain's balance of payments problems. Gross military expenditure overseas, including defence aid, was running at about £350 million a year, or nearly half of the established 1964 deficit on current and capital accounts. P. Darby, 'East of Suez Reassessed' in J. Baylis (Editor), *British Defence Policy in a Changing World*, Croom Helm, London, 1977, pp.286-7.

¹⁷¹ This point is discussed in Cabinet Submission 107, 'Strategic Basis of Australian Defence Policy-1971', 19 May 1971, CS file C470 Part 2, CRS A5619, NAA, p.1.

¹⁷² Darby, 'East of Suez', p.286. See also Letter, Wilson to Menzies, 25 September 1965 in which detail of July 1965 discussions are contained, and Cabinet Submission 283, 'British Presence in South East Asia', 24 May 1967, PM file C4279, CRS A4940/1; Cabinet Decision 3(FAD), 'British Defence Review-Without Memorandum', 26 January 1966, PM file C4275, CRS A4941/2; and Cabinet Decision 33(FAD), 'British Defence Review-Without Memorandum', 30 January 1966, PM file C4279, CRS A4941/2, NAA.

¹⁷³ Letter, Menzies to Wilson, 3 September 1965, DEA file TS3006/10/4/1 Part 1, CRS A1838/346, NAA.

be deployed quickly from or through its operational base to carry out Britain's South East Asian commitments.¹⁷⁴

Healey's reaffirmation of Britain's commitments was 'noted with satisfaction', but neither Australia nor New Zealand 'were enthused' when Healey raised the possibility of establishing a base in Australia to replace the one in Singapore. No substantive results emerged from the discussions, although the 'alarm bells were ringing' for the Australian Cabinet. Ministers stressed 'very strongly the need for a continued British presence', and the bases in Malaysia and Singapore 'in which we share and to which we have made substantial contribution, should be retained for as long as possible'.¹⁷⁵ From the Australian viewpoint, 'the sensitive proposition to have British forces in Australia' while Australian troops were deployed in Vietnam and Malaysia, presented political difficulties for the government. Also, having a 'fall-back' base in Australia would militate against the forward defence strategy, even were the British to remain committed to the use of an Australian base.¹⁷⁶ The proposition of establishing a British base in Australia had the positive effect of indicating to both Australia and New Zealand that Britain intended to withdraw from Singapore as soon as the end of Confrontation permitted. The timeframe for withdrawal and to where would not be resolved until late 1967. At least defence planners in Australia were now in a position to review Australia's defence policies, knowing that Britain could not be relied upon to participate in an ongoing forward defence strategy. In November 1965 during the crisis period of the attempted coup, the Defence Committee considered for the first time a new strategic appreciation and intelligence assessment based on a possible British withdrawal. The appreciation calculated that British forces would remain in Singapore for at least 'three

¹⁷⁴ 'Defence Talks in Australia Begin', *The Times*, 2 February 1966, p.11. See also H. Wilson, *The Labour Government 1964-1970: A Personal Record*, Weidenfeld and Nicolson, London, 1971, pp.130-1, 212, 296-7.

¹⁷⁵ Ministerial Statement, *CPD*, House of Representatives, Volume 50, 8 March 1966, p.24. It was the impression of Crossman who was a Cabinet Minister at the time that the British Defence Committee favoured withdrawal from Singapore in 1970, and an alternative base in Australia was not seriously considered. See R. Crossman, *The Diaries of a Cabinet Minister*, Hamilton and Cape, London, 1975, Volume 1, p.456.

¹⁷⁶ Chin Kin Wah, *The Defence of Malaysia and Singapore – The transformation of a security system 1957-1971*, p.129.

years', after which Australia would be forced to 'change towards a "fortress Australia" policy'.¹⁷⁷

THE FUTURE

The end of Confrontation not only signalled the retirement of British power in the region, but also precipitated strategic assessments on how long Australia could continue to conduct a forward defence strategy.¹⁷⁸ The United States' commitment to the defence of South East Asia was recognized now to be even more critical to Australia's defence posture, not just for the present but also for the period of transition to a new defence strategy in which the ANZUS Treaty should continue to play a significant part.¹⁷⁹ Moreover, the government was reminded of the significance of sustaining the American effort in Vietnam and set about more determinedly to encourage the American commitment.¹⁸⁰ The linkages with Indonesia were equally important; Indonesia's future contribution was critical, and its attitude to the permanent deployment of Australian forces in the Malaysia-Singapore area remained uncertain while the New Order government unfolded its policies. For that reason Australia's military capabilities had to remain strong in comparative terms with Indonesia's while, at the same time, political and other initiatives were undertaken to induce and build friendly relations with Indonesia. Shann had warned Canberra earlier:

We must never forget that Indonesia is our special foreign relations problem, that no other country can have quite the same perspective on Indonesia's troubles and future as we have, and that therefore we must seek to devise, at the very least, means of neutralizing Indonesia as a potential threat to our security.¹⁸¹

¹⁷⁷ Note to file, 15 October 1965, CS file C3640, CRS A4940/1, NAA. See also, Peter Howson's diary entry, 14 October 1965, Aitkin, *The Howson Diaries*, p.179. Howson, as Minister for Air, mused that 'a fortress Australia' means 'a swing towards more money for air and navy – and less for the army'.

¹⁷⁸ This was not the first time that the forward defence policy was questioned. In 1963 Tange offered contrary advice on the Defence Committee's deliberations of the 1962 Defence Outlook which had acknowledged the benefits of a forward defence policy. He described the policy as 'fragile', noting that dependency on the United States as the basis of a strategic security policy was not viable. Undated paper, CS file C3640, CRS A4940/1, NAA.

¹⁷⁹ Interview Sir Allen Fairhall, 24 July 2000.

¹⁸⁰ This is a continuing theme used by Australian ministers throughout 1966-7. See, for example, Cablegram 372, Hasluck to Holt, 20 April 1967, CS file C4626, CRS A4940/1, NAA; and DEA Briefing Note, 27 September 1967, CS file C4626, CRS A4940/1, NAA. In 1964 the idea of reciprocity between Australia's military commitment to South Vietnam for future American military support against Indonesian expansionism, as noted by Pemberton, seemed more relevant after the attempted coup.

¹⁸¹ 'Annual Report January – December 1965', 10 February 1966, DEA file 3034/10/21 Part 21, CRS A1838/321, NAA.

In the fashion of a reasoned security policy, based on ‘principle and practical interest’, the Australian government formulated a response to Confrontation. The dual objectives, to support the federation of Malaysia while maintaining ‘firm and friendly’ relations with Indonesia, could not have been sustained without Indonesia’s policy of differentiation. Importantly, the September attempted coup reinforced government acceptance of Indonesia’s stability to Australia’s security and that Indonesia was Australia’s ‘special foreign relations problem’.¹⁸²

The emergence of an anti-communist ruling elite in Jakarta gave rise to new and opportunistic circumstances in which Australia’s self interests were to predominate - circumstances that compelled Australia to take a more independent foreign policy line and to place its security interests at the centre of its future relationship with Indonesia in which these interests outweighed Indonesian human rights abuses. The government and Hasluck were cognizant of these outcomes; Hasluck had already instructed his department to accelerate options for economic cooperation to foster the New Order regime; and military cooperation would follow. The question for the government, nonetheless, lingered - could Australia take advantage of Indonesia’s apparent policy of differentiation and promote a lasting security relationship between such unequal neighbours?

¹⁸² See, for example, Cabinet Decision 675, ‘Military Support for Malaysia’, 5 March 1963, CS file C3640, CRS A4940/1, NAA.

CHAPTER 2

‘PUTTING OUR TOE ... INTO DEEP WATER’: ECONOMIC AND DEFENCE COOPERATION 1966-1972

A NEW BEGINNING

In August 1966 the Department of External Affairs presented Hasluck with guidelines for developing relations with Indonesia in the post-coup period.¹ In the department's view, Indonesia's future regional role remained unclear; it was feared that Indonesia could 'take an assertive interest in what goes on in the region', eventually establishing some form of regional hegemony. Ambassador Harold Loveday had reported that Indonesia was not presently 'rushing into questions of regional arrangements and regional security', although it was known that Malik had discussed the moribund nature of Malphilindo and the Association of Southeast Asia (ASA) with the foreign ministers of Thailand and the Philippines, and suggested that it was necessary to 'get away from organizations' that were based 'on anti-west or anti-east ideologies'. He believed that 'something else was needed'.² The Defence Committee concluded that Australia would have to look for 'ways and means of taking care of Indonesia's undoubted intention to "cut a figure" in the region'.³ The Defence Committee also anticipated that Indonesia would use its diplomatic contacts, and the Malay racial, language and religious affinity to influence the 'Malay world'; therefore, future political resonance between Indonesia and Malaysia could not be discounted.⁴

¹ 'Working Paper on Indonesia', 25 August 1966, DEA file 3034/10/1, CRS A1938/280 Part 28, NAA.

² Harold Loveday replaced Shann and remained in the appointment until 7 March 1969.

³ Defence Committee Brief for Quadripartite Talks on Defence of South-East Asia, 20 June 1966, DEA file 287/3/26, CRS A1945/37. See also Cablegram 762, Loveday to Canberra, 24 July 1966, DEA file JA1966/10, CRS A6364/4, NAA. Malik also raised the subject with Singaporean officials in August 1966, see Cablegram 966, Singapore to selected posts, 9 August 1966, DEA file JA1966/05T, CRS A6366/4, NAA.

⁴ 'Working Paper on Indonesia', 25 August 1966, DEA file 3034/10/1, CRS A1938/280 Part 28, NAA. Two months after the end of Confrontation, Indonesia and Malaysia agreed to set up a Defence and Security Joint

The Defence Committee was also doubtful whether the ‘destructive character of the Indonesian revolution with its anti-Western and anti-progressive characteristics’ had run its course. Memories of the August 1963 Maphilindo declaration remained: ‘Foreign bases - temporary in nature - should not be allowed to be used directly or indirectly to subvert the national independence of any of the three countries’, and ‘the three countries will abstain from the use of arrangements of collective defence to serve the particular interests of the big powers’. The future of bases in Malaysia and Singapore, the role of British forces in or staging through the region, and the Australian forward defence strategy could not reasonably be addressed without the knowledge of Indonesia’s regional intent. The Defence Committee noted:

What interests us most is that countries of the region develop a healthy and progressive nationalism which gives them resilience and the will to maintain themselves against subversion and pressures. This is more important than building a military alliance in which Indonesia is a prominent and uncertain member.⁵

An Indonesian move into a significant security relationship with its neighbours might not be in Australia’s interests. Should Australia assume a separate national role ‘in building contacts with the Indonesian military’? How should Australia influence security thinking in the army-dominated New Order government? Perhaps Australia might also need to consider joining a ‘regional body both to balance Indonesia and to work with her’.⁶ These were the major issues, which attracted the attention of the Defence Committee. Spender had earlier identified the importance of Indonesia to regional security and economic well-being; and Indonesia’s centrality to any form of regionalism defined the means and an end-point in security policy-making for the Australian government. Hasluck had also noted that in the post-coup period opportunities now existed to define future security bilateral arrangements with Indonesia.

Commission to counter communist insurgency in Borneo through joint patrols. ‘Indonesia, Malaysia to fight as one’, *The Australian*, 18 August 1966, p.7.

⁵ Defence Committee Brief to Cabinet on ‘Quadripartite Talks on Defence of South East Asia’, 20 June 1966, DEA file 287/3/26, CRS A1945/37, NAA.

⁶ *Ibid.*

For the Department of External Affairs, Indonesian domestic issues remained critical to the development of bilateral relations. In the immediate period, decisions needed to be made on what the structure of ‘government and administration was preferred for Indonesia’. At present, ‘the senior Army leadership wants the Army’s role to be that of “guardian of the revolution”’, which meant that the Indonesian army would watch over and protect the nation’s political evolution, and ‘take part in the shaping of national policies, but [would] refrain from taking absolute power’.⁷ Economic success was also considered critical while political power in Jakarta was in the balance. The manner in which the ruling elite consolidated its power and managed its international responsibilities was perceived to be open to influence by the selective use of international and bilateral aid programs:

The [Indonesian] government has great problems in making the economy responsive to central policy and, indeed, great problems in raising receipts for its essential business ... we may have to think of aid for Indonesia in political terms, in terms of supporting and sustaining the people we want to help, rather than in terms of producing a stronger economy and getting measurable economic improvement. The decision which faces countries like the United States and Australia may be how much we are prepared to put into Indonesia in order to keep things going and to encourage the people now trying to make something of the country. If they should fail and Indonesia falls into further economic decline and internal chaos, this outcome would be, at the least, a negative victory for communism.⁸

Aid, the department argued, should be used as leverage, as a restraining effect on Indonesia’s external conduct and to rebuild bilateral confidence. Australia and Indonesia ‘have come through a long and difficult testing-time over West Irian and Confrontation’. Each wanted to ‘keep a useful relationship going and neither had impaired the basis of friendship through racial animosity nor other hostility’. Australian and Indonesia were two unequal neighbours, 11.5 million Australians compared with 110 million Indonesians, a developed nation and a developing nation, an economy in growth and an economy in despair, countries of different culture and land size. Both governments, however, now shared a common desire for an anti-communist region.⁹ Economic assistance would carry elements of friendship, and friendship could also grow through an increasing number of

⁷ ‘Working Paper on Indonesia’, 25 August 1966, DEA file 3034/10/1, CRS A1938/280 Part 28, NAA.

⁸ *Ibid.*

⁹ *Ibid.*

Australians who began to venture across the Arafura Sea to experience a different culture, thus offering an additional conjunction in building a fresh relationship.¹⁰ Hasluck had already endorsed a range of measures that encompassed the broader brush of ‘community of interests’, of commercial relations, student exchanges, cultural visits, informal visits by senior Australian experts and officials ‘passing through’ Jakarta, a layered program based on the ‘free exchange of peoples, ideas and skills’.¹¹ Nonetheless, Cabinet recognized and accepted that economic circumstances in Indonesia rendered the best opportunities to influence the workings of the New Order government.

ECONOMIC COOPERATION

After 20 years of President Sukarno’s rule, the Indonesian economy had degenerated into a ‘basket case’ through ‘ever increasing economic mismanagement’ that had brought ‘a degree of economic breakdown with few parallels in modern history’.¹² Indonesia in 1966 was characterized as the ‘chronic dropout’, ‘the number one failure among the major underdeveloped countries’, and with ‘little prospect of rapid economic growth’.¹³ Economic performance had accelerated social decline: the contrast between town and countryside and the rich and poor had sharpened; real wages had ‘fallen heavily’; inflation

¹⁰ Robison wrote that tourism between the two countries grew during the 1970s and 1980s. While this is true, the latter 1960s provided the foundation for the growth in air routes to Indonesia. Richard Robison, ‘From Fragility to unity’, in Idris F. Sulaiman *et al.*, (Editors), *Bridging the Arafura Sea: Australia-Indonesia Relations in Prosperity and Adversity*, Development Issues Number Ten, National Centre for Development Studies, The Australian National University, Asia Pacific Press, Canberra, 1998, p.43. For detail on the first Air Services Agreement between Australia and Indonesia, see Joint Communiqué, Minister for Civil Aviation and Indonesian Minister for Communications, 7 March 1968, *CNIA*, Volume 40, February 1968, p.87. For detail on diplomatic activities to improve QANTAS landing rights, see folios in DEA file 716/51/1/1/1 Part 6, CRS A1838/275, NAA and John Stackhouse, *...from the dawn of aviation – The Qantas Story 1920-1995*, Focus Publishing, Double Bay, 1995, pp.128-34.

¹¹ The Australia/Indonesia Friendship Association resumed its activities with its first meeting in Jakarta on 19 October 1966, the results of which are detailed in Cablegram 1359, Jakarta to Canberra, 19 October 1966, DEA file JA1966/10, CRS A6364/4, NAA. The Australian Puppet Theatre, the Australian Soccer team and Australian junior tennis teams visited Indonesia during 1967-68. Official Australian visitors to Indonesia increased from 10 in 1965 to 111 in 1966; DEA file 3034/10/21 Part 2, CRS A1838/2. See also ‘Working Paper on Indonesia’, 25 August 1966, DEA file 3034/10/1, CRS A1938/280 Part 28, NAA; ‘Annual Report 1966’, 16 May 1967, DEA file 3034/10/21 Part 1, CRS A1838/321; and ‘Annual Report, 1st July 1967 – 30th June 1968’, DEA file 3034/10/1 Part 30, CRS A1838/280, NAA.

¹² J. Panglaykin and H.W. Arndt, ‘Survey of Recent Developments’, *Bulletin of Indonesian Economic Studies (BIES)*, Volume 4, 1966, p.1. See also Hal Hill, *The Indonesian Economy Since 1966 – Southeast Asia’s Emerging Giant*, Cambridge University Press, Cambridge, 1996, pp.1-4; and H.W. Arndt, *The Indonesian Economy: Collected Papers*, Chopmen Publishers, Singapore, 1984, pp.28-9.

¹³ G. Myrdal, *Asian Drama – An Inquiry into the Poverty of Nations*, Penguin, Harmondsworth, 1968, p.489. See also C. Geertz, *Agricultural Involution*, University of California Press, Berkley, 1963, p.ix.

had jumped from 135 per cent in 1964 to 594 per cent in 1965; money supply increased markedly as the 'galloping budget deficit' was being financed by the printing of money; and the lack of foreign reserves limited the Indonesian government's capacity to buy rice abroad.¹⁴ Self-sufficiency in the basic necessities had not been achieved within the three-year target, set in the context of the failed eight-year plan that had been devised in 1960. The extent of the failure to acquire self-sufficiency in rice and clothing can be illustrated by the mark-down in the respective targets of the eight-year plan: 115 kilograms and 15 metres per capita were reduced to 80 kilograms and 12 metres; and as the economy deteriorated further, the targets were abandoned.¹⁵

The decline of the Indonesian economy was exacerbated by the consequences of the three major phases of President Sukarno's supernationalism. In 1957 the seizure of Dutch property and the expulsion of some 300 000 Dutch citizens deprived Indonesia of skilled managers and technicians; in 1962 mass mobilization was introduced to facilitate an invasion of West New Guinea, and military equipment for the invasion was purchased from the Soviet Union through credits totaling nearly \$US1500 million; and the declaration of Confrontation against Malaysia ruptured Indonesia's international trade, increasing the pressure on export earnings and its balance of payments.¹⁶ In Hasluck's view, the social effects of a continuing economic 'basket case' would only accentuate the deep divisions within Indonesian society. Those divisions of religion, economic well-being, class and politics, which seemed to have contributed to the violence in the post-coup period, could only lead to further political tensions and a break-down of the social order if not appropriately addressed.¹⁷

¹⁴ Information pertaining to the statistical status of Indonesia is detailed from *Report of the Bank of Indonesia for the Financial Years 1960-1965*, Jakarta, 1967; J.A.C. Mackie, (Editor), *Indonesia: The Making of a Nation, Indonesia: Australian Perspectives*, Volume 2, Research School of Pacific Studies, Australian National University, Canberra, 1980, pp.669-84; and Stanley Karnow, 'Cleaning Up Sukarno's Mess', *The Australian*, 20 May 1966, p.9.

¹⁵ Hill, *The Indonesian Economy Since 1966*, p.2.

¹⁶ Details on the decline of the Indonesian economy are covered in J.A.C. Mackie, 'The Indonesian Economy 1950-1963', in B. Glassburner, (Editor), *The Economy of Indonesia: Selected Readings*, Cornell University Press, Ithaca, 1964, pp.16-69; and T.K. Tan, (Editor), *Sukarno's Guided Democracy*, Jacaranda Press, Brisbane, 1967, in particular Chapter 1.

¹⁷ John Bresnan, *Managing Indonesia – The Modern Political Economy*, Columbia University Press, New York, 1993, pp.21-3.

CABINET SUBMISSION 215 OF 26 MAY 1966

In June 1966 Cabinet's discussion on economic assistance to Indonesia instituted the tone and substance for the future relationship. The submission, prepared by the Department of External Affairs with support from Treasury and the Department of Trade and Industry, was developed on the assumptions that it was in Australia's 'national interests' to see the new elite 'consolidated in power', and the current anti-communist 'favourable trend' maintained. The submission noted that effective authority appeared to have settled 'reasonably firmly' in the hands of the triumvirate of General Suharto, the Sultan of Jogjakarta and Adam Malik; and the triumvirate had privately indicated that Confrontation would soon be concluded after which Indonesia would rejoin the United Nations and 'return to international respectability'.¹⁸ The submission acknowledged the fragility of the New Order government:

It can doubtless be argued with some cogency that it is still premature to be embarking on the planning of large-scale economic assistance to Indonesia; that Indonesia's lamentable record will not warrant the degree of confidence that is implicit in an attempt to redeem it from chaos until we are certain that it is prepared to put forth its own efforts in response; that there is still room for backsliding and that we cannot yet be sure, for instance, that the Indonesian leaders want to bring Confrontation to an end except on their own terms ... and there is good warrant for believing that an early indication to Indonesia's leaders that we want to help them will itself in turn help to consolidate their authority. The process of recovery is in any event likely to be slow and painful, and there will be ample time in which to accommodate ourselves to adverse political developments inside Indonesia.¹⁹

Cabinet accepted that aid policy would remain subordinate to the overall diplomatic goals of promoting more friendly relations with the Suharto government and recognized that Australian efforts in comparative terms would seem insignificant to the magnitude of aid from Japan and the United States.²⁰ Australia, however, could develop a comprehensive

¹⁸ Indonesia abruptly left the United Nations in 1965 in protest against the election of Malaysia to the Security Council and resumed its seat in the General Assembly on 29 September 1966. 'Malik takes seat in UN over shouts from gallery', *The Australian*, 30 September 1966, p.5.

¹⁹ Cabinet Submission 215, 'Aid to Indonesia', 26 May 1966, CS file C4095, CRS A4940/1, NAA.

²⁰ The terms, 'aid' and 'development' are accepted as normative terms. 'Development' is used to describe projects, programs and plans to improve the standard of living in poorer countries. Similarly, 'aid' refers to the external assistance provided to assist development. See D. Goldsworthy, 'Analysing Theories of Development', *Working Paper Number 12*, Centre for South East Asian Studies, Monash University, Melbourne, 1977. For detail on international aid to Indonesia, see T. Hayter, *Aid as Imperialism*, Penguin,

and worthwhile package of assistance that confirmed its sincerity by targeting the three major areas of economic assistance: debt relief, long-term rehabilitation, and early ad hoc assistance.²¹

Debt Relief

The New Order government had already taken the initiative to address short-term debt by embarking on a series of bilateral consultations with its creditors. Indonesian indebtedness totaled some \$US2500 million of which over half was owed to the Soviet Union and other Eastern European countries, and the remainder was spread among West Germany, France, the United States, Japan, Britain and the Netherlands.²² It was anticipated that a meeting or meetings of the creditors would be convened and chaired by an individual government, to reconcile competing demands and to achieve a new pattern of debt repayment that would ease Indonesia's present burden. It was also expected, particularly by the United States and Japan, that the government which accepted the role of coordinating arrangements for the rescheduling of debt should continue 'to carry on as chair of a continuing consortium with responsibility for the long-term rehabilitation' of the Indonesian economy. The United States State Department suggested that Australia, as a friend of Indonesia with a direct interest in its economic recovery and not one of its creditors, should accept the role and initiate a meeting of creditors. Foreign Minister Malik supported the American suggestion, however, attached little 'urgency to the convening of the creditors' group' until Indonesia had completed bilateral discussions with its creditors.²³

Hamondsworth, 1971; and H.B. Chenery *et al.*, 'The Effectiveness of Foreign Assistance', in *Towards a Strategy of Development*, Rotterdam University Press, Rotterdam, 1967, pp.11, 14-6.

²¹ Cabinet Submission 215, 'Aid to Indonesia', 26 May 1966, CS file C4095, CRS A4940/1, NAA.

²² Debt had been accumulating over the last eight years through credits and large loans mainly for armaments and prestige projects. By March 1966 Indonesia had defaulted on overseas debt repayments to the order of some \$US240 million, and further repayments for 1966 totaled some \$US500 million. At this time, Indonesia had no foreign exchange reserves. *Ibid.*

²³ Japan canvassed the problem with other governments but was not prepared to take on a long-term role of chair; the United States preferred to stay in the 'background'; the Netherlands finally accepted the chair of the consortium, and Japan hosted the first meeting of the creditors in Tokyo. Cablegram 493, Canberra to selected posts, 17 May 1966 and Cablegram 552, Canberra to Jakarta, 3 June 1966, Cablegram 590, Canberra to Jakarta, 11 June 1966, in DEA file JA1966/05T, CRS A6366/4, NAA; John Bresnan, *Managing Indonesia – The Modern Political Economy*, pp. 60-1, 63-85; and Philip J. Eldridge, *Indonesia and Australia: The Politics of Aid and Development Since 1966*, Development Studies Centre Monograph Number 18, The Australian National University, Canberra, 1979.

Cabinet discussion initially focused on the role of the chair. If the suggestion, that Australia takes the lead, ‘should gather support among the creditors it may prove difficult to refuse’, the submission predicted. The role of chair did not sit well with Hasluck:

The suggestion is based on an assumption that an operation of this magnitude and complexity aimed at the re-generation of the whole Indonesian economy is one that can best be launched and thereafter co-ordinated by an individual government is open to question. I believe that it would be more appropriate and more practical for the International Monetary Fund and the International Bank for Reconstruction and Development to be associated in some way with any rescheduling operation from the beginning and to continue to retain charge of any consortium or any other multinational arrangement for long-term rehabilitation. I am aware that it may not fall strictly within the competence of the IMF or the IBRD, and furthermore that Indonesia is not at present a member of the Fund ... I consider that as a first step the Fund and the Bank should be consulted on the problem and their views invited.²⁴

Hasluck’s concerns were convincing, yet limited the influence that could otherwise be generated from the position of chair. The opportunity of an active position of influence satisfied the government’s desire to shape the new Indonesian government and its administrative processes; and acceptance of Australia in the role of chair affirmed Indonesian recognition of Australian goodwill, affording more opportunities to influence domestic politics over a longer period. The immediate future was shaping as a period in which Indonesia needed friends; how long this state of affairs would remain was unknown, and in the current security environment Indonesia’s economic vulnerability was ripe for exploitation. To be sure, the complexities and magnitude of the task were large but the role of chair would bring together donor and creditor countries and expert groups in concert; this would hardly have been as onerous as Haslusk argued, and in hindsight was probably not.²⁵

The reluctance to involve Australia in a principal position confirmed a conservative approach to the emerging bilateral relationship. There were concerns that any new program of debt repayment would be ‘slow and painful’, and the image of Australia during this burdensome period would not be enhanced were Australia to be seen by Indonesians to be

²⁴ Cabinet Submission 215, ‘Aid to Indonesia’, 26 May 1966, CS file C4095, CRS A4940/1, NAA.

²⁵ Ingrid Palmer, *The Indonesian Economy Since 1965 – a Case Study of Political Economy*, Frank Cass and Company, London, 1978, p.27.

so prominent in the process of debt collection.²⁶ It was more important, in Hasluck's reasoning, that Australia was seen as a friend and a sympathetic donor of assistance, with the size and scope of assistance decided by the government and not influenced by expectations of other governments. Additionally, Hasluck harboured doubt over the extent of 'effective and sustained self-help from the Indonesians themselves'; he was cognizant of an earlier assessment that the Indonesian armed forces might not support future budgets, which were unlikely to contain increases in military expenditure.²⁷ Only the Indonesians could undertake the measures that were required to halt inflation, to bring 'foreign exchange under proper government control, to reduce corruption', and to encourage 'efficiency in commercial and industrial enterprises', particularly the agricultural estates on which Indonesia would continue to depend heavily for its exports. Hasluck concluded that Australia should not become involved because Indonesia might not prove able or capable of satisfying debt rescheduled payments. Hasluck's conservative course prevailed; Australia's role would only be based on the role of 'friend' to assist in lobbying creditors to delay and reschedule debt, and to lobby donor countries to increase development assistance.²⁸

Loveday disagreed and cabled Hasluck that Australia should not become a bystander in diplomatic activities that might eventually affect Australia's strategic position:

I believe that on balance we could do more for our cause by participating in discussions than by standing aloof ... decisions taken about Indonesia's future, whether we participate or not, will be of direct concern to us ... as measured from the strategic and political point of view. I think we would be the losers to opt out of any part of an exercise the ultimate consequences of which will bear so heavily on our own interests.²⁹

Loveday's views were not accepted, and Cabinet approved the submission and authorized embassy staff in Washington to raise the future role for the IMF and IBRD with the United

²⁶ Hasluck was proved correct; the rescheduled debt repayment program was agreed 'on none-too-generous terms'. See Palmer, *The Indonesian Economy since 1965*, p.28; Peter Hastings, 'Getting Indonesia out of the red', *The Australian*, 1 May 1968, p.9. Gordon Freeth declared that the spreading of debt and interest payments over the 1970s and 1980s 'meant that Indonesia [owed] \$A400 million more than it did before her creditors deferred payment'. He added: 'The political effects of such burdens and the dreary prospect of being able to spend little of the welfare of the Indonesian people are serious'. Speech by the Minister for External Affairs to the National Press Club, 16 May 1969, *CNIA*, Volume 40, May 1969, p.239.

²⁷ Palmer argues that a tacit agreement did exist between Indonesian economists and Western creditors that no significant reduction of military costs could be expected while the Indonesian armed forces pursued 'their mania' over internal security. Palmer, *The Indonesian Economy Since 1965*, p.24.

²⁸ Cablegram 974, Hasluck to Holt, 10 August 1966, PM file 66/7505, CRS A1209/39, NAA.

States government. Cabinet also agreed that ‘it would seem useful ... to sound out both the Bank and the Fund [through the United States] on their ideas for assisting the long-term rehabilitation of the Indonesian economy’ once the debt rescheduling program was in operation.³⁰ Additionally, Cabinet authorized an intense diplomatic campaign to ensure that Australia did not become the chair of the proposed consortium.³¹

The Tokyo Conference

The Tokyo conference of creditors, held on 19-20 September 1966, made two important decisions: agreement to ‘stand still’ on Indonesian debt until the end of 1967; and, the provision of donor aid for a period of grace, to ‘carry Indonesia through to the middle of 1967’.³² This would allow the IMF to launch a ‘more detailed program of assistance’ which could be structured to take account of Suharto’s announcement of 1973 as the year when Indonesia will have achieved ‘sufficient export earnings to allow substantial repayments of foreign debt’.³³ The government had successfully supported the involvement of the IMF and IBRD; its special position of ‘friend’, and not creditor, permitted a diplomatic freedom to negotiate on behalf of Indonesia that other countries were not able to exploit. West Germany, for example, requested that Australia press the IMF to send representatives to the Tokyo conference. Australian diplomatic activity also succeeded in deflecting the convening responsibilities without enduring overt criticism.³⁴

²⁹ Cablegram 869, Loveday to Canberra, 24 July 1966, DEA file JA 1966/04, CRS A6364/4, NAA.

³⁰ See draft Cablegram to Washington, attached to Cabinet Decision 290, ‘Aid to Indonesia’, 1 June 1966, DEA file 2036/5 Part 15, CRS A1838/287, NAA.

³¹ See, for example, Cablegram 743, Tokyo to Canberra, 10 June 1966; and Cablegram 590, Canberra to selected posts, 11 June 1966, DEA file JA1966/05T, CRS A6366/4, NAA.

³² The United States, United Kingdom, the Netherlands, France West Germany, Japan and Italy attended, with Australia and the IMF as observers. The group came to be known as the Paris club. The Soviet Union refused to attend but later agreed to participate in the Inter-Governmental Group for Indonesia meetings. The first emergency aid, offered by the Netherlands, had been extracted *quid pro quo* of compensation for the earlier seizure of the assets of its nationals in 1957-8. Palmer, *The Indonesian Economy Since 1965*, p.28.

³³ ‘10 to get together to help Indonesia’, *The Australian*, 22 July 1966, p.4. See also Cablegram 1174, Jakarta to Canberra, 16 September 1966, and Brief to Hasluck of 25 September 1966, in PM file 62/817 Part 5, CRS A1209/80, NAA. The follow-up Paris Conference on 19-20 December 1966 subsequently agreed to a new schedule of debt repayment, which confirmed the IMF’s schedule.

³⁴ The IMF did attend the conference; its initial reluctance to attend stemmed from Indonesia’s non-membership of the IMF, having resigned its membership under Sukarno owing some \$US 35 million to the Fund. Cablegram 665, Canberra to Jakarta, 1 July 1966, DEA file JA1966/05T, CRS A6366/4, NAA.

Its tardy decision, however, to attend the Tokyo conference as an observer was criticized in the press as making ‘somewhat hollow’ the government’s ‘repeated statement of intent to assist the recovery of Indonesia’.³⁵ Loveday was resolute on Australia’s unique position to influence Indonesia; he arrived in Jakarta in April 1966 and during the following four months discovered an unexpected Indonesian affection for Australia. Like Shann, his access to Suharto and Cabinet members was ‘exceptional’, alerting the Australian government to the nuances of the political machinations between Suharto and Sukarno and the intimacies of the Indonesian economy.³⁶ He concluded that Indonesians ‘sensibly appreciate that we suffer from being able to be holier and more noble because we are not owed anything’.³⁷ He also reported that Suharto would balance his first budget, reducing the Armed Services share ‘from 70 percent to 30 percent ... in effect, to a care and maintenance period of activity’.³⁸ On the Tokyo meeting, he remained insistent:

I cannot see that participation in the Tokyo group need involve us in any additional expense over and above what we ourselves might decide was desirable or necessary as bilateral aid.³⁹

In hindsight, Loveday’s approach would probably have generated more bilateral confidence but the late decision to attend the Tokyo conference again demonstrated Hasluck’s cautious approach in not becoming too involved in debt recovery.

There was another important decision taken in Tokyo; the conference also agreed to establish an international donor consortium, the Inter-Governmental Group for Indonesia (IGGI), which Australia joined as a full member.⁴⁰ The IGGI’s first meeting was held in June 1967 at which the practice of reviewing the state of the Indonesian economy was

³⁵ During the two years after the attempted coup, the press were generally supportive of economic assistance to Indonesia, and did not hesitate to criticize the government’s lack of haste. For example, Editorial, ‘Our vital stake in Indonesia’, *The Australian*, 31 August 1966, p.8.

³⁶ Interview A.R. Parsons, 7 July 2000.

³⁷ Cablegram 1656, Loveday to Canberra, 17 December 1966, DEA file JA1966/10, CRS A6364/4, NAA.

³⁸ Cablegram 1507, Loveday to Canberra, 17 November 1966, DEA file JA1966/10, CRS A6364/4, NAA.

³⁹ Cablegram 869, Loveday to Canberra, 24 July 1966, DEA file JA 1966/04, CRS A6364/4, NAA.

⁴⁰ The IGGI was not regarded as an international organization; it consisted of 16 donor countries, based on the Paris club with the IMF and World Bank acting as guide, secretariat and broker. The IGGI worked within an informal structure, not to pool bilateral assistance, but to share information on foreign assistance and its terms and conditions, implementation of projects, and types of external finance. Australian International Development Assistance Bureau, ‘Australia’s Development Cooperation Program with Indonesia’, *International Development Issues*, Number 23, Australian Government Publishing Service, Canberra, October 1991, pp.2-6, 10, 13.

established.⁴¹ Advice to the IGGI came in the form of a report from the World Bank, developed with the Indonesian government, which provided updated information on the economic activities of the Indonesian government. The synopsis guided consideration of further aid and cataloged areas for national development. The IGGI was then in a position to discuss Indonesia's broader economic needs through each donor country's bilateral development policy and assistance program. This it did to varying degrees until 25 March 1992 when the IGGI was dissolved through Suharto's reaction to the Dutch decision to suspend aid to Indonesia because of the 1991 Dili massacre.⁴²

Initial aid to Indonesia focused on stabilizing and reorganizing Indonesia's economic condition. By 1969 Indonesia was able to assemble suitable proposals for projects in an annual project aid list, later to be known as the Blue Book, for IGGI discussion. Compilation of the Blue Book reflected Indonesian priorities in the *Repelita*, the Indonesian five-year forward program, and bilateral discussions with donor countries. This was an important initiative for Indonesia because priorities for development, as listed in the Blue Book, became more a product of Indonesian preferences, which reduced the influence that individual countries or the international community could bring to bear.⁴³ Once the Blue Book became central to IGGI deliberations, the international community was less able to use aid as an instrument of political reform. In Australia's case, high level consultations were held annually with the Indonesian government to consider 'the structure, thrust and focus of the Australian development cooperation program'. Through this mechanism, aid outside, or in addition to, the programmed assistance discussed by the IGGI was agreed and announced either as part of the Australian budget or separately by the Minister for External Affairs.⁴⁴

⁴¹ The IGGI finally settled on two meetings a year: one in December to review Indonesia's progress and future needs; and one in May to settle individual donor's credits. Palmer, *The Indonesian Economy Since 1965*, p.29.

⁴² The first chair of the IGGI was the Dutch Minister for Development; Bresnan, *Managing Indonesia*, p.139. For a description of an IGGI meeting see 'Inter-Governmental Group on Indonesia', Meeting 8-10 December 1969, in *CNIA*, Volume 40, 1969, pp.700-1. For detail on the demise of the IGGI, see Schwarz, *A Nation in Waiting*, p.223. In July 1992 the World Bank formed a new aid group, the Consultative Group on Indonesia, which Australia joined.

⁴³ *Repelita* 1 covered the period 1969-1974.

⁴⁴ Australian International Development Assistance Bureau, 'Australia's Development Cooperation Program with Indonesia', pp.2-6.

By the end of 1968 the IGGI reached agreement to provide a total of \$US500 million in immediate aid, which allowed Suharto to launch *Repelita 1* in April 1969. Agreement was also brokered on further debt rescheduling for Indonesia to defer repayments for 1970, provided Indonesia accepted the IMF's budget program. As well, an international expert team examined debt repayment scheduling for the period 1971 to 1978, recommending a new schedule which creditor governments accepted.⁴⁵ Indonesia's debt recovery program had now been underwritten but conditional on the Indonesian government's maintenance of disciplined domestic budgets, its approach to inflation and revenue generation through increased exports. The IGGI had become an informal policeman with Indonesia on probation during which time the IGGI members monitored its economic progress.⁴⁶

Long Term Rehabilitation

Cabinet Submission 215 did not canvas the scope and nature of measures that were required to assist in long-term rehabilitation, and only warned Cabinet of the likelihood of substantial requests for future economic assistance to Indonesia. The submission also foreshadowed a review of Cabinet Decision 1167 of 1965, which prohibited, except in extraordinary circumstances, shipment of goods for use by the Indonesian armed forces and exports of specific transport and telecommunications items to Indonesia.⁴⁷

Submission 215 also alerted Cabinet that a review of the commercial credit policy with Indonesia was underway. To encourage private investment in South and South East Asia, the government had introduced an investment insurance scheme, under the control of the Export Payments Insurance Corporation (EPIC), to provide against certain classes of risk in

⁴⁵ JIC (Australia): Current Intelligence Weekly Review 44/68, 30 October 1968, DEA file 3006/4/3 Part 2, CRS A1838/2, NAA. See also the deliberations of the Australian Development Committee in DEA file 724/4/1/3 Part 2, CRS A1838/2, NAA.

⁴⁶ The World Bank set up a permanent mission in Jakarta in 1968 in the same building as the Indonesian National Planning Bureau, which ensured a very close working relationship. For detail on Indonesia's economic recovery see Palmer, *The Indonesian Economy Since 1965*, p.29 and H. W. Arndt, 'Survey of Recent Developments', *Bulletin of Indonesian Economic Studies*, Volume 10, Number 1, The Australian National University, Canberra, 1975.

⁴⁷ All proposed shipments to Indonesia in excess of £A5000 in value, excepting foodstuffs, other grocery items and clothing, were referred to the Department of External Affairs before an export permit was granted. Cabinet Decision 1167, 'Review of Export Control Policy towards Indonesia', 26 August 1965, DEA file 714/3/5 Part 5, CRS A1838/275, NAA.

trading with under-developed countries.⁴⁸ The policy was substantially tightened during Confrontation. The review was completed in December 1966, permitting Hasluck and a small team to visit Jakarta in January 1967 to discuss the extension of the credit period. Extending the credit period was not without risk; however, the announcement of the first balanced Indonesian budget on 18 November 1966 provided a degree of confidence that the New Order government had begun to discipline domestic expenditure, creating a less uncertain environment in which Australian credit could be offered. Credit was extended through ministerial approval to insure up to a 180-day period of grace to cover exports to Indonesia before payment was required, and the EPIC was authorized to guarantee insurance cover to Australian exporters to Indonesia for all signed contracts.⁴⁹

To the angst of the Department of Trade and Industry, Hasluck agreed to the creation of an economics affairs section in the Department of External Affairs to undertake a more substantive policy approach toward regional economic cooperation with its priority of work to be directed at Indonesia. 'Behind our thinking', Hasluck declared, 'is not the idea of relief, but of assistance ... to make a permanent difference'.⁵⁰ In this context, the Export Development Council, a recently established group of Australian industrialists and public servants, perfected a new policy of guidelines and targets for Australian-Indonesian trade.⁵¹ The Council's first report was developed with the Indonesian government, which had

⁴⁸ In 1957 the EPIC was established to protect Australian exporters against risks in international trade arising from commercial and political causes for which there was no cover available through the commercial insurance industry. In 1967-68, for example, the value of total exports covered by the EPIC amounted to \$A270 million, growing at approximately 25 per cent per annum. 'Export Supplement', in *The Australian*, 14 October 1968, p.12.

⁴⁹ There had been a slight decrease in Australian exports to Indonesia from \$A7.4 million in 1964-65 to \$A5.7 million in 1965-66. In 1967-68 Australian exports to Indonesia reached \$A13.9 million. 'Annual Report 1966', 16 May 1967, DEA file 3034/10/21 Part 1, CRS A1838/321, NAA. For detail on EPIC, see Cabinet Decision 921, 'Exports Payment Insurance-Indonesia', 15 April 1969, CS file C274, CRS A5619, NAA. The additional credit was not being availed of by Australian exporters because, under the present Indonesian exchange control, letters of credit with usage of longer than sight draft terms were not permitted. Cablegram 587, Canberra to Jakarta, 14 March 1967, DEA file JA1967/03T, CRS A6366/4, NAA. During the visit Hasluck also opened the new Australian embassy in Jakarta. 'Jakarta balances budget', *The Australian*, 19 November 1966, p.5; and Christopher Forsyth, 'We will give aid', *The Australian*, 13 March 1967, p.1.

⁵⁰ Previously, decisions on overseas aid were generally controlled by the Treasury in consultation with the Department of Trade and Industry; after the re-organisation, aid proposals were coordinated by DEA and submitted to Cabinet through the Treasury. Christopher Forsyth, 'Australia (and Mr Holt) turn to Asia', *The Australian*, 2 February 1967, p.7.

⁵¹ The report focused on creating the best circumstances in which Australian trade could prosper. For detail on private investment and commercial activities, see Eldridge, *Indonesia and Australia: The Politics of Aid and Development Since 1966*, pp.89-120, 197-201.

indicated that it did not want finance for specific development tasks but instead wanted 'Australia to provide grants to finance Indonesia's essential import needs and expand its export industries and the economy generally'.⁵² Specific objectives of the assistance program and the means for its achievement were not always examined in detail; little explanation was provided as to why particular projects were selected, while agreement to certain projects strongly echoed the overriding importance of 'the Australian-Indonesian relationship' rather than the merits of the particular case.⁵³ The principle of sufficient 'national interest' unmistakably dominated the provision of development assistance and the selection of projects.⁵⁴

In March 1967 the government committed \$A5.2 million to Indonesia, and a year later aid was increased to \$A12.7 million.⁵⁵ The bulk of the aid, some \$A10 million, was directed to improve Indonesia's *Bukti Ekspor*, the bonus export (BE) system, through which the Indonesian government was able to allocate the proceeds of foreign exchange receipts for Australian imports. Thus the aid had little political leverage and concentrated on economic benefits that were targeted by the Indonesian government.⁵⁶ Malik's reaction to the

⁵² Christopher Forsyth, 'Australia to change its aid policy', *The Australian*, 31 March 1967, p.3.

⁵³ Eldridge concluded that promoting a favourable environment for Australian private sector trade and investment has always 'taken second place to the basic policy of maintaining both the stability and the goodwill of the Suharto government'. His comments were based on analyses of aid projects such as the Australian Telecommunications Mission (1968), Cilacap Harbour Development (1969), assistance to Indonesian railways (from 1968), the Bogor water supply project and the Bogor Animal Research project (1967). Eldridge, *Indonesia and Australia: The Politics of Aid and Development Since 1966*, pp.51, 53-88, 99, 101-5. See also, M. G. Kailis, 'Aid to Indonesia', Paper to 44th ANZAAS Congress, Perth, 1970; and D. Jenkins, 'Jakarta – talks on trade', *Far Eastern Economic Review*, 22 October 1976, p.6.

⁵⁴ The friction between Australian business interests and the controversy over 'grass roots' development verses technology improvements was never substantively canvassed in the Australian press or in Parliament. See, for example, Cablegram 608, Canberra to Jakarta, 15 June 1966, DEA file JA1966/05T, CRS A6366/4, NAA. For critiques of Australian aid see W.P. Hogan, 'Furthering Asian Development', *The Australian Quarterly*, Volume 41, Number 3, September 1969, pp. 30-42; H.W. Arndt, 'Aid and the Official Conscience', *The Australian Quarterly*, Volume 41, Number 4, December 1969, pp.43-8.

⁵⁵ 'Budget in brief', *The Australian Financial Review*, 14 August 1968, pp.1, 15. See also Christopher Forsyth, 'Our aid to Indonesia', *The Australian*, 4 March 1968, p.1 and 'Colombo plan aid of \$20m will double our aid to Indonesia', *The Australian*, 14 August 1968, p.5.

⁵⁶ Under the BE system private Indonesian importers purchase BE-designated aid funds with rupiahs to finance import of goods from the donor country. The local currency counterpart funds, received from the sale of these aid funds, formed part of the Indonesian budget. Through this scheme, BE aid provided the foreign exchange to import goods without unduly affecting the balance of payments. 'Australian "BE" Aid to Indonesia', *CNIA*, Volume 41, January 1970, pp.36-7. Although this was untied aid, Hasluck argued that it was to be given within the framework of Indonesia's 1966 economic stabilization program. Christopher Forsyth, 'Our aid to Indonesia', *The Australian*, 4 March 1968, p.1. See also Peter Hastings, 'Getting Indonesia out of the red', *The Australian*, 1 May 1968, p.9.

announcement of the small amount of aid was one of disappointment; he discussed the magnitude of the assistance with Loveday, and continued to make representations on the complexities of the problems facing Indonesia; and during Malik's visit to Australia to attend Harold Holt's memorial service, Shann informed him that Australia would not be able to 'do anything substantial in advance of the next [Australian] financial year'.⁵⁷ In the 1969-70 budget, the government announced a further increase to \$A15 million with the provision of a guaranteed extra allocation of not less than \$A2 million for 1970-71 and 1971-72.⁵⁸ Of the \$A15 million, some \$A4.5 million was channeled through the BE system.⁵⁹ Additionally, Cabinet agreed to a further relaxation of insurance cover for exports to Indonesia, permitting normal commercial underwriting criteria for transactions with Indonesian importers and withdrawing all limits to insurance cover.⁶⁰

On 7 April 1970, the new Minister for External Affairs, William McMahon, announced a new grant of \$A53.8 million for the three year period 1970-71 to 1972-73.⁶¹ This was the first time that the government committed the full amount of funds for more than one budget year. The announcement was well received in Jakarta; it established, however, a precedent for future governments where the forward commitment of aid could hinder the range of options if relations were to deteriorate within the period of the grant.⁶² Cabinet accepted

⁵⁷ In 1967 Shann was employed as a DEA divisional head in Canberra. Cablegram 2704, Canberra to Jakarta, 28 December 1967, DEA file JA1967/11T, CRS A6366/4, NAA.

⁵⁸ Cabinet Decision 908, 'Indonesian Aid 1969/70', 27 March 1969, on Cabinet Submission 215, CS file C237, CRS A5619, NAA. See also Ministerial Statement, *CPD*, House of Representatives, Volume 62, 27 March 1969, p.1039. Aid was targeted to reduce balance of payments and to provide food, commodities (steel, rail, *etc*), development projects and training. Aid was sometimes slowed by inefficiencies in the Indonesian administrative systems and through poorly detailed requests.

⁵⁹ Through changes to the Indonesian foreign exchange system, the term 'BE aid', was no longer appropriate, and the new term, *Devisa Kredit* or 'DK aid', was introduced in 1970. For further detail, see *CNIA*, Volume 41, April 1970, pp.342-3.

⁶⁰ Cabinet Decision 921, 'Indonesia Export Payments Credits', 15 April 1968, CS file C274, CRS A5619, NAA.

⁶¹ McMahon was appointed the new Minister after Gordon Freeth lost his seat at the federal election of 25 October 1969, and the Department of External Affairs was re-titled the Department of Foreign Affairs on 6 November 1970. Cabinet Decision 257, 'Australian Aid to Indonesia', 25 March 1970, CS file C404, CRS A5869, NAA.

⁶² McMahon also announced the start of the Australia-Asia University Aid and Co-operative Scheme, which was initially targeted on Indonesia and financed separately from the announced three-year grant. The scheme was designed to set up a framework of cooperation between Australian and Indonesian universities to provide fellowships and training in Australia, travel awards for Australian university staff members to research at Indonesian universities, and library and laboratory equipment. Priority of research and training was initially

the risk on the basis that if the Suharto government ‘were to fall, it would be succeeded by a less responsible government, ready to resort to any expedient’; Cabinet accepted that Australia did ‘not have the option of disengagement from Indonesia and its problems’.⁶³ Unlike most donor countries, the provision of aid through grants, rather than as loans, positioned Australia into a special category of aid donors, of friend and not creditor; thus the relative size of the aid became less of an issue over time.⁶⁴

Early Ad Hoc Assistance

There was general recognition that any early assistance to Indonesia would be beneficial, and assistance that could be generated within the framework of established foreign aid procedures should be undertaken promptly. The Colombo Plan was devised as a mechanism for the delivery of civil aid, and since the inception of the Plan, Indonesia received financial assistance valued at some \$A13.32 million up to 30 June 1965, or some 11.4 per cent of Australia’s total Colombo Plan expenditure, for civil infrastructure projects and the education and training of students in Australia. Between 1952 and June 1966, 1038 Indonesian students studied in Australia, the majority of whom completed university courses mostly in the engineering fields.⁶⁵ Colombo Plan aid was not used to provide military support assistance, military training or security assistance.⁶⁶ When military activity became more threatening during Confrontation, the government reduced Colombo Plan aid to two ongoing projects and ‘ruled out any new commitments’; and students who were studying in Australia were permitted to complete their courses.⁶⁷ Cabinet Submission

focused on food production in Indonesia. The scheme would eventually include Malaysian and Singaporean universities. Ministerial Statement, *CPD*, House of Representatives, Volume 66, 7 April 1970, pp.743-4.

⁶³ Cabinet Decision 257, ‘Australian Aid to Indonesia’, 25 March 1970, CS file C404, CRS A5869, NAA.

⁶⁴ Non-programmed aid included emergency food relief, credit, insurance cover through the EPIC for the alleviation of poverty and hunger programs. International Overseas Development Aid (ODA) was generally provided in two forms: concessional loans and grants, of which Indonesia received 66 per cent of its net ODA as loans. Australian International Development Assistance Bureau, ‘Australia’s Development Cooperation Program with Indonesia’, *International Development Issues*, Number 23, Australian Government Publishing Service, Canberra, October 1991, p.15.

⁶⁵ 1038 out of a total of 6900, or over 15 per cent of the total of students, ranked Indonesia as third in student education under the Colombo Plan. *The Australian*, 19 October 1966, p.3.

⁶⁶ In November 1964 the Indonesian Government decided not to send any students to Australia for the 1965 academic year. *Ibid.*

⁶⁷ The projects were: the provision of aeronautical fixed telecommunications network (AFTN) which would benefit international flights such as Qantas flights into, over and out of Indonesia; and, a road-building project which was originally planned for Portuguese Timor and switched at Barwick’s direction in 1964 to the outer Flores Islands because of the increased activity against Malaysia. These projects commenced in 1963.

215 recommended that Cabinet rescind the restrictions on Colombo Plan aid ‘on the understanding that developments in regard to the ending of Confrontation and any defence implications will be kept in mind as individual aid projects are considered’. Hasluck supported immediate small-scale aid, such as the provision of commodities to meet current scarcities in Indonesia, which could be financed in the framework of the Colombo Plan estimates for budget 1966/67. More complicated projects would require time to plan with Indonesian authorities, and Hasluck anticipated that future large projects would focus on ‘capital equipment and technical assistance designed to have a longer-term impact - in effect, a return to Australia’s pre-Confrontation Colombo Plan relationship with Indonesia’.⁶⁸

Cabinet agreed to the lifting of restrictions on Colombo Plan aid; however, to limit adverse public reaction, the restrictions were lifted on the understanding that the decision ‘would not, for the present, be made public’. Indonesia had yet to end Confrontation, and the government was sensitive to a domestic reaction to the announcement while Australian troops faced Indonesian forces in Borneo.⁶⁹ Cabinet also endorsed Colombo Plan expenditure of some \$A1.4 million per year from 1967 onwards. In contrast, there were no restrictions on the announcement of the first targeted aid. In August 1966, only two months after the Cabinet decision on Colombo Plan assistance, the government announced emergency aid to the value of £A500 000 to Indonesia, with £A300 000 in flour, £A30 000 in vehicle spare parts for the Jakarta metropolitan bus system, and the remainder provided as credit to be used by January 1967.⁷⁰ Hasluck also agreed to Colombo Plan assistance for

Cabinet Decision 695, 26 January 1965, on Cabinet Submission 597, ‘Indonesia – Australia’s Colombo Plan Aid’, January 1965, CS file C4095, CRS A4940/1, NAA.

⁶⁸ Cabinet Submission 215, ‘Aid to Indonesia’, 26 May 1966, CS file C4095, CRS A4940/1, NAA.

⁶⁹ Cabinet Decision 290, ‘Aid to Indonesia’, 1 June 1966, DEA file 2036/5 Part 15, CRS A1838/287, NAA. Harold Holt was elected leader by the Liberal Party and became Prime Minister after Menzies’ resignation on 20 January 1966. Held on 22 November 1966, the federal election was a victory for Holt, resulting in the largest majority since the election of 1949 and the largest primary vote. Holt did not have to rely on the preferences of the Democratic Labour Party; see Russel Ward, *A Nation for a Continent – the history of Australia 1901-1975*, Heinemann, Richmond, 1983, pp.363-4.

⁷⁰ Letter, Gordon Freeth to B.G. Hartcher, Senior Research Officer, Liberal Party of Australia, September 1969, DEA file 3034/10/1 Part 31, CRS A1838/280, NAA. Christopher Forsyth, ‘Hasluck in Jakarta to discuss credit plan’, *The Australian*, 25 January 1967, p.3.

Indonesian participation on the three-month Foreign Service training course designed to introduce Australian and overseas trainees to the art of diplomacy.⁷¹

THE BENEFITS OF ECONOMIC ASSISTANCE

By 1972 the signs of economic stabilization in Indonesia were becoming evident; the New Order government had been able to discipline domestic expenditure through a series of nearly-balanced budgets and economic assistance which improved export capability and assisted in reducing inflation thus satisfying the debt repayment schedule.⁷² Suharto had secured international support for his government's economic policies and survived the threat of societal dislocation, although domestic support for the strictly enforced economic constraints was not always discernible. For Australia, the period was equally significant. The recent past saw Indonesia and Australia as neighbours in conflict; now both countries needed each other for different reasons. Indonesia needed friends and the economic aid they could provide, while Australia needed a stable, cohesive and anti-communist Indonesia.⁷³ The importance of a stable Indonesia to the Australian government can be measured by Indonesia's ranking as second to Papua New Guinea in total development assistance.⁷⁴ Aid was, nonetheless, conservative in size and ranked fourth in international terms and was delivered under a variety of programs, including the Colombo Plan; its targets of export development and commodity aid did not overtly demonstrate a commercial focus and certainly verified Australia's regard for Indonesia's economic development and well-being.⁷⁵

⁷¹ Indonesian participation commenced in 1967. Press Statement, 5 March 1967, *CNIA*, Volume 38, March 1967, p.111.

⁷² Exports had increased by ten per cent from 1967 to 1968, and inflation reduced from 650 per cent in 1966 to 85 per cent in 1968. Working Paper, 'The Situation in Indonesia', March 1969, DEA file 3034/1/3/1 Part 1, CRS A1838/2, NAA.

⁷³ Cabinet Decision 47, 'Indonesia – Australia's External Aid', 28 February 1968, CS file C3713, CRS A4940, NAA.

⁷⁴ After 1973 aid declined in real terms to about ten per cent of total aid, which became an informal, bipartisan policy target until 1978. See Table 1 in Eldridge, *Indonesia and Australia: The Politics of Aid and Development Since 1966*, p.32. See also Cabinet Decision 908, 27 March 1969, on Submission 515, 'Indonesian Aid 1969/70', CS file C237, CRS A5619, NAA.

⁷⁵ Approximate Indonesian aid figures in 1969 placed Australia fourth behind the United States - \$US 121 million, Japan - \$US 100 million, and the Netherlands - \$US 49 million. In comparison, Australia's 'committed' aid totalled \$A19 million. Cabinet Decision 908, 27 March 1969, on Submission 515, 'Indonesian Aid 1969/70', CS file C237, CRS A5619, NAA.

Aid did place Australia on a 'sounder footing' in diplomatic dealings with the Indonesian government and also improved the circumstances for Australian private investment and for activities of Australian non-government organizations (NGO).⁷⁶ The government rescinded the restrictions on pre-1965 Colombo Plan aid, agreed to more liberal insurance arrangements for Australian exporters, and approved the establishment of a new economic section in the Department of External Affairs to develop and monitor aid policy and its implementation.⁷⁷ The government encouraged creditor countries to be more generous in the rescheduling of Indonesia's debt repayments, and successfully lobbied for the early intervention of the IMF and the IBRD without having to accept a principal role in chairing debt rescheduling conferences. Membership of the IGGI proved to be a sound investment because Australia was seen as 'a concerned and consistent supporter of Indonesian development'. Australian intelligence agencies also benefited through access to the detail of the annual Indonesian budget decisions contained in the economic reports for the IGGI. Knowledge of ongoing civil infrastructure development and the magnitude and areas of defence expenditure informed strategic analyses and permitted more detailed scrutiny of Indonesia's ongoing potential to conduct military operations against Australia. No doubt, the economic reports also guided Australian intelligence agencies to areas for further investigation.⁷⁸

There was one major area of disappointment. The government had quietly abandoned the objective to use economic aid as a lever of influence. Cabinet accepted that Australia was unable to bring change to Indonesian governance without the support of the international

⁷⁶ Eldridge, *Indonesia and Australia: The Politics of Aid and Development Since 1966*, p.27. See also H.W. Arndt, 'Australian Economic Aid to Indonesia', *Australian Outlook*, Volume 24, Number 2, August 1970, pp.124-39 and Eldridge, 'Australian relations with Indonesia: an alternative approach', *Australian Outlook*, Volume 25, Number 2, August 1971, pp.141-58. For detail on NGO activities see Eldridge, *Indonesia and Australia: The Politics of Aid and Development Since 1966*, pp. 121-55.

⁷⁷ Policy on aid, in particular the quality of aid and a more systemic evaluation of aid programs, was taken up after the investigation and issue of the report of the Joint Parliamentary Committee on Foreign Affairs, 'Australia's Foreign Policy', *Parliamentary Paper Number 3*, The Government Printer of Australia, Canberra, March 1973, when the Australian Development Assistance Agency was proposed.

⁷⁸ See, for example, JIC (Australia): Current Intelligence Weekly Review 44/68, 30 October 1968, DEA file 3006/4/3 Part 2, CRS A1838/2, NAA. Throughout the 1970s and onwards, successive governments were confident that it would take some six to ten years for Indonesia to have the capability to wage war against the Australian mainland or its territories. The development of a balanced Indonesian military force, supported by an adequate logistic support infrastructure, was monitored in part through access to Indonesian budget expenditure, and the warning period determined accordingly.

community. When Indonesia began to satisfy the debt repayment program, opportunities to influence the activities of the Indonesian government vanished as international acceptance of Suharto's government grew with each debt repayment. Focusing on the economics at the expense of politics was in accordance with the creditor countries' requirement for Indonesia to recover through 'sober economic policies'; and these were sometimes rewarded with even larger flows of aid. A dictatorial but stable and anti-communist government in Jakarta gave rise to 'sober economic policies'. In the changing security environment, Cabinet could only welcome the early indications of a stable and anti-communist Indonesia, which had always been a critical objective in Australia's security planning. Cabinet was aware of the imperfections in the Suharto government's approach to domestic stability; and, in the uncertain security environment, Indonesian political stability could only contribute to, rather than adversely affect, Australia's strategic well-being. Suharto would later remark that 'from the very onset we realized that equitable distribution without growth will only mean sharing poverty. Growth without equitable distribution means sharing injustice'.⁷⁹ Such worthy sentiments did not reflect the true 'democratic' output of the New Order government, and by deciding to support Suharto 'on principle and practical interest', Cabinet had accepted the obligation to support the Suharto government and all its actions.

THE EMERGENCE OF A DEFENCE COOPERATION PROGRAM

The provision of military aid remains a sensitive issue for most governments. Unlike economic aid, which is often perceived as an expression of humanitarian goodwill, the detail of military aid - of military objectives, the provision of equipment and training advisors, individual training and combined exercises - evokes dark notions of non-humanitarian associations and outcomes, which are sometimes clouded in government-imposed secrecy. For Australia, the Cold War period was no different; the government sought to assist those nations that shared the common desire to foil communist activities in South East Asia by providing military assistance to Asian member states of SEATO under

⁷⁹ President Suharto's 1991 Budget Speech is quoted in Australian International Development Assistance Bureau, 'Australia's Development Cooperation Program with Indonesia', *International Development Issues*, Number 23, Australian Government Publishing Service, Canberra, October 1991, p.5.

the special aid program which formally began in February 1956.⁸⁰ The government offered to make available, over an unspecified period, £A2 million for support of the defence efforts of those Asian members of SEATO through the supply of equipment and services of a defence support nature; weapons and munitions were not provided. Provision was made annually in the defence budget based on estimated expenditure on projects proposed by the Department of External Affairs, in consultation with the respective SEATO member government and the Department of Defence. Projects were approved jointly by the Ministers for Defence and External Affairs, and during the period 1956 to 1962, expenditure averaged £A500 000 per year on projects such as the provision of communications equipment, earth-moving equipment, tents, medical/dental supplies and equipment, cloth for uniforms, a naval survey vessel, staff cars and specific military training which was generally conducted in the country of need. Most of the assistance was directed to Thailand, the Philippines and South Vietnam, although military training was also provided to India, Pakistan and Burma.⁸¹

The special aid program was used to finance some indirect projects of a more enduring nature. One project expanded the role of Radio Australia to assist in countering communist propaganda in the region. In 1955 Cabinet approved the extension of Radio Australia's coverage across Indonesia with increased broadcasts from one to two hours daily; weekly commentaries entitled 'Behind the News' were developed with material supplied by the Department of External Affairs; a three to four minute commentary was inserted following the news in each language five days a week, reflecting government policy and attitudes; and a Radio Australia information office was established in Jakarta.⁸² Special aid was sometimes closely integrated with the longer-term economic assistance provided under the

⁸⁰ Lowe, *Menzies and the 'Great World Struggle'*, pp.152-184. The special aid program was separate to normal Australian aid under Article III of the Manila Treaty, a summary of which is contained in 'The South-East Asia Treaty Organization – A Brief Review', in *CNIA*, Volume 40, 1969, pp.675-83.

⁸¹ The program came to be known as Anti-Communist Planning and Support Special Aid. Initial support focused on cooperation with allies in an information program designed to offset Communist propaganda. In February 1958, the Government increased the amount by an additional £A1 million. Cabinet Submission 159, 'Australian Participation in Counter-Communist Activity in South-East Asia', 30 April 1962, CS file C4642, CRS A4940/1, NAA. For detail on military assistance to India, Pakistan and Burma, see D.A.K. Urquhart, *Australia's Military Aid Programs 1950-1990*, MA Thesis (Honours), University College, University of New South Wales, Australian Defence Force Academy, Canberra, 1990, pp.14-41.

⁸² Cabinet Decision 411, 'Anti-Communist Planning in South and South East Asia', 10 May 1955, CS file 4642, CRS A4940/1, NAA. The office remained open throughout the period of Confrontation.

Colombo Plan, and a number of projects of a civil nature that were proposed in the special aid context were financed through Colombo Plan aid.⁸³

Defence Cooperation

The origins of defence cooperation with Indonesia can be traced to 1953 when Indonesia informally sought Australian reaction to establish a military mission in Indonesia, involving some 100 personnel, the majority of which were to be army instructors in the areas of equipment and individual instructor and officer training. The inquiry was not solely directed to Australia; Indonesia had approached Germany, Sweden, Norway, Canada, the United Kingdom and the United States. The Defence Committee agreed that the proposal offered an opportunity to fill the military vacuum created by the departure of the Dutch Military Mission, and consultations were initiated with Britain for a combined military mission in the absence of sufficient Australian personnel with language proficiency. Britain's response was strongly critical: military assistance 'would [not] in practice be able to achieve anything in the present circumstances' other than to cause 'harm ... to the United Kingdom's relations with the Dutch'.⁸⁴ Thus the informal approach was declined through the inability of Australia to satisfy the request.

In 1957 the Indonesian Military Attaché in Canberra raised the possibility of attendance at courses at the Army Staff College, the School of Artillery at North Head, the Jungle Training Centre at Canungra and the Armoured School in Puckapunyal. Cabinet agreed to places being offered at Australian Army Schools but not at the Army Staff College 'on the grounds that the College can barely handle the Australian Army's own requirements'.⁸⁵ The Indonesian government probably regarded the response with skepticism because the

⁸³ The provision of road building assistance to Portuguese Timor was one example, although work in Timor was stopped and redirected to the outer Flores Islands because of Confrontation and the increased anti-Portuguese rhetoric on Timor. Cabinet Decision 695, 26 January 1965, on Cabinet Submission 597, 'Indonesia – Australia's Colombo Plan Aid', January 1965, CS file C4095, CRS A4940/1, NAA.

⁸⁴ Letter British High Commissioner to Secretary, Department of External Affairs, 19 February 1954, in PM file 439/1/37, CRS A462/2, NAA.

⁸⁵ This was not the first offer of attendance at the Army Staff College; India and Pakistan were each offered one place on the 1950 course. Memorandum, Secretary Department of Defence to Secretary Department of External Affairs, 14 May 1948, Department of Air file 49/501/103, CRS A1196/2, NAA.

Indonesian Military Attaché was aware that British, Indian, Pakistani, Burmese and Filipino students were attending the 1957 Staff College course.⁸⁶

The issue of training Indonesians in Australia was raised some 14 months later in preparation for the visit to Australia by the Indonesian Foreign Minister, Dr Subandrio, in February 1959. The Minister for External Affairs, R.G. Casey, requested the Service Chiefs' opinion on what courses could be offered. In Casey's view, 'training of Indonesian students in Australia would be a means of increasing Australian influence in the Indonesian Armed Forces', and he advised Cabinet that:

it must be accepted that such training would serve to increase the effectiveness of the Indonesian Forces. On the other hand there seems little doubt that if the training is not offered by the Western Countries it will be readily available in the communist bloc.⁸⁷

The Service Chiefs recommended attendance at the Army Staff College and the Jungle Training Centre even though they were 'aware that in instructing the Indonesians in our own techniques ... these may be used against us at a future date'. The Service Chiefs did not endorse attendance at the RAAF Staff College or at the Joint Anti-Submarine School.⁸⁸ Their advice was based on staff investigations in 1953, which concluded that training of overseas students could be provided in restricted circumstances: circumstances which did not incur any personnel or equipment increases at the training establishments; the country concerned would meet the additional costs of the training; the overseas students would not 'retard' the progress of Australian students on the course; and where security restrictions might preclude or limit overseas participation.⁸⁹ In accepting the Chiefs' advice, Cabinet agreed that 'any initiative should be left to Dr Subandrio and that the Australian response should be that his request would be considered'.⁹⁰

⁸⁶ Cabinet Decision 1032, 'Indonesian attendance at Australian Service Establishments', 9 October 1957, CRS A4910/XM1, NAA.

⁸⁷ Cabinet Submission 505, 'Training of Indonesian and Netherlands Personnel in Australian Service Schools', 14 December 1959, CRS 5818/2, Volume 12, NAA.

⁸⁸ Cabinet Decision 27, 'Training of Indonesian and Netherlands Personnel in Australian Service Schools', 5 February 1959, CRS 4943, Volume 1, NAA.

⁸⁹ Attachment to Defence Committee Minute Number 203/1953, 30 July 1953, Microfilm Roll 13, CRS A2031, NAA.

⁹⁰ Cabinet Decision 27, 'Training of Indonesian and Netherlands Personnel in Australian Service Schools', 5 February 1959, CRS 4943, Volume 1, NAA.

Subandrio did raise the issue of training, and Menzies promised a response during his first and only visit to Indonesia in December 1959.⁹¹ The six-day goodwill visit included tours in central and west Java, consultations with key ministers, and a 'long and cordial talk' with President Sukarno.⁹² A *Sydney Morning Herald* journalist thought the official visit 'went well enough', suggesting that Asia was not 'Menzies' field' but the visit was in itself 'moving to watch ... a genuine attempt by two countries thrown together by geo-politics to find a *modus vivendi*'.⁹³ Menzies learnt that communist activities in Indonesia were flourishing; he received assurances that Indonesia would not use military force in West New Guinea; he invited President Sukarno to visit Australia in 1960; and promised to confirm the 'possibility' of training military officers in Australia.⁹⁴ On his return, Menzies recommended to Cabinet that, in addition to the training of Indonesian army officers, Australia should assist Indonesia's economic development, and consideration of the proposed Australia-Indonesia Trade Agreement was expedited.⁹⁵ The visit seemed to go

⁹¹ Menzies asked Evatt to nominate a Labor colleague to accompany him to Indonesia. In the absence of a reply, Menzies directly asked Whitlam to go with him. Whitlam declined for reasons associated with the looming vote on the ALP leadership, which resulted in Calwell becoming leader and Whitlam deputy leader. Whitlam, *The Whitlam Government 1972-1975*, pp.106-7. See also Fred Daly, *From Curtin to Hawke*, Sun Books, South Melbourne, 1984, pp.154-5.

⁹² 'Menzies in Djakarta For 6-day Java Visit', *The Sydney Morning Herald*, 2 December 1959, p.1; and 'Menzies Puts Our Views To Indonesians', *The Sydney Morning Herald*, 3 December 1959, p.3. See also 'Menzies offer to Indos – Training officers', *The Sydney Morning Herald*, 6 December 1959, p.1. While the initial invitation related only to training at the Army Staff College, General Nasution suggested to Menzies that Indonesia would be interested in a number of training courses at the Jungle Training Centre (now called the Land Warfare Centre), at Canungra. When the intention to offer military training to Indonesia became public, the Returned Servicemen's League immediately condemned the proposal and started a campaign to change the decision. 'Informal Start To P.M.'s Tour Pleases Hosts', *The Sydney Morning Herald*, 3 December 1959, p.3.

⁹³ 'Nations moving closer – Menzies', *The Sydney Morning Herald*, 12 December 1959, p.3. See also 'Indonesia assures Mr Menzies on Dutch N.G.', *The Age*, 7 December 1959, p.1; and 'Mr. Menzies Flies Home From Asia Mission – Special Cabinet Meeting On Tour', *The Age*, 14 December 1959, p.1. See also J.A.C. Mackie, 'Australia and Indonesia 1945-1960', in Gordon Greenwood and Norman Harper, (Editors), *Australia in World Affairs 1956-1960*, for the Australian Institute of International Affairs, Cheshire, Melbourne, 1963, p.309.

⁹⁴ Unnumbered Cablegram, Jakarta to Canberra and selected posts, 8 December 1959, PM file 68/9991, CRS A1209/23; and Cabinet Decision 505, 22 December 1959, CRS 4943, Volume 2, NAA. See also 'Invitation to Soekarno', *The Sydney Morning Herald*, 3 December 1959, p.3. President Sukarno did not visit Australia. After the West New Guinea dispute and Dr Subandrio's January 1963 statement that Confrontation was 'inevitable', Menzies was reluctant to encourage a visit, observing that 'the Australian public would not yet receive a visit happily'. He instructed that 'no energy' should be devoted to hasten one. Letter, Bunting to Tange, 17 January 1963, DEA file 3034/10/1 Part 12, CRS A1838/2, NAA.

⁹⁵ The Australia-Indonesia Trade Agreement was signed in 1960 and authorized the setting up of a Joint Trade Committee for a 12 month period. The Agreement is of the simple 'most favoured nation' kind where each country is accorded no less favourable treatment to the other's exports than to those of a third country; it also provided for discussion between the parties of the future scope and operation of the Agreement. The

beyond an elimination of misunderstandings; Menzies returned to Australia more confident that Indonesia could become a friendly neighbour; and in 1962 he briefed Shann, then ambassador-designate to Indonesia, on the potential 'prospects of Australian-Indonesian co-operation in the military field', not just with the Australian Army but 'joint exercises with the Royal Australian Navy and the air force'.⁹⁶ These options, however, were not realized during the Menzies' era.

The First Attempt

There was an understandable reluctance to expose Indonesian officers to the more classified training and equipment; and the selection of courses at Army schools tended to focus on equipment which was common to both armies and individual officer training which emphasized theory, military history and general strategy and tactics. The issue of costs disappeared when Indonesia accepted total responsibility.⁹⁷ Reciprocation of training was an objective to which Cabinet agreed; reciprocation also evolved naturally from discussions on costs because both armies found it easier to trade-off costs without incurring undue movement of monies between the countries. Reciprocation also served as an agreeable confidence-building measure by proffering notions of maturity and equality - qualities that were important for a newly confirmed nation in the post-colonial period. For Indonesia, loss-of-face through inequality in such circumstances was as significant an issue as the immediate economics of the situation.

The first examination of Indonesian courses identified only one course of training and educational value - the Indonesian Army Staff and Command College (SESKOAD). Other courses were identified as having future value. Attendance at any of the courses meant that

Agreement was extended by an exchange of notes, and during Confrontation meetings of the JTC were terminated at Australia's request, although annual extensions of the Agreement continued at Australia's initiative. Brief to Prime Minister, 20 March 1960, PM file 68/9991, CRS A1209/46 and DEA file 3034/10/1 Part 31, CRS A1838/280, NAA. See also A. W. Martin, *Robert Menzies. A Life-Volume 2 1944-1978*, Melbourne University Press, Carlton South, 1999, pp. 423-6.

⁹⁶ Cablegram 1031, Canberra to Jakarta, 27 December 1962, DEA file 3034/1/23 Part 1, CRS A1838/280, NAA.

⁹⁷ Defence cooperation costs were initially included in the relevant departmental budget as a single line item. After 1972, costs were held against the Department of Defence central budget as a single appropriation division. *Defence Cooperation Program Evaluation*, Inspector-General Division, Department of Defence, Canberra, 1994, p.2.

Australian officers would need to be language-proficient to reap the benefits of training in Indonesia, and time was required to enable selected Australian officers to undertake language training.⁹⁸ Agreement was reached to train two Indonesian officers at the Australian Army Staff College (ASC), Queenscliff in 1961 and one officer in 1962. In reciprocation, an Australian officer commenced language training in anticipation of attending the Indonesian Army Staff and Command College in 1962 or 1963.⁹⁹ Agreement to undertake training at the staff college level reflected a commonality in army middle-level management training and education. Students were generally at the rank of major or lieutenant colonel, inculcated with their service ethos and traditions, and ready to compete with their peers during the year's course; successful attendance at the colleges was regarded as an essential step for promotion and command appointments. From the Australian perspective, the opportunities were advantageous for similarly ranked officers, from Australia and other countries, to share similar experiences of a college environment, to maintain contact after graduation, and to establish professional and personal relationships of value and an enduring nature. There are other benefits that demand sensitivity: the sharing of particular military and political information can lead to more substantial levels of confidence between armed forces and nations, which can benefit bilateral and regional security; and, the acquisition of military intelligence on other nations' military commanders, doctrine, tactics and equipment.¹⁰⁰

Indonesian authorities were supportive of the staff college level of reciprocation, although it had been noted that civil education or training in Australia under the Colombo Plan had

⁹⁸ See Cablegrams and folios from 1961 to 1963, DEA file 3034/10/4, CRS A1838/280, NAA. Language training for selected officers started in 1961. Lieutenant Colonel C.H.A. East, 'SESKOAD: A Unique Experience', in *Australian Army Journal*, Number 200, January 1966, pp.3-9.

⁹⁹ Question on Notice (further explanation), *CPD*, House of Representatives, Volume 44, 17 November 1964, p.3179. The objectives of the Army Staff college (ASC), Queenscliff and the Indonesian Army Staff and Command college (SESKOAD), Bandung (West Java) are similar: to qualify officers for command of major units and to prepare staff officers capable of employment at army staff and joint levels. Both courses are presently some 50 weeks in duration. Whereas the Indonesian course is to prepare officers to command at Brigade level, the Australian course focused on staff appointments but was revised in 1981 to prepare officers for command at Battalion or an equivalent level and renamed to the Army Command and Staff course. In 2001 the Naval, Army and Air Force staff colleges were integrated at Weston Creek, Canberra.

¹⁰⁰ In 2000 Lieutenant General P.C. Cosgrove admitted that part of the success of INTERFET was due to 'the ADF's engagement with the Indonesian armed forces over the past decades' in which shared understandings, friendships and experiences helped to improve cooperation in the East Timor border area. Peter Cosgrove, 'One Mission Accomplished: What's next?', *The Sydney Papers*, Winter 2000, Volume 12, Number 3, p.100.

realized changes in attitude of returning Indonesian students who had been exposed to Australian society for extended periods. Indonesian officers at the rank of major or lieutenant colonel were considered capable of coping with a different society and a dissimilar army culture, and were less likely to return overly critical of Indonesia. The extent of Indonesian participation in ADF education and training has generally been limited to more experienced and older officers; for example, Indonesian cadets do not attend ADF cadet training and education institutions because of the primacy of establishing in a young cadet a nationally focused philosophy and concerns that Australian custom and ethos could diminish that inculcation.¹⁰¹

Opportunities were not always grasped. Indonesia requested the Australian Army to design and conduct a joint intelligence course for middle-level officers; the course was arranged and nominations requested; however, no nominations were received, and the course was cancelled.¹⁰² The Department of External Affairs was unsuccessful in securing ‘invitations for Australian officers to attend Indonesian schools’ in 1962, and Indonesia cancelled foreign attendance at most courses in 1963 because of budgetary concerns.¹⁰³ Invitations were also issued for attendance at the Australian School of Artillery for three Indonesian officers in 1963; the invitations were accepted and the training completed.¹⁰⁴ Indonesia agreed to an officer attending the Indonesian Command and Staff College and the Field Grade officers’ course at Kupalda; the invitations were later withdrawn due to ‘severe budget restrictions’.¹⁰⁵ Ministerial approval was granted for four Indonesian officers to

¹⁰¹ Interview Brigadier K.B.J. Mellor, 22-23 May 2000; and Interview Allan Behm, 9 October 2000. In 2002, the Australian government once more offered cadet places at the Australian Defence Force Academy; the initiative was once more rejected six months later. Senator the Hon. Robert Hill, Minister for Defence, Press Conference Jakarta, 7 March 2002, Ministerial Press Release No 70302/02 of 10 March 2002; Don Greenlees, ‘Jakarta spurns military training offer’, *The Australian*, 16 September 2002, p.1.

¹⁰² Cablegram 207, Jakarta to Canberra, 19 March 1962, DEA file 3034/10/2, CRS A1838/280, NAA.

¹⁰³ Cablegram 759, Canberra to Jakarta, 25 November 1961, DEA file 3034/10/4, CRS A1838/280; Cablegram 88, Canberra to Jakarta, 24 January 1963, DEA file 3034/10/2, CRS A1838/280; Cablegram 85, Jakarta to Canberra, 31 January 1963, DEA file 3034/10/2, CRS A1838/280, NAA.

¹⁰⁴ Indonesian attendance at the Young Officer (Basic) course at the School of Artillery at Manly represented the earliest example of exposure by young Indonesian army officers to Australian society. Training included gun drill on Australian equipment for six weeks, followed by an attachment to an Australian field regiment; no publicity of the training occurred. Cablegram 1014, Jakarta to Canberra, 28 December 1962, DEA file 3034/10/1, CRS A1838/280, NAA.

¹⁰⁵ Australia nominated Lieutenant Colonel C. H. East and Captain N. E. Graham respectively. Cablegram 88, Canberra to Jakarta, 24 January 1963, DEA file 3034/10/2 Part 2, CRS A1838/280 and Cablegram 85, Jakarta to Canberra, 31 January 1963, DEA file 3034/10/1, CRS A1838/280, NAA.

attend a management and work-study course in Sydney in 1964, and the officers successfully completed the course.¹⁰⁶ Even a visit occasioned tensions. In response to visits to Indonesia by the Australian Director of Military Intelligence, a reciprocal visit proposed for 1963 by the Indonesian Director of Intelligence, which was personally approved by Sukarno, was cancelled at the direction of the Australian Cabinet in spite of the political embarrassment to Sukarno.¹⁰⁷

In 1963 the Australian ambassador commenced annual presentations at SESKOAD on the topic of the Australian Army, and copies of unclassified Australian military publications were distributed to the Indonesian armed forces.¹⁰⁸ Remarkably, Indonesian officials issued an invitation for one Australian Army officer to attend the 1964 command and staff course at Bandung.¹⁰⁹ The timing of the invitation was exceptional: Australian troops were facing Indonesian soldiers in combat in Malaysia; the invitation was issued after two years of distraction, of offers and withdrawals, and limited attendance; and the invitation meant that the officer would become the first Australian officer to attend SESKOAD, an honour which was difficult to refuse, notwithstanding Confrontation, but in line with the Australian government's desire to maintain 'firm and friendly relations' with Indonesia.

The officer's attendance at Bandung was a success; Lieutenant Colonel East spent the intermediate period between the commencement of language training in 1961 and his arrival in Bandung in December 1963 improving his language skills and knowledge of Indonesian politics, history and culture. His reception at the college was 'excellent', and his sponsor officer throughout the course was Colonel Tambunan, a member of the SESKOAD staff and one of first Indonesian officers to attend ASC. Although East was

¹⁰⁶ Cablegram 812, Jakarta to Canberra, 10 September 1963 and Cablegram 1225, Canberra to Jakarta, 25 October 1963, DEA 3034/10/1, CRS A1838/280, NAA.

¹⁰⁷ The visit was planned for 14-27 October 1963, approved by DEA, but not endorsed by the Minister for Defence, Athol Townley, who convinced Hasluck to take the matter to Cabinet. Cabinet directed the visit to be cancelled, and Shann, alert to Sukarno's personal involvement, requested further Cabinet deliberation. Menzies intervened to confirm the Cabinet decision. Cablegram 1144, Canberra to Jakarta, 8 October 1963; Cablegram 968, Jakarta to Canberra, 9 October 1963; and Cablegram 1160, Canberra to Jakarta, 10 October 1963, in DEA file 696/2/2/5 Part 1, CRS A1838/369, NAA.

¹⁰⁸ Cablegram 431, Jakarta to Canberra, 9 May 1963, DEA file 3034/10/2, CRS A1838/280, NAA.

¹⁰⁹ Cablegram 938, Tange to Shann, 2 September 1963, PM file 63/6637 Part 3, CRS A1209/85; Letter, Townley to Nasution, September 1963, DEA file 3034/10/1 Part 18, CRS A1838/280, NAA. See also 'Trained With Indonesians', *The Australian*, 16 November 1965, p.4.

somewhat isolated during the course from the Australian embassy and other Australians, he was sufficiently resourceful and attentive to current affairs and did not find the political circumstances of Confrontation a hindrance to his exposure to Indonesian military thinking.¹¹⁰ He later remarked: 'The irony lay in the situation where I found myself in some exercises commanding an Indonesian force in operations against the NEKOLIM'.¹¹¹ In reciprocation, two Indonesian officers attended the 1964 ASC course.¹¹²

Hasluck did not support further staff college places for 1965, ordering that no invitation was to be issued, and no invitation was to be solicited for follow-up attendance at Bandung.¹¹³ He also decided that no public statement would be made on the matter, unless press inquiries made it 'necessary'.¹¹⁴ Military training cooperation gently faded away, without fanfare, until the attempted coup of September 1965 changed the circumstances in which defence cooperation would be reviewed and when notions of assistance to thwart communism in Indonesia once again emerged.¹¹⁵ The outcome of the Menzies initiative, offered some five years before, degenerated into little more than a political gesture, lacking genuine commitment because of political and military difficulties stemming from Confrontation and the economic circumstances of a declining Indonesian budget. Nonetheless, channels of communications had been established, discussions between officials completed, issues raised and sometimes resolved, and some important army training successfully conducted.¹¹⁶ At least the experience would make the next time more profitable.

¹¹⁰ Interview Brigadier K.B.J. Mellor, 22-23 May 2000.

¹¹¹ East later reported that he came 15th out of the 51 students on the 50-week course. East, 'SESKOAD: A Unique Experience', pp.3-9.

¹¹² Draft response to Question on Notice, 3 May 1966, on PM file 66/7507, CRS A1209/39, NAA.

¹¹³ Unnumbered Cablegram, Canberra to Jakarta, 17 November 1964, DEA 3034/10/1, CRS A1838/280, NAA.

¹¹⁴ Letter, Secretary Department of Defence to Secretary PM's Department, 11 November 1964, PM file 66/7507, CRS A1209/39, NAA.

¹¹⁵ Discussion of training activities between the two countries ceased in November 1964. 'Army training to resume with Jakarta', *The Australian*, 18 January 1967, p.3.

¹¹⁶ Between 1961-63, 41 Indonesian officers underwent training in Australia. Christopher Forsyth, 'Closer defence links sought with Jakarta', *The Australian*, 29 March 1968, p.4.

The Second Attempt - Defence Cooperation in the New Order Period

In April 1966 media speculation, fuelled by departmental leaks, indicated that the Department of External Affairs had recommended to Hasluck the resumption of reciprocal military training with Indonesia; a ministerial decision was anticipated.¹¹⁷ No decision, however, was forthcoming, and the matter remained dormant until circumstances compelled Hasluck to reconsider the proposal. The government required Indonesian assistance in providing facilities and over-flight support for the movement of troops to and from Vietnam as well as to support the rotation of air force units to Malaysia. Indonesia agreed to assist and permit refuelling of Australian aircraft in spite of its disapproval of Australia's participation in the Vietnam War.¹¹⁸ These were no minor events. Requesting that 'there be no publicity', Malik personally approved all three operations against the recommendations of the Indonesian Air Force.¹¹⁹ The operations included the ferrying of Australian troops and equipment to and from Vietnam, code-named *Winterset*; the operational movement of wounded troops from Vietnam to Australia by Qantas and RAAF Hercules C130 aircraft; and Operation *Fast Caravan* in May 1967, the staging of a squadron of Mirages through Juanda airfield on the way to Malaysia.¹²⁰ *Fast Caravan* was difficult to conceal; the operation involved pre-positioning by Hercules C-130s of ground crew, fuel tanks, rations, water and navigation equipment, and the landing and take off of 20 Mirage jet fighters. *Winterset* and *Fast Caravan* continued until the end of Australia's commitment in Vietnam in 1972.¹²¹

In return, Indonesian authorities requested a resumption of military training, including one place at Queenscliff and, in reciprocation, offered one place at the Indonesian Army Staff and Command College for 1967.¹²² Hasluck directed his department to explore the offer at

¹¹⁷ Media coverage of the 'low' morale in the Department of External Affairs was based on numerous leaks during early 1966 and sought to blame Hasluck's autocratic management style for the problems. Hasluck was returning from Tokyo, having attended an ASPAC meeting when the latest leak occurred. Anthony Curtis, 'Officer swaps to Indonesia may resume', *The Australian*, 30 April 1966, p.1.

¹¹⁸ Howson's diary entry, 5 April 1967, Aitkin, *The Howson Diaries*, p.283.

¹¹⁹ Cablegram 984, Canberra to selected posts, 3 May 1967, DEA file JA1967/03T, CRS A6366/4, NAA.

¹²⁰ Juanda naval air station is located at Surabaya naval base in East Java.

¹²¹ 'Annual Report 1966', 16 May 1967, DEA file 3034/10/21 Part 2, CRS A1838/321, NAA. Operation *Winterset* was replaced by Operation *Wintergrip*, with the first activities starting in April 1967. Cablegram 772, Canberra to selected posts, 5 April 1967, DEA file JA1967/03T, CRS A6366/4.

¹²² Cablegram 1358, Canberra to Jakarta, 17 October 1966, DEA file 3034/12 Part 9, CRS A1838/280.

the very time when change seemed to have swamped Australia's current foreign and defence policy objectives. Apprehension was increasing over the withdrawal of British forces from Malaysia and Singapore and the future of the United States military commitment to South Vietnam; and Hasluck saw little advantage in pursuing a program with Indonesia until military operations had terminated in Borneo. Even when Confrontation formally ended in August 1966, there was little to be gained by quickly resuming defence cooperation.¹²³ Defence cooperation with Indonesia offered little domestic political advantage for the government, and the temper of the Australian electorate, ever more absorbed with national service and the Vietnam War, was gathering an anti-military momentum. Cabinet had already decided that a new assessment of the strategic environment was needed; and, until the assessment was completed, the less controversial economic assistance program with Indonesia remained the primary activity, and only token defence assistance was contemplated.¹²⁴

In October 1966 the Commandant of SESKOAD visited Australia to discuss the re-commencement of officer training and formally requested reciprocal training between ASC and SESKOAD.¹²⁵ A response was not immediate; ASC was deemed to be oversubscribed for 1967, and the number of Australian officers fluent in *Bahasa Indonesia* was few or unavailable.¹²⁶ Perhaps this was true; however, with the federal election proclaimed for 26 November 1966, an announcement of a resumption of reciprocal training with Indonesia

¹²³ Cablegram 974, Hasluck to Holt, 10 August 1966, PM file 66/7507, CRS A1209/39, NAA.

¹²⁴ The Returned Servicemen's League of Australia re-established links with the Veterans' Legion of the Republic of Indonesia through a senior representatives' visit to Jakarta and Sumatra in January 1967. Cablegram 1611, Jakarta to Canberra, 10 December 1966, DEA file JA1966/10, CRS A6364/4, NAA; *Jakarta Times*, 7 January 1967, p.2 and 11 January 1967, p.1.

¹²⁵ Major General Soewarto was designing an Indonesian War College and had visited American war colleges in the previous month. He returned to Indonesia via Australia to hold discussions at RMC, Duntroon and at ASC, Queenscliff. Cablegram 1004, Jakarta to Canberra, 16 August 1966 and Cablegram 1105, Jakarta to Canberra, 2 September 1966, DEA file 3034/10/21, CRS A1838/369, NAA.

¹²⁶ 'Diggers may train in Indonesia', *The Australian*, 18 October 1966, p.2; 'Army training to resume with Jakarta', *The Australian*, 18 January 1967, p.3. Asian language training was noted as a significant impediment to political, economic, cultural and defence interactions in the region. In July 1968, Cabinet agreed to 'stimulate the teaching of Asian languages in schools, with a concentration on Indonesian and Japanese' without any fiscal assistance to State governments. In 1969 Gorton agreed to establish an advisory committee to report on the extent of language training in Australia. Cabinet discussed the report, which recommended the report's public release to encourage comment and to pressure State governments; however, Cabinet withheld its decision until 1971. Cabinet Decision 392 (M), 'Commonwealth Action to Develop Asian Language Teaching in Schools', 23 July 1968 and Cabinet Submission 619, 'Teaching of Asian Languages and Cultures in Australia', 26 November 1970, CS file C179, CRS A5619, NAA.

was unlikely to benefit the government's electioneering. In the period 1965 to 1967, polling indicated that Indonesia was regarded with suspicion by a number of Australians, stemming from Indonesian political and military activities during Confrontation and from Sukarno's support for the PKI.¹²⁷ While Australian federal elections have rarely been fought on a foreign policy basis, challenging deeply held views on foreign policy is not always risk-free during a political campaign.¹²⁸ The decision was taken to accept the place at Bandung in 1967 and offer two places at ASC in 1968, well after the election. These were accepted.¹²⁹ The visit by the Commandant SESKOAD also prompted Hasluck to agree to his department's establishing an Inter-Department Committee (IDC) to consider a more comprehensive approach to defence cooperation rather than allow activities to be undertaken in a piecemeal way.¹³⁰

IDC ON DEFENCE COOPERATION WITH INDONESIA

There were other compelling reasons to re-establish defence cooperation; political decisions recently taken in Indonesia were difficult to understand. On 25 November 1966, the Indonesian government announced that the Indonesian navy was to be halved.¹³¹ In March 1967 Suharto confirmed that the Indonesian army was to expand to 450 000 within ten years, and an airborne division was to be developed; this seemed contrary to the 'refreshing economic realism' emanating from Jakarta.¹³² Reducing the size of the navy would save

¹²⁷ From 1967 to 1980, an increasing number of Australians, from six to 15 per cent, perceived Indonesia to be a threat to Australia's security. David Campbell, *Australian Public Opinion on National Security Issues*, Working Paper Number 1, Peace Research Centre, Australian National University, Canberra, April 1986, pp.2, 8-10, 26-7.

¹²⁸ The role of foreign policy issues in Australian elections is examined in C.A. Hughes, 'The Rational Voter and Australian Foreign Policy, 1961-69', *Australian Outlook*, Volume 24, April 1970, pp.5-16. During this period the Democratic Labour Party (DLP) preferences were perceived to be consequential for the Coalition government. For comparative detail on the importance of DLP preferences to the 1966 and 1969 election results, see Alan Reid, *The Gorton Experiment*, Shakespeare Head Press, Sydney, 1971, pp.53-7.

¹²⁹ Undated Note to file, DEA file 3034/12/1 Part 10, CRS A1838/2, NAA. See also Cablegram 1352, Jakarta to Canberra, 19 October 1966, DEA file JA1966/10, CRS A6364/4, NAA. Lieutenant Colonel G. J. Leary attended SESKOAD in 1967, and his course report, dated 29 December 1967, is in DEA file 696/2/3 Part 2, CRS A1838/346, NAA.

¹³⁰ Membership of the IDC included representatives from the PM's Department, DEA and Treasury, Departments of Defence, Navy, Army and Air Force.

¹³¹ Some 125 ships were to be mothballed. *The Australian*, 26 November 1966, p.1.

¹³² 'Annual Report 1966', 16 May 1967, DEA file 3034/10/21 Part 2, CRS A1838/321, NAA. An airborne division was not developed, although parachute units were gradually introduced. The 400 000 target was never achieved; by 1993, the army totalled some 211 000. For detail on the history of the Indonesian armed

money, but increasing the size of the army was expensive. How could the increase be financed in a climate of tight budgets? Evidence confirmed that the Indonesian armed forces were suffering through budget restrictions, and equipment maintenance problems were becoming more prevalent. As well, a foreign policy review was in the offing, and the results of the Indonesian Plenary Cabinet meeting in April 1967 were still under scrutiny. The meeting agreed to a foreign policy that was ‘still free, active, anti-imperialist and based on Pantjasila and the 1945 Constitution’. In 1948 the new Indonesian Republic committed itself to pursue a ‘free and active’ foreign policy; now, in 1967, the new government wanted to continue much the same approach.¹³³ Loveday confirmed with Malik that ‘free and active’ meant a foreign policy not tied to any foreign country or ideology’.¹³⁴ The consequences for Australia were unclear; fresh analysis was required to ascertain the external aims of an expanding army and a newly stated foreign policy; and the Defence Committee was tasked to consider these recent announcements as part of the new strategic basis paper.¹³⁵ Moreover, the time seemed even more appropriate to cultivate a better understanding of Indonesia’s future military intentions through the defence relationship. Hasluck briefed Rusk by cable that Australia ‘would look for opportunities to develop closer relationships’ between the Australian and Indonesian defence forces ‘through visits, exchange of service students, simple joint exercises and in other ways’ to establish a ‘balanced program involving reciprocal obligations and benefits’.¹³⁶ Hasluck was also aware that the United States had taken its first step to normalize defence contacts by

forces, see Robert Lowry, *The Armed Forces of Indonesia*, Allen & Unwin, St Leonards, 1996, particularly Chapters 1 and 3.

¹³³ It is not the intention to canvas the various meanings of a ‘free and active’ foreign policy in this thesis. Suffice to say that the phrase has been interpreted in several ways throughout the New Order period, with perhaps a significant diversion in meaning to justify the signing of the security agreement with Australia in December 1995. For a detailed analysis, see Rizal Sukma, ‘Indonesia’s *Bebas-Aktif* Foreign Policy and the Security Agreement with Australia’, *Australian Journal of International Affairs*, Volume 51, Number 2, 1997, pp.231-41.

¹³⁴ Letter, First Assistant Secretary Shann to Secretary, Department of Treasury, 14 April 1967, DEA file 3034/12 Part 9, CRS A1838/2280, NAA. DEA was concerned that the announcement might undermine the proposed aid program in the government’s 1967-68 budget.

¹³⁵ JIC completed the new Indonesian Military Capabilities assessment, which was distributed in October 1968. JIC (AUST) (68) (40) Indonesian Military Capability, DEA file TS666/68/40, CRS A1838/346, NAA.

¹³⁶ Cablegram 507, Hasluck to Rusk, 19 February 1968, DEA file 3034/10/1 Part 31, CRS A1838/280, NAA.

providing equipment to Indonesian engineer units, and students and staff of the United States National War College visited Jakarta for one and a half days in April 1967.¹³⁷

There were known inhibitors to an open cooperation program; Indonesia was short of foreign exchange, and the establishment of a special fund could become ‘particularly embarrassing to the Indonesians’ or even lead to requests for defence equipment and direct military support. The IDC advised:

In time Australia may consider it in its national interest to develop such a course; in the short term, the Committee felt that Australia’s interests should be limited to the more modest objective of developing closer links.¹³⁸

The IDC suggested new service activities to balance the naval visit program that had slowly been introduced. Six naval projects were considered, and affirmative decisions taken on four on the basis that no additional finance was required and that the Navy’s ship annual training program was not adversely affected; the remainder required further discussion once Navy provided additional information. The hydrographic ship, HMAS *Moresby*, was approved to make a port visit to Jakarta, as part of a normal self-maintenance period for the ship while surveying in North West Australia, to unload the defence gift of mapping material to the Indonesian Naval Hydrographer¹³⁹; Indonesia’s request for the Indonesian Naval College (SESKOAL) to visit to Sydney, Wollongong and Newcastle to observe ship-building and industrial facilities was agreed¹⁴⁰; and Navy and Air Force consented to

¹³⁷ Loveday reported that the United States Administration had decided to provide some \$US8 million of engineering and transport equipment during 1967. The United States Ambassador, Marshall Green, had also initiated discussion on the use of Bali as a rest and recreational centre for American troops from South Vietnam. Green indicated to Loveday that Malik was enthusiastic over the Bali proposal because of the foreign exchange benefits in spite of the possible political difficulties on Vietnam; Cablegram 1524, Loveday to Canberra, 22 November 1966, DEA file JA1966/10, CRS A6364/4, NAA. Note to File, 5 April 1967, DEA file 3034/12 Part 9, CRS A1838/280, NAA.

¹³⁸ DEA file 3034/10/1 Part 31, CRS A1838/280, NAA.

¹³⁹ The visit lasted three days and included a display of survey equipment to the Indonesian Hydrographer’s staff. The Treasury-approved gift of mapping material comprised 50 000 sheets of chart paper and 250 sheets of Astrolon reproduction sheets, valued at \$A1500. IDC Meeting Report, 20 August 1968, DEA file 3034/10/1, CRS A1838/280, NAA.

¹⁴⁰ The visit was agreed at Indonesian expense, in accordance with arrangements put in place for the previous Indonesian Air Force College visit in which only accommodation and refueling of Indonesian aircraft costs were met by Australia (\$A11 000). The request was made by Indonesia through the Australian embassy for 35 students and staff to visit 22 February – 3 March 1968 for 7-10 days. Cablegram 2944, Jakarta to Canberra, 19 December 1968, DEA file 3034/10/1 Part 31, CRS A1838/280, NAA; and Press Statement, 20 February 1968, *CNIA*, Volume 40, February 1968, p.65.

provide training for Indonesian naval air traffic controllers in 1968-9.¹⁴¹ Navy offered to provide further information on availability and costs for the training of Indonesian naval officers on safety and survival equipment courses, clearance diving courses, and naval hydrographic training courses. Since the aim of the program was not 'to increase battle efficiency but to strengthen ties between the two countries', requests on other courses would require 'careful examination'. Navy, like Air Force, saw few benefits in training reciprocation in Indonesia because of the non-matching of equipment and different standards of individual and ship training.

Army's approach was circumspect. The IDC noted that Army was already considering mapping assistance in West Kalimantan, which meant that opportunities existed to provide survey training to Indonesians who would then be able to participate in 'on the job' training. No dates were agreed; Army was tasked to advise formally on the availability of funds and discuss any reservations on the project with Indonesia through embassy staff.¹⁴² Army recommended that Indonesian officers could be trained on the junior battlefield intelligence course; the recommendation was rejected because the three-month duration of the course was contrary to the convention that to bring students to Australia for periods under three months was not cost effective. The Department of External Affairs also objected to selective international attendance on intelligence courses on the grounds of perceived political favouritism and suggested that courses would be more suitable if open to attendance from other South East Asian countries. The decision was taken to examine the option further.¹⁴³

¹⁴¹ Both Navy and Air Force saw advantages in having the Australian air traffic control system introduced into Indonesia at the small cost of approximately \$A6 000 per student. Air Force did express some concern that Indonesia would send female students, which could be 'the cause of some embarrassment' to Air Force. IDC Meeting Report, 20 August 1968, DEA file 3034/10/1, CRS A1838/280, NAA.

¹⁴² The Australian Joint Mapping and Charting Committee (JMCC) had investigated the possibility of mapping assistance, and the concept of combined programs was endorsed for further discussion with Indonesian authorities. JMCC Report Number 5/68 and Chiefs of Staff Committee Minute Number 82/68 in DEA file 3034/10/1, CRS A1838/280, NAA.

¹⁴³ Army eventually rejected Indonesian attendance at battle efficiency training at the Joint Intelligence Centre and on attachments and 'on the job' training in the intelligence field. IDC Meeting Report, 20 August 1968, DEA file 3034/10/1, CRS A1838/280, NAA.

The IDC agreed that there were limited benefits in attendance on most Indonesian army courses; it was acknowledged, however, that parachute courses may be of some benefit, but Army did not have spare language-proficient personnel to attend at this stage. Providing language-proficient students remained an ongoing problem. The IDC noted Army's suggestion to provide accounting and administrative training in the future and confirmed the success of the reintroduction of exchange training at both staff colleges. Each exchange had been 'approved on an ad hoc basis', and since future exchanges were 'envisaged by all parties as continuing indefinitely', the IDC recommended that the 'matter should now be regularized as a continuing arrangement and appropriate ministerial approval obtained'.¹⁴⁴ In contrast, there were few benefits in Australian attendance for the foreseeable future at the Indonesian navy and air force command and staff colleges to justify the personnel and financial costs.¹⁴⁵

The Services strongly opposed additional Indonesian attendance at operational exercises above the approved program of normal, but tightly controlled, attendance of the Canberra-based Indonesian military attaché.¹⁴⁶ Security concerns remained paramount over the preparation for operations in Vietnam; as well, the joint nature of Australian exercises was considered unsuitable because Indonesia did not conduct exercises with more than one service. The IDC endorsed the Services' concerns but acknowledged that specific proposals from Indonesia should be considered on their merits.¹⁴⁷ Reciprocal visits provided greater potential to improve defence relations; already the Australian Chief of the Air Force had visited Indonesia in October 1967; his equivalent, Air Marshal Roesmin Noerjadin, reciprocated the visit in May 1968 primarily to investigate Australia's capacity

¹⁴⁴ Ministerial approval was granted one month later. Generally, two Indonesian officers have attended ASC per year, reciprocated by one Australian officer at Bandung each year. IDC Meeting Report, 20 August 1968, DEA file 3034/10/1, CRS A1838/280 and DEA file 3034/12/10, CRS A1838/2, NAA.

¹⁴⁵ Attendance began much later with one Australian student attending the Naval Command and Staff College (SESKOAL) in 1976, and one student commencing studies at the Air Force Command and Staff College (SESKOAU) in 1987. Reciprocation was also approved. Information provided by the Strategy and Ministerial Services Division, Department of Defence, 16 November 2000.

¹⁴⁶ The military custom to permit foreign military attachés in Australia to observe military exercises enabled Indonesian representatives, as part of the military attaché group, to view the less classified parts of major exercises.

¹⁴⁷ IDC Meeting Report, 20 August 1968, DEA file 3034/10/1, CRS A1838/280, NAA.

to maintain Indonesian aircraft purchased from the Soviet Union.¹⁴⁸ Roesmin's visit ended bureaucratic controversy; the visit was intended for early 1967, failed to gain Australian ministerial approval, and was 'diplomatically' postponed to 1968.¹⁴⁹

In reciprocation of the visit by an Indonesian Air Force Staff College (SESKOAU) group of students to observe a firepower demonstration at Williamstown, agreement was given for RAAF Staff College to visit Indonesia in 1968¹⁵⁰; and the Australian destroyers, HMAS *Vampire* and *Yarra*, undertook port calls at Jakarta and Surabaya.¹⁵¹ Sensitivities still remained; the proposed visit by the Indonesian Director of Military Intelligence (DMI) to Australian military installations was not supported by the Joint Intelligence Committee or by the Department of External Affairs which had objected on the grounds that the visit would be difficult to present publicly. This was the second time that the Director had endeavored to visit Australia, and in the spirit of cooperation the IDC agreed that Army should investigate the possibility of the Director visiting as part of a senior officer's party. Senior officer visits were considered to be 'quite acceptable' if they were not too frequent, perhaps one to two per year at the discretion of the Department of Defence and the relevant Service department, with the appropriate Service Chief issuing the invitation.¹⁵² The new arrangements, agreed by Hasluck and Fairhall, had the consequence in formally removing Department of External Affairs from the invitation process. This was unusual, noting the

¹⁴⁸ Letter, Secretary DEA to Secretary, Defence, 21 April 1968, DEA file 3034/12 Part 9, CRS A1838/280, NAA. 'Air Chief's visit may mean closer links with Indonesia', *The Australian*, 4 May 1968, p.8. In January 1967 Hasluck was briefed that the Soviet Union had refused to supply spares to the Soviet aircraft in the Indonesian air force. In 1968 circumstances had changed and Soviet spares were purchased. Report on Visit by Air Attaché to Indonesian Air Force Units in East and Central Java, 24 June 1969, DEA file 696/2/3 Part 2, CRS A1838/346, NAA. Roesmin's visit was unsuccessful. Howson's diary entry, 2 February 1967, Aitkin, *The Howson Diaries*, p.267.

¹⁴⁹ The Australian embassy and DEA preferred a civilian to be the first to make a formal visit to Australia, rather than an air force officer, even though Roesmin held conjoint appointments: Chief of the Air Staff and Commander-in-Chief of the Air Force, and Minister of State for Air. The impact of *Dwifungs*i was not always acknowledged, although DEA won the debate, and the Indonesian Finance Minister, Dr. Frans Seda, became the first Cabinet minister to visit Australia in the New Order period. Letter, Secretary of Defence to Secretary, DEA, 30 March 1967, DEA file 696/2/2/5 Part 1, CRS A1838/369, NAA; and *CNIA*, Volume 38, 1967, p.449.

¹⁵⁰ Press Statement 20 February 1968, *CNIA*, Volume 40, February 1968, p.65.

¹⁵¹ 'Annual Report 1st July 1967 – 30th June 1968', DEA file 3034/10/1, CRS A1838/280, NAA.

¹⁵² The new system would encourage Defence to undertake its own approach on future invitations, and this would later become an area of contention between Defence and DEA when DEA developed its program of invitations, under the special overseas visits fund. Letter, DEA to PM Department, 18 October 1968, PM file 68/8963, CRS A1209/45, NAA.

Department of External Affairs' concerns over the proposed visit of the Indonesian DMI, but typical of the compartmentalized approach that ministers employed in managing their departments during the term of the Holt government.¹⁵³

The IDC report was simple and conservative, reflecting the times and a government focused on cautiously nurturing the defence relationship. Hasluck had previously concluded that Australia should not become complacent about the potential and future intentions of the Indonesian armed forces; defence assistance is 'relatively cheap and allows Australian access to the Indonesian military establishment in ways that would otherwise be impossible'.¹⁵⁴ The recommendations attempted to embrace the notion of 'reciprocal obligations and benefits', yet failed to achieve 'balance' between the countries due to the different standards of training, different equipment and Australian security concerns. Unlike the Menzies' initiative, participation of all the Services was organized and defence cooperation guidelines established. The aim of the program, not 'to increase battle efficiency but to strengthen ties between the two countries', determined the selection of activities. Training activities concentrated on individuals, rather than sub unit or unit exercises, and were carefully chosen by the Services to satisfy security concerns; attendance at operational exercises was considered on a case-by-case basis; and visit programs were developed to permit ship and aircraft liaison visits, senior personnel and college group visits. The IDC report did not recommend the provision of operational equipment.

The report gained general acceptance. Loveday welcomed the range of activities but cautioned against 'rushing in' to offer all projects:

We should not give the Indonesians the impression that we are trying to push them into an ultimate defence relationship with us, or even that we are breaking out necks to get close to them. We should preserve our modesty about the whole affair, and at the same time not have them feel that they are compromising themselves.

¹⁵³ Fairhall lamented the lack of 'whole of government' approach and coordination across departments to policy-making under the Holt and Gorton governments. Interview Sir Allen Fairhall, 24 July 2000.

¹⁵⁴ Briefing Note on Cabinet Decision 762, 19 November and 4 December 1968, on Cabinet Submission 306, 'Strategic Basis 1968', CS file C306, CRS A5868/2, NAA.

He observed that elements of HMAS *Vampire*'s recent port visit 'had fallen flat' through an apparent over-abundance of naval activities and subsequently recommended no further ship or aircraft visits for 1968; he strongly recommended against the visit of Air Marshal Roesmin Noerjadin, preferring that a civilian cabinet minister should be the first to visit Australia. He remained concerned that undue publicity on defence cooperation could be an embarrassment to groups, both in and out of the Indonesian military; and he cautioned that 'we are putting our toe into what could be deep water'. He counselled how 'hungry' each of the Indonesian armed forces was for equipment, 'and this will increase with each year that they are kept on the present "care and maintenance" basis'. Already the Indonesian Air Force had hinted at future requests for free maintenance and servicing facilities from Australia.¹⁵⁵ Loveday was, nonetheless, cognizant of the growing interrelationships between the Indonesian military and economic activities; and military assistance had the potential to act as a 'sweetener' for private investment.¹⁵⁶

Hasluck and Fairhall accepted the IDC report, and agreement was given for Army to extend a visit invitation to the Indonesian Army Commander, the 'invitation being a desirable activity to launch the new defence cooperation program'.¹⁵⁷ Letters of offers for the approved projects were soon prepared for delivery by embassy staff to the appropriate Indonesian authorities. The timing of the letters was sensitive; the development of the IDC report was carried out in the knowledge that the government had decided to extend the Defence Aid Program to Malaysia and Singapore by allotting an additional \$A20 million for the period 1968-70. The announcement of the extension was orchestrated for 5 October 1967, after the Indonesian government had been informed on the intended aid announcement and the detail of the IDC report.¹⁵⁸

¹⁵⁵ Note, Loveday to Secretary DEA, 19 April 1968, DEA file 3034/10/1 Part 30, CRS A1838/280, NAA. See also the reporting of Roesmin's visit to Australia, Christopher Forsyth, 'Indonesia to seek Australian aid in servicing aircraft', *The Australian*, 10 May 1968, p.2.

¹⁵⁶ *Dwifungsi*, the two functions of the Indonesian military, is described in Bilveer Singh, *Civil-Military Relations Revisited – The Future of the Indonesian Armed Forces (ABRI) in Indonesian Politics*, Crescent Design Associates, Singapore, 1999, particularly pp.153-78.

¹⁵⁷ IDC Meeting Report, 20 August 1968, DEA file 3034/10/1, CRS A1838/280, NAA. Army also convinced the IDC that invitations should not necessarily be confined to senior operational officers but should also include logistic and personnel officers.

¹⁵⁸ The Australian Defence Aid Programme started in 1964 during Confrontation. The new program totalled \$A14 million to Malaysia and \$A6 million to Singapore and included the provision of military equipment, training courses in Australia and seconded Australian personnel to the Malaysian Armed Forces. Between

MAPPING ASSISTANCE TO INDONESIA

One approved project of the new program involved the provision of mapping assistance to Indonesia.¹⁵⁹ During the early stages of the New Order period, Indonesian authorities identified the importance of national development to exports. National exploration and exploitation were hamstrung through the lack of a reliable transportation infrastructure, insufficient power generation for large-scale mining operations and inadequate national mapping.¹⁶⁰ Since 1960 Indonesia had commenced intensive exploration for minerals to support the establishment of steel making and to improve earnings through the export of minerals. A number of projects had been identified for exploitation, including iron and steel prospects in Kalimantan, copper and aluminium mining in North and South Sumatra, and copper, gold and nickel in West Irian.¹⁶¹ Indonesia lacked a modern charting and mapping capability and sought international assistance, as part of national development assistance, at an international cartography conference in March 1967 in Canberra.¹⁶² The United States, Britain and Australia expressed interest in a combined assistance program, and reconnaissances were conducted to ascertain suitable projects, scale of assistance, equipment requirements and projected costs. In January 1968 the United States advised that 'the time was not opportune' for their participation.¹⁶³ This was not surprising because of the anti-American sentiment in the Indonesian ruling elite over United States military operations in Vietnam. After further discussion with the Indonesian Director of Topography, the decision was taken to conduct a combined British, Australian and Indonesian mapping project in the western area of Kalimantan, over a six-month period, to survey some 24 000 square miles.¹⁶⁴

1964 and 1967, 385 Malaysian and eight Singapore servicemen undertook training in Australia. Ministerial Statement, *CPD*, House of Representatives, Volume 57, 5 October 1967, p.1748.

¹⁵⁹ Survey cooperation continued until 1984 and is dealt with in full to introduce the issue of the Indonesia-Papua New Guinea border.

¹⁶⁰ Ministerial Statement, *CNIA*, Volume 43, May 1972, p.226.

¹⁶¹ Cablegram 406, Canberra to Jakarta, 17 March 1967, DEA file JA1967/03T, CRS A6366/4, NAA.

¹⁶² Record of UK/AUST Discussions, 11 October 1968, in DEA file 696/2/2/8 Part 1, CRS A1838/369, NAA.

¹⁶³ In May 1967 the United States dispatched a technical team to Indonesia to examine options. See Army Directorate of Survey file 101-418-4, cited in C.D. Coulthard-Clark, *Australia's Military Map-Makers – The Royal Survey Corps 1915-1996*, Oxford University Press, South Melbourne, 2000, pp.160-1.

Operation Mandau

The operation, codenamed *Mandau*, was successfully carried out during April to August 1970 and involved the British Royal Engineers survey detachment from Singapore, supported by British Royal Air Force aerial photography missions and Australian aviation and survey personnel.¹⁶⁵ Indonesian participation was limited to liaison and security personnel, although a small number of surveyors from the Indonesian army survey corps, JANTOP, participated after completing technical ‘on the job’ training on British and Australian equipment.¹⁶⁶ The success of *Mandau* generated a further invitation to continue survey assistance in the southern part of Sumatra; the invitation was directed to Australia and was not without internal debate in Jakarta because of the security issues surrounding national mapping tasks. The provision of mapping information is a strategic undertaking, which ultimately provides commercial and military knowledge that could be used against the host country. An invitation to Australia offered Indonesia advantages by not becoming tied to powerful countries with overwhelming strategic, economic and political forces; and survey cooperation with Australia in the border area of Irian Jaya and Papua New Guinea had evidenced Australia’s good intent in providing the necessary technical survey and mapping assistance. Suspicion, however, lingered over possible Australian use of this most valuable geographic intelligence; and a difference of opinion existed within the Indonesian military between a minority who were suspicious of Australian intentions and a majority who accepted that Australia’s involvement in national mapping tasks caused the least strategic harm.¹⁶⁷

¹⁶⁴ *Ibid.*, p.161. See also ‘Mapping Co-operation with Indonesia’, in *CNIA*, Volume 43, 21 March 1972, p.116; and Peter Hastings, ‘The road to Samudra’, *The Australian*, 13 July 1968, p.7.

¹⁶⁵ *Mandau* is the *Bahasa Indonesia* word for the short straight knife used by the indigenous Dyaks.

¹⁶⁶ The Australian contribution was some 25 survey personnel, three Army Sioux helicopters and one Army Pilatus Porter, an Air Force Caribou, and on occasions a chartered light aircraft. It took five C130 Hercules sorties to place the contingent into Supadio, the airfield servicing the town of Pontianak. At the height of operations the base camp contained nearly 80 people, including personnel from a number of Army corps such as medical, engineers, ordnance and other supporting agencies. T.C. Sargent, ‘Operation Mandau: The Royal Australian Survey Corps in Indonesia, 1970’, in *National Bulletin of Survey Corps Association*, Volume 7, September 1971, pp.32-43.

¹⁶⁷ *Baden Intelligent Strategies* (BIAS), the Strategic Intelligence Agency, argued strongly against outside assistance to overcome the mapping problem, preferring to wait until there were sufficiently trained Indonesian personnel who could undertake the task. The Indonesian government chose not to wait. Interview Brigadier K.B.J. Mellor, 22-23 May 2000.

There were other, more emotive reasons that influenced the Indonesian decision. The years, 1968 to 1970, were high periods in a growing Indonesian consciousness of Australia; this was partly the result of proximity, combined with Indonesia's rapprochement with the West. It was also due to a growing conviction in some circles of Indonesian expectations of Australia; 'the steady stream of returning Indonesian doctors, lawyers, parliamentarians, mining engineers, academics and soldiers [were] slowly spreading the word' on Australia's natural wealth. For some Indonesians, the size of Australia's economic assistance seemed unrepresentative of Australia's capacity for assistance, although, aside from its value, the Australian contribution was accepted as a stimulus for the generous instincts of the more prosperous nations of Japan and the United States. Australia's role in urging Japan to increase its aid to some \$US71 million, defer trade debt further and pledge an additional \$US27 million for fiscal year 1968-9 was widely appreciated by Indonesian officials at the highest levels. 'Australia is a popular country in Indonesia'.¹⁶⁸ Some in the Indonesian military saw the potential of a more substantive relationship emanating from the ongoing mapping assistance:

Australia is important. We have manpower and you have industry. Maybe in five to ten years we will be ordering our equipment from you, perhaps standardize with yours. But quietly, very quietly.¹⁶⁹

Operation *Gading*

The second survey operation, *Gading*, was undertaken after intensive reconnaissances were carried out in late 1970 and early 1971.¹⁷⁰ The 86-strong contingent was airlifted to Palembang in March 1971, where Indonesian army engineers had constructed a base camp near the airfield. Survey control work started almost immediately with Indonesian and Australian surveyors closely integrated in the fieldwork. Information was sometimes dispatched to the Army's mapping facility in Bendigo where information were compiled,

¹⁶⁸ Peter Hastings, 'The road to Samudra', *The Australian*, 13 July 1968, p.7. Hastings related the comments of an Indonesian general: 'Indonesians used to look north, and to the United States and Europe ... we look south and there is Australia, very large and suddenly very important'.

¹⁶⁹ Editorial, 'Indonesia: the need is not passed', *The Australian*, 4 July 1968, p.8.

¹⁷⁰ Ministerial Statement, in *CNIA*, Volume 43, March 1972, pp.133-4. *Gading* is *Bahasa Indonesia* for elephant tusk.

formatted and printed, and then distributed to the Indonesian authorities.¹⁷¹ Field operations were planned to coincide with Indonesia's dry season and continued for the following five years until the areas designated for mapping had been surveyed.¹⁷² The field work was extensive; in some years the contingent was increased to over 100 personnel of surveyors, pilots and maintenance crew for the supporting Australian army fixed wing and rotary aircraft; and new base camps were established in Medan and Padang.¹⁷³ By the end of August 1975 survey control had been established along Sumatra and linked with Malaysia across the Strait of Malacca.¹⁷⁴ The program was so successful that Indonesia requested a continuation of survey assistance in Irian Jaya.

Operation *Cenderawasih*

The Dutch had undertaken limited mapping of Indonesia during the colonial period, including some coastal mapping of Irian Jaya. New and accurate maps were required to satisfy ongoing exploration and to accelerate infrastructure development to ensure timely export from the new mines.¹⁷⁵ Other, more militaristic reasons existed. Indonesian control of the province was under threat through the activities of West Papuans seeking independence, and the lack of quality maps and the inadequacies of the Dutch maps hampered military operations against these groups.

In June 1976 Operation *Cenderawasih* initiated geodetic and mapping control for the western part of Irian Jaya, or the Bird's Head, as it is more commonly known.¹⁷⁶ Survey operations were mounted each year, between June and November, before the onset of the wet season. The size of the contingent totaled some 145 personnel of whom only 35 were

¹⁷¹ The Army Survey Regiment at Bendigo was responsible for research and development into mapping to satisfy the Army's requirements. The Regiment also provided technical survey control and mapping services for the ADF and assisted the National Mapping Authority in mapping Australia and its territories.

¹⁷² Operations *Gading* 1, 2, 3, 4, 5 and 6 continued in the period May to August of the years 1971, 1972, 1973, 1974 and 1975 respectively. *The Chronology of the RA Survey Corps*, The School of Military Survey, Bandiana, 1979; Coulthard-Clark, *Australia's Military Map-Makers*, pp.161-2.

¹⁷³ Ministerial Press Release, 26 March 1971, in *CNIA*, Volume 42, March 1971, pp.133-4.

¹⁷⁴ Ministerial Press Release, *AFAR*, Volume 44, May 1973, p.357; and Ministerial Press Release, *AFAR*, Volume 45, January 1974, p.60.

¹⁷⁵ For example, in 1968 Freeport Sulphur undertook copper exploration south west of the Vogelkoop and investigated nickel extraction in Waigeo. Peter Hastings, 'Indonesia's leaders race against time to restore economic sanity', *The Australian*, 15 July 1968, p.7.

¹⁷⁶ *Cenderawasih* is *Bahasa Indonesia* for the bird of paradise.

surveyors, with the remainder providing transportation, communications and administrative support. Progress was slow; weather interfered with visibility, producing poor conditions to undertake survey work. Poor weather also played its part in causing the first casualties; an Iroquois helicopter crashed in a forest at an altitude of 10 000 feet; the Australian pilot was killed, and the four surveyors survived, although seriously injured. Australian Special Air Service personnel were dispatched to the accident site after Indonesian authorities provided 'extraordinary co-operation' in permitting the Special Air Service to operate in Indonesian territory without the need for diplomatic clearances.¹⁷⁷

Cenderawasih 1978 continued the program in Irian Jaya through aerial photography missions flown by Canberra reconnaissance jets from Darwin to finalize survey control over areas which proved to be unsuitable for ground survey work. Ground survey, however, resumed in 1980 in the areas of Timuka and Sentani, and during this phase, which was finally completed in November 1981, Australian surveyors came into 'non-violent' contact for the first time with the OPM:

A grubby letter, pressed into the hands of the party's civilian aircraft mechanic on the airstrip at Timuka ... demanded to know why Australians were cooperating with the Indonesian armed forces.¹⁷⁸

The incident worried the Indonesian authorities, and additional protection was arranged for Australian survey parties for the remainder of the operations.¹⁷⁹

The End of Survey Cooperation

Additional survey control assistance was provided albeit on a smaller scale to other parts of the archipelago. Operation *Pattimura* was conducted in the Maluku province in the Celebes in 1979, Ambon in 1980 and Tanimbar in 1981. In 1982 operation *Nusa Barat* was undertaken at short notice in the Riau and Lingga island group; and during *Nusa Barat* 1983 and 1984 survey control fixed a number of Indonesian islands between Borneo and the Malay peninsular. These operations were completed with JANTOP personnel, the work

¹⁷⁷ Interview Brigadier J.J. Wallace. Wallace led the SAS rescue party. See also David Horner, *SAS: Phantoms of the Jungle*, Allen & Unwin, Sydney, 1989, p.414; Clem Sargent, *The Royal Australian Survey Corps 1915-90*, 1995, p.20; and Coulthard-Clark, *Australia's Military Map-Makers*, p.164.

¹⁷⁸ Cited in *Ibid.*, p.165.

¹⁷⁹ Cited in *Ibid.*

dispatched to Bendigo for detailed plotting and checking, and returned to the Indonesian authorities for cartography and final printing.

No major survey operations were conducted after *Nusa Barat 1984*. In the circumstances of strained government to government relations, arguments emanating from the Indonesian Strategic Intelligence Agency (BIAS) over Australian access to Indonesian geographic information gained ascendancy. BIAS had always argued that mapping vulnerable parts of the Indonesian republic gave Australia unacceptable military and commercial advantages.¹⁸⁰ The decision meant that Indonesia would rely on its own mapping capability to finish the survey control work and rely on old Portuguese and Dutch maps which were produced during the colonial period.¹⁸¹ Aerial survey, however, was resumed in Irian Jaya with individual tasks carried out during the period, 1990 and 1995.¹⁸²

The survey assistance provided under defence cooperation might turn out to be one of the more significant programs of assistance. The uncomplicated Australian contribution, rendered with good intent, helped to accelerate national development and export enhancement during Indonesia's period of economic recovery. While the assistance did not directly provide commercial advantage to Australian industry, Indonesian authorities were aware that maps could be produced in Australia from the survey control work, and possession of these maps would provide a strategic advantage in military planning.

¹⁸⁰ From 1973 a survey liaison officer was attached to the Australian embassy in Jakarta to provide technical assistance when the need arose. The officer also lectured on Indonesian survey courses at the Institute of Technology in Bandung and provided technical advice on Indonesian survey operations and to the Indonesian survey regiment. Interview Brigadier K.B.J. Mellor, 22-23 May 2000; and Coulthard-Clark, *Australia's Military Map-Makers*, pp.166-7.

¹⁸¹ On 10 October 1999, an incident in the border area of East and West Timor between Indonesian armed forces and the International Force in East Timor (INTERFET) had its origins in different maps. Indonesian soldiers were using Dutch maps, which did not agree with the border markings on maps in use with INTERFET troops. This was not the first Timor border incident. A December 1966 clash between Indonesian and Portuguese troops in the Timor border area resulted in seven Portuguese soldiers killed. The clash happened through poor maps and an inadequate number of border markers. Cablegram 1627, Jakarta to Canberra, 13 December 1966, DEA file JA1966/05T, CRS A6364/4, NAA. For detail on the INTERFET incident, see Question without Notice, *CPD*, House of Representatives, Volume 229, 11 October 1999, p.8420.

¹⁸² Report from the Joint Standing Committee on Foreign Affairs, Defence and Trade, *Australia's Relations with Indonesia*, Australian Government Printing Service, Canberra, November 1993, p.71.

THE INDONESIA - PAPUA NEW GUINEA BORDER 1962-1972

Background

Dr Subandrio's visit to Canberra in February 1959 was described by the Minister for External Affairs, R.G. Casey, as one to 'clear up misunderstandings' about the protracted dispute between the Netherlands and Indonesia over West New Guinea.¹⁸³ Considering that Indonesia had never wavered from its position in respect to the dispute, Casey's comment seemed abstruse, although some commentators ironically presumed that it was the Australian position that required clarification.¹⁸⁴ In the substance of Australia-Indonesia relations, the visit assumed larger importance after the event than during the visit for the domestic reaction it caused.¹⁸⁵ Subandrio achieved a public relations success, courting the press through which he was able to deliver messages aimed at dispelling 'suspicion, mistrust and non-confidence in Indonesia's intentions'. He declared that Australians 'had no fear of an attack from Indonesia, as we have no fear of an attack from you'.¹⁸⁶ 'We would not want the rest of New Guinea or any part of Australia'. Indonesia, he stated, would be Australia's first shield of defence against any attack and would welcome a treaty of friendship with Australia, adding 'we do not enter into military treaties with other countries'.¹⁸⁷ Subandrio proclaimed the benefits of Australian military aid, as 'the best way that Australia could help Indonesia', and confirmed that Indonesia was looking forward to Menzies' first prime ministerial visit to Jakarta in December.¹⁸⁸ His visit to Australia and his advocacy for Indonesian control of West New Guinea were directed at weakening Australian support for the Dutch and induce Australia to embrace the American position of reasoned neutrality.¹⁸⁹

¹⁸³ The Indonesia-Papua New Guinea border and the West New Guinea dispute are only covered in sufficient detail to develop the continuing threads of the Australia-Indonesia relationship. For additional detail see Ian Downs, *The Australian Trusteeship of Papua New Guinea 1945-75*, Australian Government Printing Service, Canberra, 1980, pp.214-72; and J.A.C. Mackie, 'Australia and Indonesia 1945-1960', in Gordon Greenwood and Norman Harper, (Editors), *Australia in World Affairs 1956-1960*, for the Australian Institute of International Affairs, Cheshire, Melbourne, 1963, pp.272-326.

¹⁸⁴ 'Netherlands New Guinea', *CNIA*, Volume 30, February 1959, pp.269-70.

¹⁸⁵ The circumstances leading up to and including the visit, as well as Casey's off-handed invitation for Subandrio to visit Canberra, see 'Problems of Australian Foreign Policy', *Australian Journal of Political History*, Volume 5, 1959, pp.139-46.

¹⁸⁶ 'Dutch To Quit As Basis Of Plan', *The Sydney Morning Herald*, 12 February 1959, pp.1, 8.

¹⁸⁷ The suggestion of a Treaty of Friendship was never raised again.

¹⁸⁸ Editorial, 'Good Neighbourly Visits', *The Age*, 16 February 1959, p.2; and 'Dutch N.G. Issue Not Solved at Canberra Talks', *The Age*, 16 February 1959, p.3.

¹⁸⁹ 'West N.G. Safest in Indonesian Hands', *The Age*, 17 February 1959, p.5.

The joint communiqué after the meeting described the discussions between Cabinet and Subandrio as covering the ‘full explanation of the considerations which led each country’ to a ‘different view over West New Guinea’. Indonesia remained committed to absorption of West New Guinea, and Australia recognized the Netherlands’ sovereignty of West New Guinea and the principle of self-determination for West Papuans. If an agreement were reached between Indonesia and the Netherlands ‘as parties principal, arrived at by peaceful processes and in accordance with internationally accepted principles, Australia would not oppose such an agreement’.¹⁹⁰ The government did not anticipate the reaction to the notion of appeasement implicit in the joint announcement, nor did it expect opposition to Australia’s renouncing its claim to a direct interest in the matter. Australia had always sought to be recognized as a ‘party principal’ - the language that Spender had constantly used to engender international support for Australia’s position. Now, in Casey’s view, Australia’s role was downgraded to that of ‘a very interested third party’, and by foregoing the role of ‘party principle’ the government had withdrawn as an active participant from the negotiations between Indonesia and the Netherlands. The press were damning, some government members declared their opposition to the government’s position, and the Labor Opposition’s withdrew from its unofficial bipartisan approach to West New Guinea.¹⁹¹ Realizing that the joint announcement had indicated that Australia could not prevent an agreement, Menzies capriciously recounted to Parliament that Australia would ‘not advocate a negotiation’, and ‘we are certainly not prepared to urge the Dutch to negotiate’.¹⁹² Menzies declared that the joint communiqué had merely indicated an intention to ‘keep lines of communications with Indonesia open’.¹⁹³

The government seemed momentarily to have lost the support of its constituency. It was true that events were unfolding through outside influences rather than from the ostensible

¹⁹⁰ Joint Announcement, by the Indonesian Foreign Minister and the Australian Minister for External Affairs, 15 February 1959, *CNIA*, Volume 30, February 1959, p.81.

¹⁹¹ See, for example, Douglas Wilkie, ‘Pact Pitfalls and Mr. Casey’, *The Sun* (Melbourne), 18 February 1959, p.6; Editorial, ‘Mr. Casey Neither Explains Nor Excuses His Folly’, *The Sydney Morning Herald*, 19 February 1959, p.1; Ministerial Statement, *CPD*, House of Representatives, Volume 22, 24 February 1959, pp.194-219.

¹⁹² *Ibid.*, p.198.

¹⁹³ Downs, *The Australian Trusteeship of Papua New Guinea 1945-75*, p.226.

moral basis of the government's policy, yet the government was wedded to three propositions all of which provided little room for manoeuvre:

The fear that if Indonesia were given West New Guinea, it would only be a matter of time ... when the claim will be pushed farther so as to include the Trust Territory of Australian New Guinea and its people. Second was the determination to keep communism ... from gaining a foothold among the New Guinea people. Third was the belief that New Guinea was an absolute essential link in the chain of Australian defence.¹⁹⁴

Such propositions seemed self-evident in the environment of the Cold War in which perceptions of a communist-inspired expansion in Asia influenced the political thinking and rhetoric of the day. Nonetheless, each proposition varied in importance when measured against the oft-expressed Australian vital interest of developing a friendly long-term relationship with Indonesia. By 1963 the essentiality of the defence link of Papua New Guinea to Australia's defence was not accepted by a number of government members and remained less significant as a security issue.¹⁹⁵ The notion that Indonesia might become communist was not as evident in 1959, although Indonesian domestic politics indicated sufficient political uncertainty to warrant caution in defence policies.¹⁹⁶ To use Indonesia's claims on the Trust Territory as a principal determinant of policy was perhaps an over-estimation of Indonesia's intent. To be sure, Indonesia wanted West New Guinea and had indicated so as early as 1949, however no claim had ever been made on Papua New Guinea even in the unsettling anti-colonial climate of the period.¹⁹⁷

¹⁹⁴ Bruce Grant, *Indonesia*, Penguin, Ringwood, 1964, p.156. Grant also commented that 'self-determination' would only later become a frequently cited reason for Australia's policy on West New Guinea. The fear of Indonesia becoming communist and communism permeating West New Guinea is described in DEA file 1960/980, CRS A1209/64, NAA, in particular folios for year 1962.

¹⁹⁵ See public statements by W.C. Wentworth and Sir Wilfred Kent Hughes, two notable anti-communist advocates, who both denied the importance of Papua New Guinea to Australian defence. It is fair to state that in the period 1959 to 1970, the importance of Papua New Guinea as a key to Australian defence was, perhaps at a low point. Downs, *The Australian Trusteeship of Papua New Guinea 1945-75*, p.230. See also 'Aust. Not Advising Negotiations', *The Age*, 19 February 1959, p.1; 'Censure Motion On West N.G. Expected', *The Sydney Morning Herald*, 19 February 1959, p.1; and CPD, House of Representatives, Volume 22, 24 February 1959, p.203.

¹⁹⁶ In 1963 the PKI claimed a six million membership out of an estimated total population of 115 million. Cited in Downs, *The Australian Trusteeship of Papua New Guinea 1945-75*, p.221.

¹⁹⁷ See, for example, J.A.C. Mackie, 'Does Indonesia have expansionist designs on Papua New Guinea?', in R.J. May, *Between Two Nations – The Indonesian-Papuan New Guinea Border and West Papuan Nationalism*, Robert Brown Associates, Bathurst, 1986, pp.65-70, 78-84.

The critics of the government postulated a variety of ideas to thwart Indonesia's designs on West New Guinea: the 'hoary' suggestion that Australia should buy West New Guinea from the Netherlands; the proposal that the United Nations should create a trust territory; and the concept of linking East and West New Guinea into a Melanesian federation was resurrected.¹⁹⁸ The government's critics proffered the argument of self-determination as the proper justification to prevent incorporation. This was idealism in action, and the importance of self-determination would eventually find a measure of expression in the New York Agreement. Nevertheless, the inference of the joint communiqué could not be ignored; the policy had always been the product of conflicting considerations of Australian security: friendship with Indonesia or self-determination for the West Papuans.¹⁹⁹ Whether it wanted to or not, the government had signaled through the joint communiqué that it valued Indonesian friendship over the right of West Papuans to self-determination.²⁰⁰

Towards the New York Agreement

Peaceful means to end the West New Guinea dispute seemed unobtainable.²⁰¹ Sukarno's threats to seize West New Guinea by force gained potency through a series of incidents that directly challenged the OLDEFOS. Military invasion equipment was purchased from the Soviet Union.²⁰² The Indonesian government legislated to complete the nationalization of the Dutch estates. Indonesian troops were infiltrated into the West New Guinea mainland, and naval skirmishes took place resulting in the sinking of one Indonesian torpedo boat

¹⁹⁸ John Kerr presented a paper, 'Political Future', at the 24th Summer School of the Australian Institute of Political Science, Canberra, 25-27 January 1958 and proposed a Melanesian Federation to include Papua, the Trust Territory of New Guinea, West New Guinea and the British Solomons. The proposal remained an attractive and intellectual theme for occasional debate. Downs, *The Australian Trusteeship of Papua New Guinea 1945-75*, pp.222-3.

¹⁹⁹ For further detail on the visit and the aftermath, see Alan Renouf, *The Frightened Country*, Macmillan, Sydney, 1979, pp.419-27.

²⁰⁰ For further detail of this period, see Gordon Greenwood, 'Australian Foreign Policy in Action', in Greenwood and Harper (Editors), *Australian in World Affairs. 1961-1965*, pp.86-94. Howard recently commented that Australia does not support independence for West Papua. Keith Suter, 'West Papua looms as the next big crisis', *The Canberra Times*, 22 June 2000, p.9.

²⁰¹ The number of editorials on West New Guinea illustrates the intense interest in the dispute. Between January 1961 and December 1963, 'at least fifty-five [editorials appeared] in *The Sydney Morning Herald*, well over thirty in *The Age*, and some thirty or more in the *Courier-Mail*'. Of these, a sizable number criticized the 'inflexibility' of the government's approach. Cited in Greenwood and Harper, *Australia in World Affairs 1961-1965*, p.22. For detail on Labor's position, see parliamentary statements by Calwell and Whitlam, *CPD*, House of Representatives, Volume 31, 27 April 1961, in particular pp.1247, 1271-2.

²⁰² Brigadier General Suharto was given command of the invasion of West New Guinea. The invasion plan was called, *Mandala*. His youngest son, Tommy, born in 1962, has the middle name of Mandala.

while two other boats were forced to retire from battle. In response, the Dutch government dispatched sizable reinforcements, including an aircraft carrier, to the area.²⁰³ Support from Britain and the United States, however, was far from automatic. The lack of United States' support for the Dutch in the United Nations Assembly and at the ANZUS Council meeting in Canberra in May 1962 confirmed that no United States military support for West New Guinea would be forthcoming if circumstances were to deteriorate. Settlement of the dispute, the Americans argued, 'could only be secured through negotiation rather than by arms'.²⁰⁴ With the additional knowledge that Britain also supported the American position, the Australian government shifted the emphasis to negotiation. Without strong political and military support, Australia was not strategically placed to support the Dutch against Indonesian military activities, so Barwick was dispatched to Indonesia to inform Sukarno that Australia now supported a negotiated settlement.²⁰⁵

The 'back-down' was editorialized as a 'major diplomatic defeat for the Australian government' and realized strategic consequences yet to be fully appreciated.²⁰⁶ The government had been reminded that Australia lacked 'the military, political and financial strength to do more than express its views on principle'. Australia had been forced to adjust 'her policies to those of nations who had the military power to compel attention to their views'.²⁰⁷ To support the Dutch position and concurrently maintain good relations with Indonesia for the longer term could not be undertaken without jeopardizing that prospect irretrievably. Under Barwick, a dual policy towards Indonesia had emerged, based on Australia's vital interest to seek 'broad co-operation' with Indonesia but 'combined with

²⁰³ The Dutch reinforcements were denied landing and transit rights by Japan and the United States, another strong indication of American intent and non-support for the Dutch and the Australian position. For detail on American policy and practice on West New Guinea, see Terrance C. Markin, 'The West Irian Dispute: How the Kennedy Administration Resolved that 'Other' Southeast Asian Conflict', *Ph.D. Thesis*, The John Hopkins University, Baltimore, 1996.

²⁰⁴ Cabinet Decision 204 on Cabinet Submission 164, 'ANZUS Conference 8/9 May 1962', May 1962, CS file C3640, CRS A4940/1, NAA; and ANZUS Council Communiqué, *CNIA*, Volume 33, May 1962, p.6.

²⁰⁵ In February 1962 Robert Kennedy, then the United States Attorney-General, visited The Hague after travelling to Jakarta to persuade the Dutch to enter into secret discussions to end the impasse. Downs, *The Australian Trusteeship of Papua New Guinea 1945-75*, p.229. See also Renouf, *The Frightened Country*, pp.427-31.

²⁰⁶ Editorial, 'Too late to cry', *The Courier-Mail*, 4 August 1962, p.1.

²⁰⁷ Downs, *The Australian Trusteeship of Papua New Guinea 1945-75*, p.230. See also 'Island "Liberated," Indonesians Say', *The Age*, 2 April 1962, p.1; and Editorial, and 'Strong Words But Small Division', *The Age*, 2 April 1962, p.2.

specific opposition to any unwarranted Indonesian expansionist ambitions'; and a similar dual policy would become central to Australian policy-making during Confrontation.²⁰⁸

Barwick and Hasluck would heed other important lessons from the actions of Menzies and Casey. An independent foreign policy approach to the resolution of a critical regional issue would only prevail if supported by overwhelming military power; and even an implied threat of Australian military action became an empty gesture without the backing of 'great and powerful friends'. Unlike the declaration of support for the Dutch in West New Guinea, Barwick was not prepared to commit to a military solution in support of Malaysia during Confrontation without some assurance from the United States. In 1963 he sought and received a declaration from Rusk that if Australian troops 'were in trouble' in fighting Indonesian forces, the United States would regard 'herself as just as bound to assist Australia as she would in a case involving ANZUS'.²⁰⁹ Furthermore, in 1964 Hasluck found it necessary to reassure Rusk and McNamara that Australia 'felt itself under a deep obligation not to trigger off the ANZUS commitment without prior consultation with the US'; and Hasluck was mindful to undertake discussions with the United States Administration before changes were made to the Australian commitment to Malaysia.²¹⁰

The New York Agreement 1962

The New York Agreement of August 1962 between the Netherlands and Indonesia formalized the end of Dutch colonialism and authorized the transfer of administration of

²⁰⁸ Downs, *The Australian Trusteeship of Papua New Guinea 1945-75*, pp.220-32. See also Greenwood, 'Australian Foreign Policy in Action', pp.88, 94; Osborne, *Indonesia's Secret War*, pp. 29-34; 'Mid-August Peace Pact Hopes For West N.G.', *The Age*, 2 August 1962, p.1; Editorial, 'Breakthrough on New Guinea', *The Age*, 2 August 1962, p.2; 'N.G. War "Prevented", Says Barwick', *The Sydney Morning Herald*, 22 August 1962, p.1; and 'Indonesia Offers Pact On East N. Guinea To Australia', *The Sydney Morning Herald*, 30 January 1962, p.1.

²⁰⁹ Letter, Rusk to Barwick, 5 March 1963, attached to Cabinet Submission 576, 'Quadripartite Talks on Indonesia', CS file C3739, CRS A4940/1, NAA. When Governor Averell Harriman, Under Secretary for State for Political Affairs, visited Canberra in June 1963, in discussions with Cabinet he qualified Rusk's statement to:

If there should be an overt attack on Australian forces stationed in Malaysia, the ANZUS Treaty would, according to the advice given to the United States Administration by its lawyers, come into operation.

Letter Bunting to United States Ambassador, W.C. Battle, 7 June 1963, CS file C3812, A4940/1, NAA.

²¹⁰ Record of Conversation, 16 July 1964, CS file C4040, CRS A4940/1, NAA

West New Guinea to the United Nations Temporary Executive Authority.²¹¹ Seven months later Indonesia assumed administrative control of West New Guinea. The Agreement referred only to an opportunity to ‘exercise freedom of choice’ and of consultations with ‘representative councils’ on procedures and methods to be adopted for ‘ascertaining the freely expressed will of the population’; the Agreement stated that all adults from the territory were eligible to participate in the act of self-determination, which was ‘to be carried out in accordance with international practice’. Thus little detail of the procedures was given, or no use made of the words ‘plebiscite’ or ‘referendum’ throughout the Agreement.²¹² Once the Agreement was signed, little interest was shown by the major powers in the issue of self-determination. The United States, for example, ‘rebuffed suggestions by the Dutch and Australians’ that the United States should continue to monitor Indonesians activities after 1963.²¹³ The British government accepted the Indonesian government’s policies in order not to risk undermining its political and economic relations ‘on the matter of principle involving a relatively small number of very primitive people’.²¹⁴ By 1968 the Australian government shared a similar attitude, hoping that ‘the more quietly the act of self-determination passes off ... the better’.²¹⁵

Government suspicions of Indonesia continued; during Confrontation Cabinet discussed emergency evacuation plans for Papua New Guinea and accepted the Defence Committee’s recommendation to strengthen the defence posture in Papua New Guinea through a three-

²¹¹ Question without Notice, CPD, House of Representatives, Volume 63, 14 May 1969, p.1740.

²¹² Detail on the United Nations-sponsored discussions are covered in May, *Between Two Nations – The Indonesian-Papua New Guinea Border and West Papua Nationalism*, Robert Brown Associates, Bathurst, 1986; P. Hasluck, *A Time for Building: Australian Administration in Papua New Guinea 1951-1963*, Melbourne University Press, Melbourne, 1976; N.L. Hill, *Claims to Territory in International Law and Relations*, Greenwood Press, Westport, 1976; John Saltford, ‘United Nations Involvement With The Act of Self-Determination in West Irian (Indonesian West New Guinea) 1968-1969’, in *Indonesia*, Southeast Asia Publications, Cornell University, Number 69, April 2000, pp.71-92. See in particular, Articles XVII and XX of the Agreement, which make indirect reference to an act of self-determination. The term, ‘an act of free choice’, gained common usage after 1962. *CNIA*, Volume 33, August 1962, pp.25-9.

²¹³ Letter, the British Ambassador to Jakarta to Mr. David F.B. Le Breton, British Foreign Office, 10 June 1969, in PRO: FCO 24/448 (FWD 1/4), cited in Saltford, ‘United Nations Involvement With The Act of Self-Determination in West Irian (Indonesian West New Guinea) 1968-1969’, p.74. See also folios covering 1964 in DEA file 3036/6/1 Part 83, CRS A1838/280, NAA.

²¹⁴ Letter, I.J. Sutherland to D. Murray, 30 April 1968, Foreign Office Southeast Asian Department, PRO: FCO 15/162, DH1/7, cited in Saltford, ‘United Nations Involvement With The Act of Self-Determination in West Irian (Indonesian West New Guinea) 1968-1969’, p.75.

²¹⁵ Letter, D.J. Wyatt, British High Commission, Canberra, to D. Murray, Foreign Office Southeast Asian Department, 30 April 1968, in PRO: FCO 15/162 DH1/7, cited in *Ibid*.

year plan, which included the establishment of a large administrative base in east New Guinea.²¹⁶ The ‘purported threat’ to Papua New Guinea did not eventuate, and within two years cuts to defence expenditure in the 1966-67 budget were agreed by Cabinet, leaving ‘PNG in the grey area’ of uncertainty as to its significance to Australia’s defence. ‘We are starting to pay the penalty in having our defence effort out of balance’, Howson mused, having observed a growing realization in Cabinet that the defence build-up in Papua New Guinea had been made on political rather than for military reasons.²¹⁷

MARKING THE PAPUA NEW GUINEA BORDER

The border between Indonesia and Papua New Guinea became a diplomatic irritation between Australia and Indonesia.²¹⁸ At worst, the border area was a common strategic touch-point where accidents of fate had the potential to involve Australian and Indonesian military forces in combat. At best, the management of the border area represented a continuation of the government’s determination to practise a ‘principle and practical interest’ foreign policy approach by supporting the incorporation of West New Guinea into the Republic of Indonesia.²¹⁹ The seeds of diplomatic irritation, however, germinated from

²¹⁶ Working Paper, ‘West New Guinea – Emergency Evacuation Planning’ 30 September 1962, CS file C3655, CRS A4940/1, NAA. Defence projects included: the development of Wewak airfield for the air defence of Papua New Guinea; the extension of Nadzab airfield for use as a ferry airfield to and from South East Asia; the raising of an additional infantry battalion at Wewak; the opening of the Papua New Guinea Training Depot at Goldie River; the reactivation of the Manus naval base; and upgrades of airfields at Daru and Mount Hagan. By September 1965 defence and administrative spending in the border area amounted to £A40 million. Cabinet Decisions 439, ‘Airfield Requirements for Defence of Papua New Guinea’, and Cabinet Decision 440, ‘Airfields in Eastern New Guinea’, 3 September 1964, CS file C3750, CRS A4940/1; Cabinet Decision 592, ‘Strategic Basis of Australia’s Defence Policy 1962-67’, 4 November 1964, CS file C3640, CRS A4940/1, NAA. See also Verrier, ‘The Origins of the Border Problem and the Border Story to 1969’, p.32; and R.J. O’Neill, ‘The Army in Papua New Guinea’, *Canberra Papers on Strategy and Defence*, Number 10, Canberra, 1971, p.3.

²¹⁷ Howson’s diary entry, 26 July 1966, Aitkin, *The Howson Diaries*, p.232.

²¹⁸ The term, ‘boundary’, is used in the diplomatic sense to denote a line of demarcation between two nations; the term, ‘border’, defines a zone in which the boundary is located. Indonesia agreed to a border definition of 20 miles either side of the international boundary between West New Guinea and Papua New Guinea.

²¹⁹ In 1884 the United Kingdom established the protectorate of British New Guinea in reaction to German expansionism in the Pacific Ocean and successfully transferred administration of the protectorate to Australia in 1906. In 1921 Billy Hughes secured for Australia the territory of German New Guinea as a mandated trust territory under Australian law subject to the control of the League of Nations. Papua and New Guinea remained under Australian control until the territories gained independence as a nation in 1975. For detail of Australian administration during the period 1906-1975 see Downs, *The Australian Trusteeship of Papua New Guinea 1945-75*, pp.10-37, 108-25; John Dademo Waiko, *A Short History of Papua New Guinea*, Oxford University Press, Melbourne, 1993, pp.55-81; Sione Latukefu, (Editor), *Papua New Guinea: A Century of*

the colonial period when the boundary was simply determined on a map without reference to the practicalities of geography, the changing physical landscape, or recognizing human occupancy and the historical trade and movement patterns across and along the border. The drawing of an artificial boundary across difficult terrain in two straight meridian lines joined by a watercourse, a curved part of the Fly River, made identification on the ground difficult. The natural movement of peoples across the boundary emphasized the necessity of proper marking so that sufficient control could regulate movement along traditional paths and tracks. Fortunately the validity of the boundary has never been questioned and was unaffected by the changed political circumstances of West New Guinea in 1962.²²⁰

There had been a number of attempts to provide boundary markers on the ground. The 1936 Agreement between Australia and the Netherlands authorized the marking of the boundary on the north coast by an obelisk. In 1958 a survey was undertaken to mark the southern most part of the land boundary at the mouth of the Bensbach River through the building of an Australian astronomical station adjacent to the already established Dutch astronomical station. Australian surveyors placed two markers on the Fly River to define well-used crossing points, and aerial photography commenced along the border area. After a number of border incidents in 1962 involving Indonesian armed patrols, Hasluck, then Minister for External Territories, obtained Cabinet approval to accelerate aerial photography and the mapping of the border. Progress remained slow due to poor weather, and the operation was far from complete when Indonesia assumed the administration of West New Guinea in May 1963.²²¹

Colonial Impact 1884-1984, The National Research Institute and the University of Papua New Guinea, Boroko, 1989, pp.19-36, 417-44.

²²⁰ Until Papua New Guinea gained independence in September 1975, the Australian government was responsible for foreign policy matters, although between 1972 and 1975 the Somare government did have a substantial say in foreign policy formulation. R.J. May, 'East of the Border: Irian Jaya and the Border in Papua New Guinea's Domestic and Foreign Politics', in May, *Between Two Nations*, p.91.

²²¹ Aerial photography along the boundary was finally completed in 1963. In December 1962, the government approached the Indonesian government about further marking of the boundary but Indonesia preferred to delay consideration until it assumed administrative control. 'Boundaries in New Guinea', *CNIA*, Volume 33, October 1962, p.86.

In September 1963 Barwick reached agreement with Subandrio on the 'placement of temporary markers on Australian territory on tracks and pathways crossing the border'.²²² This was to be done in advance of the completion of survey work to establish permanent markers of a more recognizable nature. Two months later, an Indonesian patrol 'mistakenly' removed one of the temporary markers, causing the suspension of all survey work pending diplomatic clarification of the program.²²³ A delegation was dispatched to Jakarta in July 1964, and after four days of negotiations agreement was reached for a joint reconnaissance team to undertake concurrent astronomical surveys, which cleared the way for more permanent marking along the boundary.²²⁴ Little survey progress was achieved in the following 12 months during which time Australia-Indonesia relations were perhaps at their lowest during Confrontation. Further survey work had to await an improvement in relations, which occurred after the September 1965 attempted coup.²²⁵

Indonesia's new enthusiasm to have the border area properly marked ensued from the increase in political and military activities of West Papuan 'freedom movement' groups through armed clashes with Indonesian civilians and military personnel.²²⁶ Resistance to future Indonesian rule and securing independence were the objectives of the OPM, a representative umbrella movement of smaller militant groups throughout West Irian. During the 1960s, the OPM was more a mood than a national movement; Melanesian life focused out of necessity on village and tribal life in which internecine combat prevailed, and OPM's recruits from the villages were generally in small groups with little allegiance to

²²² 'New Guinea/West Irian', *CNIA*, Volume 35, March 1964, p.48; 'New Guinea Border Operations Halted' and 'Talks Soon On Marking Indonesian Border', *The Age*, 21 December 1963, p.1.

²²³ Shann reported that the Indonesian authorities in West New Guinea had 'simply not been informed of the agreement to the temporary marking. Ambassador's Report, January 1963 – January 1964, 28 January 1964, DEA file 3034/10/21 Part 1, CRS A1838/321, NAA. See also 'Talks Soon on Marking New Guinea Border', *The Age*, 7 March 1964, p.1.

²²⁴ The delegation was led by Mr. B.P. Lambert, Director of the Division of National Mapping, Department of National Development; the Indonesian delegation leader was Brigadier-General Soerjosoemarno, Director of Army Topography. 'West Irian/Papua and New Guinea Border', *CNIA*, Volume 35, August 1964, p.28.

²²⁵ "'Border that is not there" is a headache', *The Canberra Times*, 20 April 1965, p.8; and 'New Guinea', *CNIA*, Volume 35, September 1964, p.38. Verrier makes the point that during the period of Confrontation both Hasluck and Subandrio separately played down the importance of border shooting incidents. Verrier, 'The Origins of the Border Problem and the Border Story to 1969', p.39.

²²⁶ J.M. Van der Kroef, 'West New Guinea: the uncertain future', in *Asian Survey*, Volume 8, August 1968, pp.691-707.

a unified organization, its members carrying the individualism of tribal loyalties.²²⁷ The urgency of the Indonesian government to mark the border area also reflected a surge of refugees crossing the border and the perceived use of Papua New Guinea as a haven from which OPM militant groups conducted cross border activities.²²⁸ In May 1966 Indonesia agreed to complete the border-marking in two new phases: six meridian markers were to be placed along the northern sector boundary above the Fly River by the end of 1966, after which eight meridian markers were to be surveyed in the southern sector by 1967.²²⁹ The Australian team included civilian and army surveyors, Army helicopter pilots and mapping experts from the Division of National Mapping.²³⁰ Both survey phases were completed by 27 September 1967 and hailed as the first joint cooperation project between the two governments.²³¹

The markers provided an imperfect solution; the maximum distance between any of the two meridian markers was 56 nautical miles and the average distance some 35 miles. These are distances over difficult terrain that precludes easy identification of the boundary in the intervening area. By 1973 Michael Somare, on behalf of the Australian government, negotiated further agreements to improve the border marking. Having identified the meridians north and south of the Fly River and agreeing to the waterway of the Fly River as the *thalweg*, the accepted boundary along the centre of the river flow, work commenced to signpost major tracks and pathways, and to survey known villages located on either side of the boundary within the border area. In spite of these additional measures, the border remained an impediment to smooth inter-government relations and continued to influence

²²⁷ Up to 1969 support for the OPM remained widespread in the areas of Manokwari, Sukarnapura (previously called Hollandia, Numbay, and Jayapura) and the island of Biak. Peter Hastings, 'West Irian; a ticking time bomb', *The Australian*, 5 August 1968, p.11.

²²⁸ *South Pacific Post*, 24 July 1968, p.1, cited in Verrier, 'The Origins of the Border Problem and the Border Story to 1969', p.29; Cabinet Decision 622 of 11 November 1964, CS file C3623, CRS A4940/1, NAA.

²²⁹ Discussions were successfully held in Canberra 21 April-4 May 1966 and agreed to the initial reconnaissance to be conducted during 15 to 20 June. The reconnaissance involved survey and clearing teams, helicopter support and logistic arrangements. Cablegram 523, Canberra to Jakarta, 25 May 1966, DEA file JA1966/05T, CRS A6366/4, NAA.

²³⁰ Cablegram 524, Canberra to Jakarta, 25 May 1966, DEA file JA1966/05T, CRS A6366/4, NAA.

²³¹ 'Australian and Indonesian Teams Complete Second Stage of Border Marking', *CNIA*, Volume 38, September 1967, pp.393-4. 'The Survey of Meridian Report', jointly signed by the Indonesian Army Director of Topography and the Australian Director of National Mapping was submitted to both governments in February 1970, thus finalizing this phase of the marking of the international boundary. *CNIA*, Volume 41, February 1970, p.68.

the level of military tension while elements of the OPM operated through the border area and West Irian refugees sought sanctuary in Papua New Guinea.²³²

THE 1969 ACT OF FREE CHOICE

The extent of refugee movement will never be accurately known. The lack of administrative coordination along the border limited the extent of control that could be effected; after 1963 ongoing cooperation concentrated on animal and plants quarantine, human quarantine, demarcation and recognition of the border area, civil aviation administration and the communication of meteorological information. A border freeze was eventually introduced by the Australian administration on the grounds of 'severe' quarantine concerns. Intensive patrolling commenced in the border area, and additional border stations were created and staffed permanently. Still, refugees transited the border, arrived in Papua New Guinea and moved to squatter camps or were moved to permanent refugee camps for processing, the numbers increasing as the vote of self-determination neared.²³³ Each border crossing tested the Australian government's resolve on self-determination for West Papuans, as well as testing the patience and understanding of the Indonesian government in accepting Australian conventions and procedures on political asylum.²³⁴ The year, 1967, was particularly bad; cross border shooting incidents increased; Indonesian operations against the OPM within West Irian increased; and reports of killings became more frequent. In the January/February period, the Australian government was informed that six OPM members were shot in custody in Manokwari and 20 West Papuans massacred in Ajamaru after interrogation. The Indonesian government appeared to have

²³² J.R.V. Prescott, 'Problems of International Boundaries with Particular Reference to the Boundary between Indonesia and Papua New Guinea', in May, *Between Two Nations*, p.7.

²³³ Quarantine services became more important through an acute lack of Indonesian services in West New Guinea. Paul Hasluck, *A Time for Building. Australian Administration in Papua New Guinea 1951-1963*, Melbourne University Press, Melbourne, 1976, pp.369-70. The state of the camps is described in Verrier, 'The Origins of the Border Problem and the Border Story to 1969', pp.42-3.

²³⁴ The official statistics are relatively inaccurate. Refugees requiring assistance reported to border administrative posts; others were absorbed into tribal border groups. Diplomatic reporting, however, identified the following refugee crossings:

1963 – 273	1966 – 96
1964 – 129	1967 – 866
1965 – 95	1968 – 417 (to July 1968)

Cablegram 82992, Canberra to Jakarta, 27 November 1968, DEA file 3034/10/1 Part 31, CRS A1838/280, NAA.

commenced a campaign to politicize the border, which highlighted once more Indonesia's treatment of political prisoners and minority peoples. In response, Australian intelligence agencies were tasked to verify Indonesian intent, confirm the detail of the incidents and substantiate changes to Indonesian counter-operations in West Irian.²³⁵

Some commentators noted that the Australian government's determination to give the West Papuan people 'a genuine opportunity for free choice' increased after 1962, but its support for West Papuan independence clearly declined after the September 1965 attempted coup when the government's actions visibly supported the cohesion of the Indonesian republic.²³⁶ There were concerns that the loss of West Irian could trigger political unrest in Jakarta that might unseat the New Order government and add to regional instability through the possibility of a return to the pre-coup period or the establishment of a reactionary, nationalist government with strong military overtones. When Prime Minister Gorton visited Papua New Guinea in 1968, he expressed the additional concern that there was a risk of incurring Indonesian hostility if independence of Papua New Guinea was delayed too long, and pan-Papuanism sentiments for a 'one-island' nationalism developed before the act of free choice in West Irian. Intelligence reporting confirmed Indonesia's campaign to win the act of free choice using all available means. Under these circumstances the Gorton government saw no practical alternative to the incorporation of West Irian into Indonesia and supported Indonesia's preparations for the act of free choice.²³⁷

The New York Agreement did not specify the way in which the act of free choice was to be conducted; it merely stated that Indonesia will formulate some means by which the wishes of the people will be ascertained.²³⁸ On 2 September 1968, the United Nations Special Representative, Ortiz Sanz, completed a ten-day, 3000-mile tour of West Irian and reported:

We know in advance that the principle of 'one man one vote' cannot be applied in all areas of the territory, both on account of the terrain and the lack of sophistication of vast segments of the population ... We also know that the Indonesian Government, which seems not to be sure about the

²³⁵ Information collection plans were subsequently amended in Indonesia and Papua New Guinea. Cablegram 909, Canberra to selected posts, 26 April 1967, DEA file JA1967/03T, CRS A6366/4; Cablegram 1089, Canberra to Jakarta, 12 May 1967, JA1967/05T, CRS A6366/4, NAA.

²³⁶ Downs, *The Australian Trusteeship of Papua New Guinea 1945-75*, p.230.

²³⁷ Letter, Peter Hastings to Gorton, 8 February 1968, *The Sydney Morning Herald*, 18 September 1974, p.5.

results of the consultation, will try, by all means at their disposal, to reduce the number of individuals, representatives, and institutions to be consulted.²³⁹

He recommended a mixed system in which urban areas, mainly on the coast, were allowed a 'one man one vote', and people in rural areas would participate through 'collective consultation'. A mixed voting system, he believed, would meet the minimum requirement to satisfy international opinion.²⁴⁰ Indonesia rejected the suggestion in January 1969.²⁴¹ Recent information now indicates that the general method of consultation had already been confidentially discussed between the Netherlands, United Nations and Indonesia during 1963-1964.²⁴² What remains unclear is whether the detailed form of 'mutual consultation', the *musjawarah*, was agreed then or later. The Indonesian announcement of the *musjawarah* process generated immediate criticism in which Indonesian 'dilatoriness' was described as undemocratic - 1025 Papuan elected or chosen representatives would make the decision on behalf of the 759,326 West Papuans.²⁴³

²³⁸ Question without Notice, *CPD*, House of Representatives, Volume 62, 25 March 1969, p.818.

²³⁹ Letter, Ortiz Sanz to U Thant, 7 September 1968, UN Archives, New York, Series 100. Box 1, File 3, cited in Saltford, 'United Nations Involvement With The Act of Self-Determination in West Irian (Indonesian West New Guinea) 1968-1969', p.76. For detail on Indonesian treatment of the United Nations Special Representative, see Peter Hastings, 'The Loneliest Man in Indonesia', *The Australian*, 3 June 1969, p.4.

²⁴⁰ Saltford, 'United Nations Involvement With The Act of Self-Determination in West Irian (Indonesian West New Guinea) 1968-1969', p.76.

²⁴¹ *Ibid*, p.79.

²⁴² The Australian Embassy reported:

'The Dutch and Indonesians have apparently been sounding each other out on the question of the form ... of the exercise. The Dutch apparently are prepared to agree to the exercise taking some form other than a plebiscite ... Narasimhan's (U Thant's chief of staff) view is that the Act might take the form of consultation with local councils and village representatives'.

Report, Washington to Canberra, 21 May 1963, in DEA file 3036/6/1 Part 83, CRS A1838/280, NAA. See also Report on Discussions between Jose Rolz-Bennett, Under Secretary-General for Special Political Affairs and the Indonesian Government, 16 June 1964, in DEA file 3036/6/1 Part 83, CRS A1838/280, NAA. The question remains as to whether Ortiz Sanz had been briefed on the prior discussions or whether his suggestion of a mixed system was a political gesture for reasons yet to be disclosed.

²⁴³ On Indonesia's Independence Day, Suharto announced that the act of free choice would be held the following year in the July-August period. To each of the eight consultative assemblies, representatives from each region were elected on a district basis or chosen on the basis of social, cultural and religious affiliations or traditionally chosen by the kabupaten councils. For detail on the manner of the elections see Osborne, *Indonesia's Secret War*, pp.38, 42-4, 50-6, 60-8. Criticism appeared from several quarters: from a majority of the 29 members of the Afro-Asian developing nations who believed that Indonesia's actions contradicted the ten principles of peaceful coexistence agreed at the 1955 Bandung conference; from Indonesian domestic press; from the Papuan New Guinea Assembly, in the General Assembly; and from the federal Labor party and elements of the Liberal party of Australia. See Osborne, *Indonesia's Secret War*, pp.47-52; and Brian

The Australian government declared its support for the *musjawarah* process, arguing that the Indonesians have had this system for centuries.²⁴⁴ Freeth laconically depicted its similarities to the Australian Cabinet system:

I think it's been accepted that it would be quite impractical for the Government of Indonesia to conduct a ballot in the sense of a voting system in the highland of West Irian with any sense of realism ... I have made it clear to them that the Australian government recognizes the system of *Musjawarah* which is an age-old process of consultation. They sit around in much the same way as we do in a Cabinet meeting till we reach a consensus of opinion.²⁴⁵

Freeth's description was more metaphoric than real. It is true that the *musjawarah* is practiced in the villages where the chiefs are chosen through the mutual agreement of the villagers without voting, and issues are resolved through talking until a consensus is reached.²⁴⁶ In West New Guinea, however, the process was tightly controlled, and voting was used as a form of social intimidation. Firstly, a number of senior Indonesian officials addressed the representatives recommending a vote in favour of staying with Indonesia; Ortiz Sanz then addressed the meeting, reminding the representatives that they were voting for all Papuans; representatives were then invited to offer comment, which they invariably did in support of Indonesia. Finally, representatives voted by standing if in favour of incorporation.²⁴⁷

Indonesian politicking in the lead-up to the vote was observed to have been 'brilliantly managed, somewhat like a last-minute cargo cult' through the distribution of 'clothes, cigarettes and other goodies', a mixture of Indonesian 'persuasion and barely veiled intimidation'; and the outcome of the *musjawarahs* was overwhelming support for incorporation.²⁴⁸ The result bordered on farce; members of Ortiz Sanz's staff privately

May, *The Indonesian Tragedy*, Routledge & Kegan Paul, London, 1978, Chapter 5, titled 'The United Nations Fiasco'.

²⁴⁴ Perth television interview with Minister for External Affairs, 15 July 1969, in *CNIA*, Volume 40, July 1969, pp.398-9.

²⁴⁵ Speech by the Minister for External Affairs to the National Press Club, 16 May 1969, in *CNIA*, Volume 40, May 1969, p.239.

²⁴⁶ Cited in Grant, *Indonesia*, p.127.

²⁴⁷ Saltford, 'United Nations Involvement With The Act of Self-Determination in West Irian (Indonesian West New Guinea) 1968-1969', p.87.

²⁴⁸ See Peter Hastings, 'Indonesia wins first West Irian vote', *The Australian*, 16 July 1969, pp.1-2; 'Indonesia won't give up Irian, says ambassador', *The Australian*, 17 July 1969, p.2; Peter Hastings, 'Third West Irian vote for Jakarta', *The Australian*, 21 July 1969, p.3; Peter Hastings, 'Pepera!...or how to say yes to Indonesia', *The Australian*, 29 July 1969, p.9.

conceded that '95 percent of the Papuans supported the independence movement'; some journalists reported that 'the Papuans loathed the Indonesians, perhaps in the same degree and as a direct consequence of the way in which the Indonesians had despised and belittled the Papuans'.²⁴⁹

Indeed, Freeth's offhand comments on the *musjawarah* process and his rejection of the Ortiz Sanz mixed system were offered at the same time of the Wutung incident. He had initially disagreed with press accounts that a recent border crossing involved West Papuans who were chased by Indonesian patrols; he stated that the 'many who cross the border into Australian New Guinea are primitives and do not know where the border is'.²⁵⁰ Freeth was responding in the fashion of his predecessors; Barwick had tactfully acted in concert with Subandrio to downplay border incidents, including the removal of the Australian survey marker on the Australian side of the boundary in 1963.²⁵¹ Hasluck never publicly emphasized the extent of the border crossings and oversaw a 'tougher line' on border crossings during 1966 and 1967 to avoid embarrassing the Indonesian government.²⁵² In August 1968 Hasluck was forced to acknowledge that there had recently been a 'large number of crossings, some of them made by persons who just do not understand what an international boundary is'. He advised that 'in exceptional cases where some claim is made by the refugee that he is seeking political refuge' the matter is referred to both the Minister for External Affairs and the Minister for External Territories for examination. The granting of refugee status through the offer of 'permissive residence' in Papua New Guinea was conditional, in keeping with the international convention on refugees that the refugee was not to engage in political activities. The mechanisms to enforce the obligation became lost

²⁴⁹ Letter, D. Mason to D.F. Le Breton, 3 April 1968, PRO:FCO 24/447, cited in Saltford, 'United Nations Involvement With The Act of Self-Determination in West Irian (Indonesian West New Guinea) 1968-1969', p.90.

²⁵⁰ The incident in question involved the chasing of 79 people into Wutung, one of the border Australian administrative posts. The Indonesian patrol entered the village and conducted a house-by-house search for the 79. The incident became a major incident in Australia and caused contrary statements to be issued from DEA and the Department of External Territories. Editorials criticized the government's lack of departmental coordination and the division in policy-making between the two departments. Peter Hastings, 'Indonesian patrol fires on Australian in NG', *The Australian*, 30 April 1969, pp.1, 3; Editorial, 'A right to speak on West Irian', *The Australian*, 27 May 1969, p.8.

²⁵¹ Verrier, 'The Origins of the Border Problem and the Border Story to 1969', p.38.

²⁵² J.R. Verrier, 'Australia, Papua New Guinea and the West New Guinea Question 1949-1969', *Ph.D. Thesis*, Monash University, Melbourne, 1976, chapter 11.

in the growing local Papua New Guinea support for the refugees, engendering Indonesian mistrust over Australian intentions and perceived support for the OPM.²⁵³

Freeth's actions gave the appearance of appeasement, yet were in keeping with the measured approach to the relationship. He did not lodge a formal protest over the Wutung incident even though he was later briefed that the reports were correct.²⁵⁴ He could be excused for initially denying the detail of the incident; initial intelligence was scant, and early press reports were ambiguous because Malik had imposed a ban on press and foreign agencies entering West Irian during the period leading up to the act of free choice. Confirmation finally came from witness accounts on the Papua New Guinea side of the boundary, and Freeth eventually admitted that both governments knew that shots were fired on the Australian side of the boundary.²⁵⁵

When asked what were the reasons for Papuans to flee across the boundary, Freeth was frustrated and disappointed that Malik had personally failed him²⁵⁶ and had brought into question the government's support for Indonesia:

We don't know. They have a variety of reasons ... They dislike the Indonesian regime. Others have other motives. They are a fairly simple people. They think that life looks better and the gardens are greener across the border, and are not always aware of the differences between the two national administrations ... I don't understand altogether the reasons why the Indonesian border patrol tried to prevent them crossing the border. Mr. Malik told me that he would be more co-operative – try to get the police to be more co-operative in this and not only not stop them crossing the border by shooting at them.²⁵⁷

If Freeth had drawn more attention to the movement of West Papuans across the border and the illegal act of the Indonesian patrol, he would have been adding substance to the argument for West Papuan independence and weakened the government's policy of support for incorporation. Ever sounding apologetic in his anger when pressed on the subject, he was unable to deal with the moral justification for independence; he was genuinely

²⁵³ Question without Notice, *CPD*, House of Representatives, Volume 60, 22 August 1968, p.443.

²⁵⁴ Verrier, 'The Origins of the Border Problem and the Border Story to 1969', p.45.

²⁵⁵ Press Conference, on return to Australia at the Department of External Affairs, 30 April 1969, *CNIA*, Volume 40, April 1969, p.160.

²⁵⁶ Interview Sir Gordon Freeth, 23 September 2000.

sympathetic, in line with a minority of his party who had argued in 1959 that West Papuans deserved their independence.²⁵⁸ Freeth's comments, however, reflected an Australian diplomatic helplessness:

Let's imagine that the worst thing happens that this is a complete non-free choice, that the worst repression in all the world is happening there, that people are being shot and killed and all the rest of it. What then is Australia to do? ... I am not here to defend the Indonesian Government, but the thing that impresses me is that they are not behaving very differently from a number of political parties who try to win elections ... Australia's long and short-term interests were the only consideration I could give to the problem.²⁵⁹

After the act of free choice, the potential for conflict in the border area did not diminish. Indonesian military action increased to counter OPM activity and refugee movement continued.²⁶⁰ Government to government negotiations were initiated to prevent illegal crossings of Indonesian armed patrols seeking to capture OPM members in the refugee camps or in 'hot-pursuit' of West Papuans endeavoring to reach sanctuary.²⁶¹ The first of several agreements was signed in 1974 in an attempt to resolve the issue before Papuan New Guinea independence in 1975.²⁶²

²⁵⁷ Response to question, Freeth's Address to the National Press Club 16 May 1969, *CNIA*, Volume 40, May 1969, pp.241-2.

²⁵⁸ Interview Sir Gordon Freeth, 23 September 2000.

²⁵⁹ ABC Four Corners Interview with Gordon Freeth, 19 July 1969, cited in 'Our hands are tied over W. Irian, says Freeth', *The Australian*, 21 July 1969, p.3.

²⁶⁰ In 1970 303 West Papuans were known to have crossed into Papua New Guinea, and 382 in 1971. See Interim Report from the Joint Committee on Foreign Affairs, 'Australia's Relations with Indonesia', *Parliamentary Paper Number 36*, The Government Printer of Australia, Canberra, 1974.

²⁶¹ Malik protested that offensive military action was being directed against Indonesia from the camps, 'which were training areas for the OPM', and a number of Indonesian armed patrols entered Papua New Guinea to search the camps for OPM members. For detail on cross-border incidents, see Peter Hastings, 'Tension on the border where Australia meets West Irian', *The Australian*, 24 March 1969, p.7; 'W. Irian Raid Reported', *The Australian*, 26 May 1969, p.1. See also Osborne, *Indonesia's Secret War*, pp.45-51.

²⁶² In 1974 Australia and Indonesia reached an administrative agreement to provide government to government mechanisms to resolve border problems. 'Summary of Treaty Relationships from 30 June 1974 to 1 February 1975', *AFAR*, Volume 46, April 1975, p.215. The agreement was reviewed in 1979 and 1984. RV Prescott, 'Problems of International Boundaries with Particular Reference to the Boundary between Indonesia and Papua New Guinea', in May, *Between Two Nations*, pp.12-4. The Pacific Islands Regiment (PIR) was also cautiously used in the border area. The PIR was a force of two battalions, supporting troops and a headquarters, raised and trained by the Australian army, and financed out of the Australian defence budget. The presence of Australian officers and non-commissioned officers in line positions in the two battalions, and Australian control of the force, added to the diplomatic embarrassment if military conflict erupted in the border area. Decisions were taken to use the Royal Papuan New Guinea Constabulary to patrol the land border, and if PIR training patrols were staged in the border area from the PIR base at Vanimo, then a member of the Constabulary was required to accompany the patrol. This policy remained in force until Papua New Guinea independence in 1975. The Defence Committee strongly recommended to the Minister for the

INDICATIONS OF FUTURE BILATERAL DIFFICULTIES

In the immediate post-coup period, through the measured energies of Hasluck, the government had cautiously initiated economic assistance to Indonesia in the form of grants, rather than as loans. Hasluck had accepted that the social effects of a continuing economic 'basket case' would only undermine Indonesian stability and accentuate the deep divisions within Indonesian society. Like Spender, he practised a broader approach to security cooperation; the nature of 'security' included political, social and economic ingredients in the fashion that international relations analysts would enunciate much later; and, like his predecessors, Hasluck had focused on a much broader assistance to Indonesia.²⁶³ Whether by design or accident, he was implementing elements of cooperative security in which the prevention and resolution of future conflict could be averted in circumstances when a security relationship is based more on cooperation than competition and 'does not focus wholly on security as a military issue'; and he was able to do so because of the insurance that ANZUS gave to Australian diplomatic endeavours.²⁶⁴

Military cooperation had also been re-introduced in a formula that emphasized the modest objective of 'developing closer [military] links'; and military activities were unobtrusively increased in scope as time diminished the memories of Confrontation.²⁶⁵ Like economic assistance, military cooperation came with few conditions; both were small in scale but sufficient to keep Australia unmistakably engaged in the relationship because the government's intentions remained pure in purpose - to contribute to the nurturing of a nascent New Order republic into an anti-communist, cohesive and stable neighbour through the support of the New Order's legitimacy. The PKI purges and the New Order government's ongoing treatment of its citizens in the immediate post-coup period, however, did little to inspire confidence in Indonesia's internal security practices. Practising democracy was clearly not evident; indeed, Indonesia's aspirations for and practices in

Army against the PIR being used in aid to the civil power tasks. Defence Committee Meeting, 2 September 1969, cited in Downs, *The Australian Trusteeship of Papua New Guinea 1945-75*, p.550.

²⁶³ See, for example, Lipschutz, 'Negotiating the Boundaries of Difference and Security at Millennium's End', pp.212-28.

²⁶⁴ Evans, *Cooperating for Peace*, p.15.

²⁶⁵ DEA file 3034/10/1 Part 31, CRS A1838/280, NAA.

West Papua were omens for future difficulties elsewhere and equally indicative of the conditional nature of the bilateral relationship. When Indonesia's interests were threatened in West Papua, the New Order government was not reluctant to use military aggression to preserve political control even in areas of Papua New Guinea administered by the Australian government. These actions of pursuit across agreed boundaries demonstrated little respect for the protocols of international law between neighbouring countries. Moreover, the closely managed 1969 act of free choice in West Papua featured politically and morally unsatisfactory persuasion techniques that would later be employed in East Timor. Yet Indonesia had ended Confrontation and adopted an international posture of apparent respectability through an energized economy that was able to finance its debt repayments and defuse criticism of Indonesia's internal security practices. Indeed, it was unexceptional that Australian criticism was almost rare in the post-coup environment of an improving economic well-being and the presence of an anti-communist government in Jakarta.

The history of West Papua had also demonstrated Australia's strategic weakness in dealing with a belligerent Indonesia without the support of the United States, and the security conclusions were obvious to the Australian Cabinet. A future United States withdrawal from Asia only substantiated the need for friendly relations with Indonesia; and in the interests of security, Australian policy-making, based 'on principle and practical interest', meant overlooking the unacceptable features of Suharto's internal security policies. The Australian government's economic and military assistance had contributed to a more favourable ambience in which Australian prime ministers and foreign ministers could gainfully manage the strategies of achieving closer security cooperation with Indonesia. These themes are manifest in the contributions of John Gorton and William McMahon in the period 1968 to 1972 which will be examined next.

CHAPTER 3

CAUGHT BETWEEN THE PAST AND THE FUTURE: THE CONTRIBUTIONS OF JOHN GORTON AND WILLIAM McMAHON 1967-1972

A NEW BEGINNING

After Holt's death in December 1968, John Gorton progressively became predominant in the management of the relationship with Indonesia. The circumstances of Gorton's ascendancy to the prime ministership were dramatic and tragic, and accommodated public interest in observing the changing of the guard, from the Menzies-Holt era, to a new generational leader with the hope of a new beginning in Australian politics. Gorton was known to be a renegade, a non-conformist possessing a sense of nationalism, and a 'deliberate experimenter', his colleagues apparently voting for him because of his 'ruthlessness, energy and drive'. Gorton was someone who 'had heard the beat for change', as Paul Kelly would write, but 'never caught the rhythm'.¹ Under Menzies and Holt, he was understandably a disciple of their approach to the Cold War, ANZUS, the threat from China, the commitment to South Vietnam and the forward defence strategy.² His personal thoughts on foreign policy were relatively unknown, although some were aware of his strong interest in foreign relations.³

¹ Paul Kelly, *The end of certainty – The story of the 1980s*, Allen & Unwin, St Leonards, 1992, p.21. Alan Reid, *The Gorton Experiment*, Shakespeare Head Press, Sydney, 1971, pp.9-11, 27-30, 253 and Alan Reid, *The Power Struggle*, Shakespeare Head Press, Sydney, 1968, in particular Chapters 1 and 2 provide a contemporary perspective of Gorton. See also Alan Ramsey, 'Meet the new Prime Minister', *The Australian*, 10 January 1969, p.7. For an overview of Gorton's performance see D.J. Killen, *Killen: Inside Australian Politics*, Methuen Haynes, North Ryde, 1985, pp.125-30; Bill Hayden, *Hayden. An Autobiography*, Angus & Robinson, Sydney, 1996, pp.142-5, 371, 535; and Hasluck, *The Chance of Politics*, pp.154-61, 174-8.

² See, for example, Gorton's statements on Vietnam: 'In South Vietnam aggression is taking place and being resisted ... this is the basic fact on which Australia's survival ultimately depends', in *CPD*, Senate, Volume 31, 23 March 1966, p.204.

³ Reid wrote that when Gorton 'assumed the prime ministership, it was as though he had reached a goal not merely passed a milestone beyond which the effort had to be intensified'. Gorton was voted as leader of the Liberal party on 9 January 1968, securing a 40 to 38 final ballot win over Hasluck; he was sworn in as Prime

The period, September 1967 to April 1968, was not an easy time for the Holt and Gorton governments; decisions were taken in London and Washington with little regard to Australia's economic, agricultural, trade or defence interests.⁴ The decision to devalue the English pound, followed by the release of further detail on Britain's entry to the European Common Market, added to Cabinet's concerns on the lack of prior consultation and to the government's sense of isolation.⁵ The announcement of the accelerated withdrawal of British forces from Malaysia and Singapore by the end of 1971, rather than by the mid-1970s, again made with little warning, raised questions on the continued Australian military presence in South East Asia.⁶ On 31 March 1968, President Johnson confirmed his withdrawal as presidential candidate and announced a halt to the bombing of North Vietnam to encourage peace negotiations. These announcements, again made with little consultation or warning, gave substance to the government's perceptions of the United States' diminishing commitment to the war in South Vietnam and its future military role in East Asia.⁷

The political success of the Tet offensive deepened the government's political unease on future American intentions. The simultaneous attacks on populated and military targets in

Minister on 10 January 1968, becoming the first senator to hold the office. The following month he won Holt's seat of Higgins. Gorton had held the position of Minister assisting the Prime Minister and Minister for External Affairs in 1960-61 when Menzies held both appointments. Reid, *The Gorton Experiment*, pp.30-1. Donald Horne was one who noted Gorton's apparent unpreparedness for high office and titled the Bulletin's cover story, 'John the bold, or Gorton the unready?', *The Bulletin*, 20 January 1968, p.19. See also Donald Horne, *Into the Open – Memories 1958-1999*, Harper Collins Publishers, Sydney 2000, p.151. Ian Hancock concluded that Gorton had developed a strong interest in foreign relations during the 1950s. See Ian Hancock, *John Gorton: He Did It His Way*, Hodder, Sydney, 2002, p.67.

⁴ For detail on Australian society during the period under review, see Peter Edwards, *A Nation at War*, in particular Chapters 10 and 11.

⁵ Britain devalued the pound sterling by 14.3 per cent on 18 November 1967 without any warning to the Australian government. Cabinet agonized for nearly two weeks, finally agreeing not to devalue the Australian dollar. 'Sterling Test For Government', *The Australian Financial Review*, 20 November 1967, p.1; and Editorial, 'A tough, but right decision', *The Australian*, 21 November 1967, p.10.

⁶ The announcement of an accelerated withdrawal was reported as part of the defence cuts in the British budget. 'It's true – Britain out by 1971', *The Australian*, 17 January 1968, p.1; 'LBJ Statement Underlines Policy Problems For Aust', *The Australian Financial Review*, 2 April 1968, pp.1-5, 12.

⁷ Johnson met with Cabinet ministers when he attended Holt's memorial service in Melbourne; he failed to radiate confidence in his Administration's plans for Vietnam. Interview Sir Allen Fairhall, 24 July 2000. Fairhall was Minister for Defence from 26 January 1966 to 12 November 1969. Malik attended the funeral on behalf of Suharto who sent a traditional bereavement, 'May God give him peace'. Malik held informal talks with DEA officials, including with Shann. Cablegram 2704, Canberra to Jakarta, 28 December 1967, DEA

South Vietnam happened during the lunar new-year period of 29-30 January 1968.⁸ The offensive failed to achieve outright military success; it was, however, a watershed for the diminution in domestic support for the war in the United States and provoked a questioning of current security policies in Australia. During a press conference on 2 February 1968, Gorton reacted to the Tet offensive with the unexpected announcement that Australia's commitment to South Vietnam would not be increased 'now, or in the future'.⁹

The announcement may have been a reflex to the newly acquired responsibilities of the office of the Prime Minister or a reasoned response to changing circumstances. Other descriptions were less favourable; Fairhall questioned Gorton's capacity for original thought, suggesting that Gorton captured the ideas of the moment and used them to consolidate his position; Coombs noted Gorton's capacity 'to shop around for ideas', independent of his advisers and the public service.¹⁰ Clues to his thinking emerged in his first prime ministerial interview; when asked if Australia had the capacity to fill the gap caused by the British withdrawal, he responded:

We would have the capacity but we would only have the capacity if we sacrificed other needs of Australia which I, myself, think are of greater importance to Australia.¹¹

The cost of the defence build-up, particularly from 1964, had slowed investment in national development, and Gorton was questioning the benefits of the economic cost of forward deployments of Australian troops not just to Malaysia and Singapore but also to South Vietnam.¹²

file JA1967/11T, CRS A6366/4, NAA. No talks were held with Harold Wilson. 'Lee Kuan Yew and Malik join mourners', *The Australian*, 21 December, p. 1.

⁸ Johnson briefed Cabinet ministers that General Westmoreland expected a North Vietnamese attack in the northern area of South Vietnam in late January. Record of Discussion, President Johnson and Cabinet Ministers, 21 December 1968, CS file C4079, CRS A4940/1, NAA. In January before the offensive, Whitlam visited South Vietnam and was briefed by General Westmoreland. The inadequate intelligence assessments only strengthened Whitlam's conviction that the United States was losing the war and increased his resolve to withdraw Australian forces from South Vietnam. Whitlam, *Abiding Interests*, p.57.

⁹ 'No extra Viet Diggers – Gorton', *The Australian*, 2 February 1968, pp.1-2. Howson, not one of Gorton's supporters, mused that Gorton's press statement was made before he had 'really thought out the effects of his ideas ... [his statement] had a more drastic effect overseas than he might originally have imagined'. Howson's diary entry, 5 February 1968, in Aitkin, *The Howson Diaries*, p.389.

¹⁰ Interview Sir Allen Fairhall, 24 July 2000. See also H.C. Coombs, *Trial Balance*, Macmillan, Crows Nest, 1981, p.273.

¹¹ ABC Interview with Bob Moore, 21 January 1968, quoted in Reid, *The Gorton Experiment*, p.143.

¹² Gorton's determination to place national development ahead of defence expenditure was further illustrated during the 1968 Budget debate: 'We do not intend to seek guns instead of growth at the cost of stunting growth ... the cost of defence will grow, and this will be regarded as one important need among many for the

Although Holt had privately indicated to Johnson that Australia would not increase its commitment to South Vietnam, Gorton's public announcement was bold in diplomatic terms and welcomed in Australia for its firmness and independence of thinking.¹³ The diplomatic cost, however, was measured by the apparent 'stunned silence in Washington'.¹⁴

The Australian editorized:

If a force of fewer than 9000 men from all three services represents the limit of Australia's commitment then clearly we are not defending our vital national interests ... If Australia does not regard her interests in Vietnam as vital, how highly does she place them? Does the Government now see the situation as one in which it has demonstrated as much support as it considers warranted for its American ally? If so, where does the alliance stand if the United States disagrees with this assessment?¹⁵

The domestic politics of the Gorton's announcement were unusually complicated. The announcement was made without Cabinet discussion, which suggested an exercise in establishing authority over Cabinet as well as instituting prime ministerial control over foreign and defence policy-making. Only one member of the Holt Cabinet, William McMahon, had voted for Gorton in the leadership ballot, and sensitive to the manner in which he acquired the prime ministership, Gorton made little change between the ministerial appointments of the Holt ministry and the first Gorton ministry.¹⁶ Under the Menzies-Holt policy, Hasluck and Fairhall, as the principal practitioners in foreign and defence policy-making, argued that Australia's forward defence strategy of Australia's military commitment to Vietnam and the stationing of troops in Malaysia and Singapore were central in checking the spread of communism. Each had focused on his policy responsibilities without much Cabinet discussion; thus Gorton's announcement threatened

nation, though not a need that overrides all else'. Ministerial Statement, *CPD*, House of Representatives, Volume 60, 27 August 1968, p.573.

¹³ Bruce Juddery, 'He led but they did not follow him', *The Canberra Times*, 21 May 2002, p.4.

¹⁴ 'No extra Viet Diggers', *The Australian*, 5 February 1968, p.1.

¹⁵ Editorial, 'Gorton sets the limit', *The Australian*, 5 February 1968, p.6. The editorial made the point that the 'hawks of the Liberal and Country Parties must therefore depose Mr. Gorton if they disagree or accept that he has enunciated a new basis for Australian foreign policy'.

¹⁶ Reid, *The Gorton Experiment*, pp. 33-43; and Howson's diary entry, 23 February 1968, Aitkin, *The Howson Diaries*, p.398.

their relevance to the decision-making process and also brought into question the continuation of a forward defence strategy.¹⁷

There was one other pronouncement at the press conference that was lost in the political excitement of the moment. During the latter questions, Gorton confirmed that his visit to South East Asia in June would include Indonesia.¹⁸ He had recently been briefed on the progress of the new Strategic Basis and on the Cabinet submissions that canvassed the effects of the accelerated British withdrawal and the importance of Indonesia's reaction to the options under discussion.¹⁹ Retaining forces in Malaysia and Singapore rested on the advantages of the deterrence effect against a possible resurgence of communist activity on the Malaysian peninsula or in handling problems that could arise between neighbouring countries. The Foreign Ministers of Malaysia and Singapore had privately indicated to Hasluck their concerns on Indonesia's long term stability.²⁰ In 1967 Cabinet had resolved that Australia's interests would be served by confirming the detail of British intentions after 1971, and 'in the light of this to work out arrangements with the United States'.²¹ Preference was unmistakably for 'a presence in Malaysia and Singapore'.²² In January 1968 Cabinet endorsed the Defence Committee's recommendation that Australia should not create a situation where it was thought that Australia was 'automatically' staying only to

¹⁷ Gorton held the Department of External Affairs 'in low regard', and his assault on the public service through the surprising appointment of Sir Lenox Hewitt to Secretary, Prime Minister's Department indicated his desire to make his department the principal area for policy-making. Maximillian Walsh, 'You ain't seen nothing yet', *Quadrant*, Volume 12, November-December 1968, pp.18-9. Fairhall recalled that Menzies did not require a large Prime Minister's Department, relying on well-placed 'spies' in the other departments to provide him with the necessary information for Cabinet meetings; and, in contrast, Holt did not concern himself with the need for additional information from departments. Interview Sir Allen Fairhall, 24 July 2000.

¹⁸ Alan Ramsey, 'Prime Minister', *The Australian*, 10 January 1968, p.7. See also Reid, *The Gorton Experiment*, p.31; and Walsh, 'You ain't seen nothing yet', p.19.

¹⁹ For a description of the importance to policy-making of documents such as the Strategic Basis, see Desmond Ball, 'The Politics of Defence Decision Making in Australia: The Strategic Background', *Reference Paper Number 93*, The Strategic and Defence Studies Centre, The Australian National University, Canberra, March-April 1979, pp.3-7. Cabinet Submissions 7, 'Australia's Military Presence in Malaysia and Singapore', and Cabinet Submission 8, 'Implications for Australia of the British Defence Decision', 24 January 1968, CS file C470, CRS A5619, NAA. Cabinet considered both submissions during the period 4-28 February 1968.

²⁰ Howson's diary entries, 15 and 20 February 1968, in Aitkin, *The Howson Diaries*, pp.394, 396.

²¹ Cabinet Decision 656(FAD), 25 August 1967, on Cabinet Submission 443, 'Australian Defence Policy – Implications of British Withdrawal from Malaysia and Singapore', CS file C4279, CRS C5840, NAA.

²² Cabinet Decision 689(FAD), 'Vietnam and Malaysia/Singapore – Report by Minister for External Affairs', 25 October 1967, CS file C4279, CRS A5840, NAA.

1971 when the British would have completed their withdrawal. What was to happen after 1971 had not been decided, and decisions could only be made, based on 'what the Americans will do'. Therefore the American alliance was considered:

of crucial importance and agreed that Australia's policies should be such as will command respect from the United States and have the effect of cementing our ties with the Americans. Thus it was felt that while the forces which Australia could provide in Malaysia and Singapore might not in themselves be credible in military terms, they would be symbolic and it was this that would count with the Americans.²³

Cabinet was acknowledging the importance of securing some form of American support for Australian forces in Malaysia and Singapore in much the same fashion that the government sought American insurance prior to the deployment of combat troops to Borneo during Confrontation and in anticipation of conflict with Indonesia over West New Guinea in 1959. In 1968 this was more likely to be achieved if a formal defence partnership between Malaysia and Singapore were in place. An arrangement also counter-balanced Indonesian military growth; and in the new benign atmosphere of economic and military assistance, Cabinet began to express some hope about the role that Indonesia could play in any future regional arrangement:

[a]t all stages we must seek to have an understanding and sympathetic Indonesia. There can be no question in any discussions with Malaysia and Singapore that we might be prepared to be automatically involved against Indonesia. Indeed, we should be hoping that sooner or later Indonesia would be a participant in regional security arrangements that suit our ends.²⁴

To be sure, diplomatic reporting indicated that Indonesia would at some future time consider further security arrangements. In 1967 Loveday recounted a conversation with Malik who suggested that Australia and Indonesia faced the same security problems:

Two or three years ago, Australia had no doubt been frightened of an attack by Indonesia, but that was because Indonesia's policies ... were tied too closely to Peking. Now things were different, and Indonesia and Australia both knew where the danger came from. [Malik] could not predict what arrangements would eventually evolve but there was scope for a variety of organizations – and while

²³ Cabinet Decisions 12(FAD), 25 January 1968, on Cabinet Submissions 7, 'Australia's Military Presence in Malaysia and Singapore', and Cabinet Submission 8, 'Implications for Australia of the British Defence Decision', 24 January 1968, CS file C470, CRS A5619, NAA.

²⁴ Cabinet Decisions 12(FAD), 25 January 1968, on Cabinet Submissions 7, 'Australia's Military Presence in Malaysia and Singapore', and Cabinet Submission 8, 'Implications for Australia of the British Defence Decision', 24 January 1968, CS file C470, CRS A5619, NAA.

these might variously concern themselves with political, economic or social problems they would inevitably have in the back of their minds the security problems of the area, which were the same for all of us.²⁵

Malik had identified a common enemy of the day – China – and observed that under different circumstances some kind of security arrangement with Australia might be advantageous in the future. He was not advocating any concrete arrangements now, and this distinction appeared not to register with the Australian government.

INDONESIA, ASEAN AND FIVE POWER ARRANGEMENTS

Once Confrontation ended, the Suharto government became more involved in regional politics in the manner forecast by defence planners in mid-1966. The Defence Committee had warned of future political ‘resonance between Indonesia and Malaysia’ and suggested that Australia would have to look for ‘ways and means of taking care of Indonesia’s undoubted intention to “cut a figure” in the region’.²⁶ In 1967 the Indonesian government refused membership of the Association of Southeast Asia (ASA). ASA was formed in 1961 on the initiative of the Prime Minister of Malaya, with the objective to use regional cooperation on economic and cultural matters to strengthen the resolve of the member states of Thailand, the Philippines and Malaya to withstand communist insurgency. It was an anti-communist and pro-Western association, and for a non-aligned state, such as Indonesia, membership was unacceptable and rejected when offered in the post-coup period.²⁷ In August 1966 Suharto signalled Indonesia’s intent to foster an independent, cooperative regional body that would ‘stand strongly in facing outside influences and intervention from whatever quarter’, and Malik participated in diplomatic discussions to that end.²⁸ On 8 August 1967, Indonesia accepted membership of a new non-aligned association, the Association of South-East Asian Nations (ASEAN).²⁹

²⁵ Savingram 40, Jakarta to selected posts, 18 August 1967, DEA file 3034/12 Part 9, CRS A1938/280, NAA.

²⁶ ‘Working Paper on Indonesia’, 25 August 1966, DEA file 3034/10/1, CRS A1938/280 Part 28, NAA; and ‘Indonesia, Malaysia to fight as one’, *The Australian*, 18 August 1966, p.7.

²⁷ Report of the Joint Standing Committee on Foreign Affairs, Defence and Trade, *Australia and ASEAN: Managing Change*, Canberra, March 1998, pp.3-7. For an overview of the development of ASA and ASEAN, see Report of the Joint Committee on Foreign Affairs and Defence, *Australia and ASEAN: Challenges and Opportunities*, Canberra Publishing and Printing, Canberra, 1984, pp.1-11, 18-37.

²⁸ Letter, Jakarta to Secretary, DEA, 28 July 1967, and Savingram 98, Jakarta to All Posts, 17 July 1967, in DEA file 3006/4/3 Part 4, CRS A1838/2, NAA. See also statement by Suharto in the House of

ASEAN

The establishment of ASEAN was significant in several ways. Indonesia started to assume regional hegemony at a time when its economic condition was precarious, and its relationship with Malaysia and Singapore was still in the early healing phase from Confrontation.³⁰ Malik had successfully negotiated Indonesia's membership in a new regional order, which was founded on the Indonesian vision that prohibited the need for 'an external power to fill any so-called power vacuum created by the retreat of colonialism'. ASEAN satisfied a conception of an independent and self-reliant association of neighbour states with the potential to generate regional cohesion and stability 'based on indigenous socio-political and economic strength'.³¹ ASEAN was, in essence, a new consciousness of the Sukarno vision in which Indonesia as the largest state 'had a regional entitlement' to leadership, a vision that excluded ideology and external powers and proffered notions of neutrality while sanctioning, as Sukarno had previously declared, Indonesia's 'right and responsibility to guard security and peace in the region together with its neighbouring states'.³²

The role of the new association was deliberately imprecise which permitted ASEAN to expand its role according to need rather than being constrained by precision. The Bangkok Declaration had confined itself to 'good understanding, good neighbourliness and meaningful cooperation' in economic, social and cultural areas.³³ Other security objectives were only scantily addressed; in the Preamble to the Declaration, member states agreed to

Representatives, 16 August 1966, quoted in Michael Leifer, *Indonesia's Foreign Policy*, Allen & Unwin, London, 1983, p.119.

²⁹ Leifer, *Indonesia's Foreign Policy*, pp.111-41.

³⁰ *Ibid.*, p.120.

³¹ These ideas are based on a press interview with Malik, in *The Far Eastern Economic Review*, 25 September 1971, p.3.

³² Sukarno's 1993 Independence Day address, in George Modelski, (Editor), *The New Emerging Forces: Documents on the Ideology of Indonesian Foreign Policy*, The Australian National University, Canberra, 1963, pp.123-4.

³³ In 1974 the Singaporean Foreign Minister commented :

You may recollect at the first meeting in 1967, when we had to draft our communiqué, it was a very difficult problem of trying to say nothing in about ten pages, which we did. Because at the time, we ... were not quite sure where it was going or whether it was going anywhere at all.

‘ensure their stability and security from external interference in accordance with the ideals and aspirations of their peoples’; members also accepted that foreign bases in member states were to be regarded as ‘temporary in nature’, a sentiment that reflected the 1963 Maphilindo agreement.³⁴ Members realized they were creating an association to satisfy the objectives of security and stability among the members, without having to construct a formal military arrangement:

the views of the five founding states on regional security and how to bring it about ... were disparate enough to doom any effort to establish or even to anticipate establishing ASEAN as a military alliance. The way to foster the long-run security of the ASEAN area in 1967 was to divert attention of member countries to constructive domestic tasks, notably, economic development.³⁵

ASEAN regional security was a subliminal theme that would eventually manifest into the 1971 declaration of South East Asia as a zone of peace, freedom and neutrality (ZOPFAN), the 1976 Treaty of Amity and Cooperation in Southeast Asia, and later into the ASEAN Regional Forum. As one commentator suggested, ‘the genius of ASEAN’s founders lay in the sophistication of their naiveté’.³⁶

The Australian government’s reaction to ASEAN was puzzling. Publicly, the government congratulated the diplomatic moves that brought ASEAN into being, welcoming a ‘further step in Indonesia’s co-operative association with the region’; and Hasluck complimented ASEAN members on their attempt to improve regional stability through economic, social and cultural cooperation.³⁷ Commentators noted that membership was ‘open to all countries in the region’, and reports circulated that countries such as Burma, Laos and Cambodia would eventually be offered membership.³⁸ There had been no invitation for

Quoted in Michael Leifer, ‘The ASEAN States and the Progress of Regional Cooperation in Southeast Asia’, in B. Dahm and W. Draguhn, (Editors), *Politics, Society and Economy in the ASEAN States*, Otto Harrassowitz, Wiesbaden, 1975, p.4.

³⁴ Michael Leifer, ‘Problems and Prospects of Regional Cooperation in Asia; The Political Dimension’, in *Indonesian Quarterly*, Volume 4, 1976, pp.93-6.

³⁵ Alison Broinowski, (Editor), *Understanding ASEAN*, St. Martin’s Press, New York, 1982, p.273. See also Donald K. Emmerson, ‘From Confrontation to Cooperation in Southeast Asia’, in Barbara K. Bundy, S.D. Burns and Kimberley V. Weichel, (Editors), *The Future of the Pacific Rim: Scenarios for Regional Cooperation*, Praeger Publishers, and New York, 1994, p.162-3.

³⁶ Bundy *et al.*, *The Future of the Pacific Rim: Scenarios for Regional Cooperation*, p.162.

³⁷ Ministerial Statement, CPD, House of Representatives, Volume 56, 17 August 1967, p.209.

³⁸ Attributed to the Thai Foreign Minister, Thanat Khoman. See Savingram AP27, 9 March 1967, DEA file 3006/9/6 Part 2, in CRS A9735, NAA.

Australia to join, and the diplomatic activity to establish ASEAN precluded Australian participation.³⁹

Hasluck had publicly indicated that if 'so pressed' Australia would join⁴⁰; yet there is no evidence that the government sought an invitation to join ASEAN.⁴¹ Membership of ASEAN with its neutralist Bangkok Declaration challenged Australia's association with the Western security camp and Australia's forward defence strategy; it also brought into question the relevance of the 'fledgling' Asian and Pacific Council (ASPAC), which was formed in 1966.⁴² Hasluck's judgment of Australia's role in ASPAC was to facilitate international understanding, 'to be a bridge between the non-Asian and the Asian ... [and] Australia, in all its foreign policy, is trying most purposely to perform this role'.⁴³ Australia could easily have undertaken this role within ASEAN as well; however, the cautious approach to ASEAN membership emulated Hasluck's ongoing reluctance to promote a prominent Australian role in the economic salvation of Indonesia.

Perhaps Hasluck reluctance reflected sensitivity to Indonesian opposition to Australian membership. Elements in the ruling elite continued to question Australia's commitment to the region over its support for the United States and Britain through the ANZUS treaty and the anti-communist Manila Pact.⁴⁴ Other ASEAN member states, however, were not questioned on similar commitments to SEATO and the United States. The Philippines and Thailand were members of SEATO and had entered military pacts with the United States, which involved deployments of United States armed forces in their countries. There had to be other reasons not to offer ASEAN membership to Australia that did not relate to ideology or membership of the Western security camp.⁴⁵ Perhaps the reasons related to

³⁹ 'ASEAN', *CNIA*, Volume 38, 1967, pp.325-6. The text of the ASEAN Declaration is quoted in full at pp.327-8.

⁴⁰ 'Hasluck to visit NZ for talks next week', *The Australian*, 9 February 1968, p.1.

⁴¹ No documentation has so far been found. Official Department of Foreign Affairs and Trade histories support the notion of government disinterest. See, for example, Goldsworthy, *'Facing North'*, p.280.

⁴² 'Asian and Pacific Council (ASPAC)', *CNIA*, Volume 37, Number 4, 1966, p.234.

⁴³ Cited in Porter, *Paul Hasluck*, p.271.

⁴⁴ DEA Paper, 'Regional Co-operation in South East Asia', undated (c.1967), DEA file 3006/9/6 Part 1, CRS A1838, NAA.

⁴⁵ Malaysian officials had raised the possibility of Australia's membership of a new regional body in early 1967. Australian policy-makers seemed not to have followed up the suggestion. *Ibid.* See also David Goldsworthy,

social, cultural and economic differences, although when questioned on the lack of an invitation, Malik retorted that it was unnecessary for Australia to join ASEAN ‘because it was geographically not part of the region’.⁴⁶ Malik’s response was not without some mischief; when Hasluck last visited Jakarta to discuss the British withdrawal, he announced that Australia is ‘a part of Asia’, reminding his hosts and the region that Australia did not want to be excluded from any form of regional dialogue.⁴⁷ Yet, in the case of ASEAN, this is what happened.

The government had been warned by the Defence Committee that Indonesia could dominate a regional arrangement contrary to Australia’s security interests.⁴⁸ If ASEAN’s development precluded Australian participation, then a bilateral security arrangement, or an implicit security understanding between Indonesia and Australia, could balance regional security developments once the formation of the Five Power Defence Arrangement (FPDA) came into force.⁴⁹ In March 1968 Hasluck pressed the envelope of credible alternatives by declaring that ‘a bilateral security arrangement with Indonesia, however loosely defined, appeals to the Government’.⁵⁰ Hasluck’s declaration was both ambitious and challenging, noting previous Indonesian opposition to military associations; indeed the timing of his announcement was remarkable since he had stated in Parliament the previous day that Indonesia had indicated little desire to participate in any arrangement.⁵¹

Malik’s earlier discussions with Loveday had offered some promise of a future bilateral relationship but only as part of a series of bilateral agreements with South East Asian

(Editor), *Facing North – A Century of Australian Engagement with Asia. Volume 1: 1901-the 1970s*, Melbourne University Press, Melbourne, 2001, p.280.

⁴⁶ Letter, First Secretary, Australian Embassy, Jakarta to Secretary DEA, 29 August 1967, DEA file 3006/4/3 Part 4, CRS A1838/2, NAA.

⁴⁷ ‘We’re in Asia to stay’, says Hasluck’, *The Australian*, 8 February 1968, p.1. See also ‘No Australian initiative for pact’, *The Sydney Morning Herald*, 8 February 1968, p.3; and Editorial, ‘Looking north’, *The Sydney Morning Herald*, 9 February 1968, p.2.

⁴⁸ Defence Committee Brief for Quadripartite Talks on Defence of South-East Asia, 20 June 1966, DEA file 287/3/26, CRS A1945/37, NAA.

⁴⁹ Interview Sir Allen Fairhall, 24 July 2000.

⁵⁰ ‘Aust. welcomes co-operation by Asian nations’, *The Sydney Morning Herald*, 27 March 1968, p.9.

⁵¹ Ministerial Statement, *CPD*, House of Representatives, Volume 58, 26 March 1968, p.453.

countries, 'primarily directed at the threat of China'.⁵² Even this admission exceeded the bounds of Indonesian foreign policy. Suharto had previously stated that military pacts were 'less effective in building up a maximum resistance capacity'; pacts, he declared, did not 'conform with the spirit of peaceful coexistence' which can naturally develop through the existence of an ideological foundation based on a strong national identity, a high economic capability and standard of living'.⁵³ Conforming to his leader's vision, Malik had emphasized that it was unnecessary for ASEAN to focus on security matters, suggesting 'it is not raining, and there is no storm about'.⁵⁴ Less than one month later, he declared that ASEAN could become 'a military grouping' if circumstances demand it.⁵⁵ The messages were at best confusing.

During April 1968 Indonesian ambiguity over a possible pact continued. When Malik visited Canberra to attend a meeting of the United Nations Economic Commission for Asia and the Far East (ECAFE), he suggested that Australia and Indonesia could work 'closer together' against internal and external threats for 'the whole island' on New Guinea in an attempt to provide a strategic immunity to outside influences.⁵⁶ Malik's suggestion reflected the seriousness of OPM activities in West Irian, the uncontrolled movement of peoples in the border area, and the increasing dissatisfaction over the difference in economic development between the two parts of the island, which had the potential for political de-stabilization in the lead-up to the act of free choice. The dangers from West Irian's improvised economic conditions were 'simply that sophisticated West Irianese were aware that fellow Papuans across the border are better off'; and 'Australia is the source of East New Guinea subsidies', which aroused 'unrealistic hopes that Australia might also subsidize an independent West Irian'.⁵⁷ Malik's statement also included a reference to an Indonesian preference for bilateral rather than multilateral defence arrangements, which

⁵² File Note, 22 March 1968, DEA file 3034/12/1 Part 10, CRS A1838/2, NAA. See also Christopher Forsyth, 'Closer defence links sought with Jakarta', *The Australian*, 29 March 1968, p.4.

⁵³ Address by President Suharto at the Tokyo Correspondents' Club, quoted in Ron Shannon, 'Suharto rules out military pacts', *The Australian*, 1 April 1968, p.7.

⁵⁴ 'Hasluck to visit NZ for talks next week', *The Australian*, 9 February 1968, p.1.

⁵⁵ Editorial, 'Jakarta's new view on defence', *The Australian*, 13 March 1968, p.8.

⁵⁶ When Lieutenant-General Radon Hidajat presented his credentials as the new Indonesian ambassador to Canberra on 5 April 1968, he stressed that Indonesia was not looking to develop any form of military pact with Australia. 'Envoy expects visit by Suharto within two years', *The Australian*, 8 April 1968, p.4.

⁵⁷ *Ibid.*

some journalists assumed to indicate a bilateral arrangement with Australia rather than an enhanced security-oriented ASEAN involving Australia.⁵⁸ The following day Malik withdrew his statement, blaming an interpreter's misunderstanding and pointing out that Indonesia's foreign policy precluded a bilateral defence arrangement with any country. He did not rule out further economic cooperation with Australia to alleviate the development problem in West Irian, and reiterated that Indonesia and Australia could work together on 'mutual security without the need for a formal defence pact'.⁵⁹ The Australian government's quest for a security arrangement, however, was not finished.

PRIME MINISTERIAL VISIT TO INDONESIA

Gorton's June 1968 visit to South East Asia offered opportunities to meet with the leaders of Malaysia, Singapore and Indonesia to discuss Australian's approach to the accelerated British withdrawal. During a television interview before departure, Gorton indicated that he would raise 'a relations pact or a non-aggression pact with Indonesia during his visit'.⁶⁰ This was an unusual development noting Malik's earlier comments that some sort of pact was contrary to Indonesia's policy objectives; indeed, Gorton had not discussed the initiative in Cabinet.⁶¹ 'If Indonesia wants to hold a non-aggression pact with ourselves, Malaysia and Singapore', Gorton suggested, 'we shall be grateful to do our best in realizing it'. His statement was clarified through background briefings to reporters of the Indonesian newspaper, *Antara*, from 'circles close to Prime Minister Gorton', and these were duly published:

It did not matter whether the planned pact was made directly between Indonesia and Australia or also covered Malaysia and Singapore. Of paramount importance was the realization of the pact ... Premier Gorton held that only by achieving an agreement with Indonesia in whatever field it might be, could then Australia decide on 'firm commitment' on possibilities of making a relations pact with Malaysia and Singapore and on the stationing of Australian troops in the two countries following the withdrawal from the two regions of British forces by 1971.⁶²

⁵⁸ 'Malik hints at new defence links', *The Australian*, 17 April 1968, p.1. See also Peter Hastings, 'Malik Gets to the Heart of NG Problem', *The Australian*, 17 April 1968, p.2.

⁵⁹ Christopher Forsyth, 'Malik denies NG defence pact statement', *The Australian*, 18 April 1968, p.1.

⁶⁰ Newspaper clipping of *Antara*, 8 June 1968, in DEA file 3034/10/11/1, CRS A1838/277, NAA.

⁶¹ Interview Sir Allen Fairhall, 24 July 2000.

⁶² Newspaper clipping of *Antara*, 8 June 1968, in DEA file 3034/10/11/1, CRS A1838/277, NAA.

The leaking of detail is an accepted technique in Australian political life; in Indonesian Java, leaking of pre-meeting information between leaders is considered less than courteous. Leaders talk through contentious issues until mutual agreement is reached; talking is indispensable to the *musjawarah* process in moderating disagreement or seeking consensus. Talking is one of the traditional senses that the Javanese are taught to use from the *wayang kulit*, the shadow plays, to establish the moment. Time is used to build friendship through seeing and hearing; and friendship and confidence are established through feeling, talking and confidentiality.⁶³ A political relationship with Suharto rested on the sharing experience of the traditional senses; Gorton and Suharto had never met, and the prospects for successful discussions had already suffered through the leaking of Gorton's intent before he arrived in Jakarta.

The Gorton proposal was understandable from the perspective of what were unknown about American intentions in the post-Vietnam period. If the United States was not prepared to commit to East Asia in the post-Vietnam period, then the strategy of forward defence became untenable after the British withdrawal, making the forward deployment of Australian forces in Malaysia and Singapore unsupportable in those circumstances. If Indonesia, as the natural regional leader and the most populous nation in South East Asia with the largest army, could enter into some form of security arrangement with Australia, then the security issues surrounding the British withdrawal and future American intentions became less severe. This underpinned Gorton's determination to explore one of the many Malik statements that a security 'pact is by no means impossible'.⁶⁴

Before his visits to the United States and Indonesia, Gorton had sought security ideas outside his immediate political circle. He met with B.A. Santamaria in early April and discussed threats to Australia and the relevance of ANZUS to Indonesia. Gorton indicated

⁶³ The five traditional senses are seeing, hearing, feeling, smelling and talking. The *wayang* also establishes a meaning in talking: 'Talk and talk; and slowly the people come to agree, and then there is peace. Otherwise, if the talks break off, there is war'. Quoted from Clifford Geertz, *The Religion of Java*, Glencoe Press, Illinois, 1960, in Grant, *Indonesia*, p.127.

⁶⁴ Peter Hastings, 'Indonesian was charming – but mysterious', *The Australian*, 24 April 1968, p.2 and 'We did not decide on a treaty, says Malik', *The Australian*, 24 April 1968, p.2.

that only two major contingencies faced Australia in the foreseeable future. In the 'event of a cataclysmic conflict between the US and China, Australia would merely have to render small token assistance in order to symbolize the fact that it was a good ally of the US'. This approach mimicked the government's approach to military deployments to South Vietnam. The second major contingency involved Indonesia:

Indonesia might become a modern industrialized State, with the military power which would flow from that fact, and that it might again become an enemy of Australia. In the event of hostilities, we would have to have sufficient military strength to hold out for six months until the Americans came.⁶⁵

If Gorton thought that Indonesia could become a threat to Australia in the longer term, to discuss 'some sort of pact' with Indonesia during his visit was unusual. Gorton accepted that a friendly relationship with Indonesia would enable his government to dismantle national service and restructure military support to Malaysia and Singapore.⁶⁶ The savings could then be redirected to national development. In the longer term scenario of possible substantive conflict with Indonesia, United States military support under ANZUS was essential. Therefore, for Gorton, the resolution of both scenarios was understandably critical before decisions were fashioned over security arrangements with Malaysia and Singapore.

During Gorton's May visit to Washington, he was unable to determine American intentions either from President Johnson, who had only a short period of his presidential tenure left, or from the presidential candidates who preferred caution in not committing to any policy promise before the presidential election and before North Vietnam responded to Johnson's recent invitation to negotiate a settlement to the Vietnam war.⁶⁷ At his last press conference, Gorton was questioned on the application of ANZUS to the areas of East and West Malaysia under any new regional security arrangement. His reluctance to respond

⁶⁵ When Santamaria asked what if the Americans do not come, Gorton responded that there was nothing we could do. B.A. Santamaria, *Against the Tide*, Oxford University Press, Melbourne, 1981, p.312; and Reid, *The Gorton Experiment*, pp.53-4.

⁶⁶ In October 1968 Gorton briefed a journalist that he wanted to withdraw Australian forces from Vietnam, 'but was prevented by party policy from doing so'. Hancock, *John Gorton: He Did It His Way*, p.215. The withdrawal would have paved the way to end national service if relations with Indonesia remained friendly. National service was initially required to deal with a 'sudden deterioration in relations with Indonesia'. See Cabinet Submission 493, 'Army Strength and Organization', 19 May 1964, CS file C3969, CRS A4940/1, NAA.

gave little confidence that the issue had been resolved to his satisfaction. He had apparently emphasised to United States officials that Australia could not assume the defence burden that the British had undertaken. He argued that Australia 'could assume some of the burden', with all the risks involved, as long as there were United States' guarantees to cover the 'possibility of larger scale involvement' with Indonesia.⁶⁸ The lack of a positive American response was not unexpected in the light of Gorton's public announcement of no more Australian troops for Vietnam, which was made without warning to the United States. Moreover, a year later Nixon would announce the Guam doctrine of self-reliance for countries in East and South East Asia, and future American military guarantees were not part of the post-Vietnam security environment.

Gorton's visit to Indonesia did eliminate the possibility of 'some sort of pact' with Indonesia. During the initial one and a half-hour private discussion with Suharto, he listened to Suharto's descriptive history of Indonesia in which Suharto acknowledged Australia's support for Indonesian independence.⁶⁹ Suharto emphasized the regional role that historically belonged to Indonesia; he described Indonesia's economic woes and thanked Gorton for Australia's continuing economic support; and he explained the reasons why Indonesia would remain non-aligned. The notion of a security pact was not directly raised.⁷⁰ A further session of some 30 minutes followed, which involved selected Indonesian Cabinet ministers and Australian embassy officials. Questions were general in nature except when Gorton raised the subject of ASEAN and regional security. Suharto remained silent, and Malik responded that ASEAN was not concerned with security:

Its emphasis should remain on economic, cultural and technical co-operation. This did not, however, affect Indonesia's desire to develop bilateral relations with other neighboring countries. For example, we cooperate with Malaysia over common border problems. We are willing to widen our relations with Australia.⁷¹

⁶⁷ Editorial, 'Two vital chances for Gorton', *The Australian*, 9 May 1968, p.9.

⁶⁸ The press conference was held at Blair House on 28 May 1968. Reid, *The Gorton Experiment*, p.57; and Editorial, 'Mr Gorton looks to the future', *The Australian*, 29 May 1968, p.6.

⁶⁹ Suharto's interpreter was also present for the initial private session. 'Record of Conversation', in DEA file 3034/10/11/1, CRS A1838/277, NAA.

⁷⁰ Interview Sir John Gorton, 24 February 2000.

The message from Suharto and Malik seemed less ambiguous; the Indonesian government was neither interested in a formal security agreement with Australia nor interested in inviting Australia to join ASEAN but would welcome further economic and military assistance.⁷² This was the view that Loveday had reported to Canberra during the preceding 12 months.⁷³ Gorton was not discouraged by the Indonesian response because Malik had reassured him that if the government decided to maintain forces in Malaysia and Singapore, then the Indonesian government would accept and support this decision as a 'good neighbour' as long as the employments were merely 'intended to replace Britain's role' and 'not a build-up of forces'.⁷⁴ Malik's assurances made the framework for a security arrangement for Malaysia and Singapore more acceptable, and Malik would repeat this message several times throughout the remainder of 1968.⁷⁵ The goal of a bilateral security arrangement, nonetheless, would linger in the shadows of diplomatic possibilities until December 1995 when the Keating government would announce the *Australia-Indonesia Agreement on Maintaining Security*.

THE 1968 STRATEGIC BASIS

The Holt Cabinet took the decision to review Australia's strategic circumstances in August 1967 having concluded that a re-assessment was required to take account of the new developments in South East Asia.⁷⁶ The evolution of the Strategic Basis was not a uniform process; critical information on the accelerated British withdrawal became available to the

⁷¹ 'Record of Conversation', Gorton/ Suharto, 13 June 1968, in DEA file 3034/10/11/1, CRS A1838/277. Additional penscript notes are contained in PM file 1968/8355, CRS A1209, NAA.

⁷² Interview Sir John Gorton, 12 April 2000.

⁷³ See, for example, 'Annual Report for 1968', DEA file 3034/10/21 Part 2, CRS A1838/2, NAA.

⁷⁴ Reid recounts that Gorton's visit to Indonesia included a two-day rest in Bali. To honour Gorton, Malik travelled to Bali, only to be 'ignored' by Gorton who 'took the attitude that he was in Bali for a rest and not for official purposes'. Reid, *The Gorton Experiment*, p.68.

⁷⁵ For example, interview with Malik, *Suluh Marhaen*, 3 September 1968. Newspaper clipping in DEA file 3034/10/11/1, CRS A1838/277, NAA. When questioned on Australia's defence buildup, Malik responded: 'I had no objection provided that the defence buildup in Singapore is as a fellow member of the Commonwealth of Nations. In that context Indonesia had no suspicions and viewed the matter from a positive angle as a good neighbour'.

⁷⁶ The 1968 Strategic Basis was the first major review since the 1962 Strategic Basis and became the first of a regular series of reviews carried out approximately every three years. An update of the 1962 Strategic Basis was carried out at the direction of Cabinet and discussed in 1964, and was commonly referred to as the 1964 Strategic Basis. Cabinet Decision 592, on Submission 493, 'Strategic Basis of Australian Defence Policy – 1964', CS file 1472, CRS A5827, NAA. The Defence Committee was tasked to undertake the review on 18 August 1967. Howson's diary entry, 18 August 1967, Aitkin, *The Howson Diaries*, p.318.

writers at different stages; additional Cabinet submissions were prepared to meet the diplomatic timetable of meetings aimed at resolving the new Five Power Defence Arrangements; and these submissions, once agreed by Cabinet, provided confirmation of some of the detail of early drafts and sometimes provided fresh direction to the writers.⁷⁷ As well, Gorton's visits to Washington in May 1968 and South East Asia in June 1968 confirmed certain draft options and ruled out others. Finally, the draft Strategic Basis survived the politics of the backbenchers' party room 'revolt' in May and was lodged as a Cabinet submission in August 1968, some 12 months after its birth.⁷⁸ Nearly three months later, Cabinet discussion was undertaken on two days, 14 November and 4 December. Allen Fairhall, as Minister for Defence and sponsor of the submission, regarded it as 'probably the most important study of our strategic circumstances to come before the government since the 1950s'.⁷⁹ Its contents were controversial, raising issues that resonated from the psychological moment of frustration and anxiety in breaking from the past, to proceed beyond the emotional ties with Britain, and to consider a new defence strategy that was likely to reduce reliance on military support from 'great and powerful friends' except in circumstances of wider conflict with Indonesia.⁸⁰

⁷⁷ The development of the Strategic Basis was the product of a team of four senior officers from the Departments of Defence and External Affairs. Ball, *The Politics of Defence Decision Making in Australia: The Strategic Background*, pp.5, 6. Detail of the accelerated British withdrawal was publicized in *The Australian*, 2 January 1968, pp.3-4.

⁷⁸ On 8 May 1968 in Parliament House, a joint government party meeting discussed the lack of Cabinet action in deciding whether Australia should continue to station forces in Malaysia and Singapore. The detail of the debate was leaked to the press to embarrass Gorton. At the meeting, Gorton suggested that a forward defence strategy might have to be replaced with an 'Israeli-type defence force' operating from continental Australia, an option that was considered in the Strategic Basis. See Reid, *The Gorton Experiment*, p.143; Alan Ramsey, 'MPs challenge Gorton over defence policy', *The Australian*, 10 May 1968, p.1; and Editorial, 'Key to Gorton's strength', *The Australian*, 15 May 1968, p.6. Gorton's comments were queried by Dean Rusk who apparently cabled Gorton requesting clarification. This cable could not be found. Howson refers to the cable in his entry for 16 May 1968 in Aitkin, *The Howson Diaries*, p.426.

⁷⁹ Cabinet Decision 762, 19 November and 4 December 1968, on Cabinet Submission 306, 'Strategic Basis of Australian Defence Policy - 1968', CS file C306, CRS A5868/2, NAA. See Peter Robinson, 'The Great Reassessment - What can Aust. Offer Nixon?', *The Australian Financial Review*, 2 December 1968, p.1, 48; and 'Cabinet at last finds time for strategic policy review', *The Australian Financial Review*, 2 December 1968, p.3.

⁸⁰ Howson recorded that the government's defence committee meeting on 7 May 1968 recommended a continuation of the current parliamentary debate on defence, contrary to Gorton's wishes. During the debate, some government members criticized the government's lack of a clearly defined defence policy. Howson's diary entry, 7 May 1968, in Aitkin, *The Howson Diaries*, p.421. See also Ministerial Statement, CPD, House of Representatives, Volume 59, 7 May 1968, pp.1151-76.

The development period of the submission paralleled public and private debate on defence issues. Debate was unstructured, and became more so, as new ideas were canvassed and criticism increased over the government's apparent reluctance to make early decisions in response to the British withdrawal.⁸¹ The visit in January by the Commonwealth Secretary failed to placate the Australian public on the accelerated British withdrawal, and the government remained critical of the speed of the withdrawal.⁸² The British Minister for Defence, Dennis Healey, declared that it was time that 'Australia defends itself', and on the same day a leak to *The Australian* suggested an additional \$A20 million per year was needed to keep the present level of military forces in Malaysia and Singapore. In February Hasluck pledged Australia's role in South East Asia as a 'distinctly Australian one', an awkward term which offered the promise of policy independence, yet remained hard to define.⁸³ Some editorials were more critical of government indecision, urging the government to fill 'the defence gap' left by the British; others commented on whether Australia had a defence policy.⁸⁴

An independent defence strategy evinced notions of autonomy, isolation and uncertainty, and some in Cabinet argued that in the short term Australia could not afford a 'Fortress Australia' strategy while China remained the principal threat to regional security. The phrase 'Fortress Australia' and Gorton became synonymous through Gorton's use of the term in government party meetings, and Gorton's denial of having 'publicly' used the term

⁸¹ 'Australia says no to Singapore – Gorton wants a five-power conference', *The Australian*, 12 January 1968, pp.1-2.

⁸² Christopher Forsyth, 'Troop bill may rise by \$20m', *The Australian*, 25 January 1968, p.1. See also 'Hasluck tours Asia to plan defence role', *The Australian*, 3 February 1968, p.3.

⁸³ For example, Cabinet Decision 233, 15 May 1968 on Cabinet Submission 81, which considered the consequences of the new timetable for the start of the British withdrawal. CS file C233, CRS A5872/1, NAA.

⁸⁴ For example, Editorial, 'Where is our defence policy?', *The Australian*, 1 March 1968, p.2; 'Not taking on U.K. role – Hasluck', *The Australian Financial Review*, 14 February 1968, p.1; Editorial, 'What future Asia?', *The Australian Financial Review*, 14 February 1968, p.2. During May 1968 leaks on Cabinet discussions occurred, which Howson later accused Gorton and Fraser of undertaking. Christopher Forsyth, 'Hasluck has ultimatum for defence partners', *The Australian*, 20 May 1968, p3 accurately detailed the four options under consideration: complete withdrawal of Australian forces by 1971; retention of naval and air force elements, and the withdrawal of an army battalion; regrouping of army and air force units to Butterworth to form a complete Australian force; and, transferring of the battalion to Singapore while retaining air force units at Butterworth. Other details that were accurately described included a joint air defence system, the extent of British participation, and Malaysian and Singaporean draft cost sharing arrangements for the proposals. Howson's diary entry, 10 May 1968, Aitkin, *The Howson Diaries*, p.423.

did ignite a bureaucratic search for a new term.⁸⁵ For others, regional security was viewed geographically, where battles were to be fought outside Australia. It was more comforting to believe that the nation should be defended in the areas north of Australia; the memories of the South West Pacific campaigns of the Second World War remained strong, particularly in Cabinet.⁸⁶ Even the government members' meeting on the morning of 14 November was divided on the submission, which confirmed that Cabinet members were also at variance in their support for the submission.⁸⁷

The Notion of Strategic Policy and the Threat

For the first time in a Strategic Basis submission, the argument was made to avoid considering strategic policy as of purely military significance: 'strategy embraces political, economic and social objectives equally with military, and sometimes the former may be more important'.⁸⁸ This was an important statement on the circumstances now facing Australia in which the government's ongoing activities with Indonesia since the attempted coup focused on strengthening Indonesia's cohesion. Australia's security rested on the stability of its neighbours, and stability could be fostered through the provision of comprehensive political, social, economic and military assistance programs.

The submission painted a benign security environment. For the next decade the threat assessment identified the 'improbability' of an outbreak of a general war, and a limited war between the United States and China was judged as unlikely although China remained the major threat to Asian stability.⁸⁹ The submission declared that a direct Indonesian attack onto the Australian mainland, or its territories, was also unlikely in the short to medium

⁸⁵ The term, 'Fortress Australia', was now considered politically tainted since it evinced notions of total withdrawal. Sir Arthur Tange sought advice from Donald Horne, then editor of *The Bulletin*, who suggested a new term, 'self-reliance'. Horne, *Into the Open – Memories 1958-1999*, p.156. Howson records that Gorton first used the term, 'Fortress Australia', at a meeting of the Foreign Affairs and Defence Committee on 19 October 1965, at which the British withdrawal was discussed. Howson's diary entry, 19 October 1965, in Aitkin, *The Howson Diaries*, p.181.

⁸⁶ Interview Sir Allen Fairhall, 22 July 2000.

⁸⁷ Aitkin, *The Howson Diaries*, pp. 449-50. Howson's diary entry for 14 August 1968 noted the split in the party on a new defence policy and expressed concern 'that there is no policy on external affairs at present'. For Howson, maintaining 'some presence on the South Asian mainland' seemed safer.

⁸⁸ Cabinet Submission 306, 'Strategic Basis of Australian Defence Policy - 1968', CS file C306, CRS A5868/2, NAA.

⁸⁹ *Ibid.*, pp.156, 160.

term; this conclusion was tempered by the suggestion that a failure to contain tension with Indonesia over Papua New Guinea, or from continued military involvement with Malaysia and Singapore, could result in conflict in the longer term, during the 1980s.⁹⁰ The submission described the nature of the threat from or through Indonesia. This was the first time in the post-World War period that hostile operations against Australia identified operational requirements to guide force structure developments. Low and medium hostile operations were judged to include sporadic and limited air attacks on operational air and naval bases, commercial ports and mining and ore treating installations in Papua New Guinea, northern and western Australia and in the Cocos Islands. Ground activity could involve armed forces activity in the border area of Papua New Guinea, supported by sea and air infiltration. Sporadic air and submarine attacks on shipping and offshore oil installations in the waters of north and west of Australia were also likely operations; and in the latter stages of a concentrated campaign, submarine attacks were possible on similar targets in other parts of Australian waters. Sabotage attempts against defence installations in northern Australia could not be ruled out, nor could limited attacks on Christmas and Cocos Islands. The emergence of situations that could lead to an Indonesian denial of rights of air and sea passage or restricting supplies of oil could also be expected. While the nature of the Indonesian threat was comprehensively defined, the likelihood was considered low because of Indonesia's pre-occupation with internal security.⁹¹

The submission identified that Australia's strategic interests included the avoidance of instability and a power struggle in the Malaysia/Indonesia area, the promotion of political stability and moderation in Indonesia's external policies, and the promotion of mutual defence cooperation between Malaysia and Singapore. Continued economic progress in Indonesia was deemed vital, as was the maintenance of a moderate, constructive and effective central government which would lead to stable relations with its neighbours, including with Australia. The submission concluded that the abiding nature of Australia's strategic situation centred on the 'degree of uncertainty of Indonesian conduct in the longer

⁹⁰ The submission identified the 1980s as the long-term, the 1970s as the medium-term and up to 1971 and the end of the Vietnam war as the short-term. *Ibid.*, pp.161, 163.

⁹¹ *Ibid.*, p.165.

term', a sentiment that echoed with Gorton's comments to Santamaria in April 1968.⁹² The submission cautioned:

From Australia's point of view deterrence is of particular relevance in the case of Indonesia. It is *from or through Indonesia that the possibility of hostile action against Australia or its Territories is most likely to arise*. Never to be forgotten is the possibility that Indonesia could over a short period increase her military capacity if a major power were prepared to provide military aid as the USSR did in the past. Indonesia's capacity to maintain and operate modern weapons could become substantial in the medium to long terms. On the other hand, the importance and vulnerability of Indonesia's internal sea and air lines of communications are not to be overlooked.⁹³

The forces required for deterrent purposes, the submission suggested, 'will depend on continuing long range appraisals of development', and of particular concern 'will be the growth of Indonesian military capacity as well as possible changes in Indonesian attitudes'.⁹⁴

The submission described the three major strategic issues facing Australia: that China remained of 'key significance to Australian strategy' due to the favourable social and economic conditions in South East Asia which China could exploit; the new strategic circumstances questioned the relevance of the forward defence strategy; and thirdly, the apparent 'weakness and instability' in Indonesia.⁹⁵ The submission noted that the forward defence policy 'deliberately tied Australia to the strategy of others' and committed Australian troops to Vietnam, Malaysia and Singapore and to SEATO operational plans. With the withdrawal of British forces from Malaysia and Singapore by 31 March 1970, the end of the Commonwealth Strategic Reserve sometime in 1971 and the eventual withdrawal of United States forces from Vietnam, a continuation of the forward defence strategy was considered 'unaffordable and untenable'. Australia's 'best interests' were served by 'not taking up an extreme position', that is to withdraw forces immediately or to keep forces continuously stationed outside Australia. A middle course provided greater versatility; maximum flexibility could be achieved by having 'available forces organized, equipped and

⁹² *Ibid.*, p.167.

⁹³ Emphasis added. *Ibid.*, p.211.

⁹⁴ *Ibid.*, p.212.

⁹⁵ See also Cabinet Decision 233, 15 May 1968, on Cabinet Submission 8, 'Australian Military Presence in Malaysia/Singapore. Report by the Defence Committee', CS file C233, CRS A5868, NAA. The submission

trained for effective deployment to South-East Asia and as well for the defence of Australia'. The submission did not contemplate an early withdrawal of forces; under the current circumstances, there was little option than 'to continue the present forward defence posture' until the end of the Vietnam War, and refrain from committing more forces in the short to medium term. The submission noted the 'dangers of Australia involved in Southeast Asia except in association with and the support of the USA', and concluded that 'a self contained force will often be a more effective contribution to collective defence arrangements'.⁹⁶

Cabinet Consideration

Gorton managed Cabinet discussion by registering concern that the analysis had gone 'beyond the immediate question of the basis of Australian defence policy or of military commitments' and that Cabinet should 'only give general reactions ... to make its own views clearer'. He was unable to gather sufficient support for the entire document; however, consensus did emerge on the submission's conclusions on the strategic environment, threat and Australia's security interests.⁹⁷ In addition, Cabinet only 'noted' the recommended changes to the forward defence strategy, amending one of the key recommendations to read:

It is, taking the long term view, quite unrealistic to take the line that we could rely on the ANZUS treaty for the United States protection of Australia and its territories and at the same time adopt the policy of effective military withdrawal from South-East Asia as our current commitments there expire, and of rejecting for the future any further military involvement in Asia.⁹⁸

Through the amendment, Cabinet was registering that it did not reject a future involvement in South East Asia. It accepted that 'Australia's best interests' were served by having forces equipped and ready for overseas service, and to operate in conjunction with the

considered the consequences of the new timetable of the British withdrawal, which began in March 1969 when British logistic support for the bases at Terendal and Butterworth was withdrawn.

⁹⁶ Cabinet Submission 306, 'The Strategic Basis of Australian Defence Policy – 1968', CS file C306, CRS A5868/2, NAA.

⁹⁷ As well as providing a preamble to its conclusions, Cabinet also incorporated comments and a supplementary note. Cabinet Decision 762, 19 November and 4 December 1968, on Submission, 'The Strategic Basis of Australian Defence Policy – 1968', CS file C306, CRS A5868/2, NAA.

⁹⁸ Before considering the Strategic Basis, Cabinet discussed the Opposition's censure motion on Australian defence policy and agreed to 'avoid ... any statements on Australia's position which could be misinterpreted in the United States or in countries in the region, either as pointing to an Australian decision on withdrawal

United States; in the Cabinet's view, whether this meant that the forces remained 'continuously overseas' should not be precluded. In effect, Cabinet realized that a forward defence policy was untenable after 1971 but refrained from embracing such a major change at that moment, emphasizing its 15 May 1968 decision to maintain forces in Malaysia and Singapore until 1971, subject to arrangements with those countries. Beyond 1971, the question of ground forces would remain open while future planning should take into account that naval and air force units would remain unless circumstances changed.⁹⁹ To handle 'deftly' the transition between 1968 and the withdrawal of British forces in 1971 and the end of the Vietnam war, Cabinet accepted the submission's recommendation that support to Indonesia, Malaysia and Singapore should 'embrace political, economic and administrative objectives and assistance' and focus on military training of foreign students in Australia, seconded or loaned defence personnel, training teams and technical assistance.¹⁰⁰

It was not surprising that the recommendations of the Strategic Basis closely echoed the defence cooperation program with Indonesia that Hasluck and Fairhall accepted in 1967. The development of the IDC review and the Strategic Basis were the responsibility of the Department of Defence, and departmental opinion supported a unified Indonesia that could become 'a major element of stability in the overall Asian power balance and part of Australia's strategic shield'. The concept of a 'strategic shield' embraced geography and Indonesia's national security, since any threat to Australia 'would either come from or through the archipelagic area'. Attempts to undermine the effectiveness of the central government and its effective control of the Indonesian archipelago would disturb national cohesion and stability. In the submission's view, questions on cohesion and stability raised 'uncertainty' about Indonesia's 'international conduct in the late medium term'. Indonesia

after 1971 or as seeking to extend the area of U.S. involvement. Decision 711, 'Opposition Censure Motion', 19 November 1968, CS file C470, CRS A5619, NAA.

⁹⁹ Cabinet did register that the term, 'forward defence', 'had come to be misunderstood popularly in Australia and also in South-East Asia region ... It tended to be confused with forward deployment. It would therefore seem better, both in the Cabinet's own thinking and in public presentation, to substitute the concept of regional security'. Supplementary Note to Cabinet Decision 762, 19 November and 4 December 1968, on Submission 306, 'The Strategic Basis of Australian Defence Policy - 1968', CS file C306, CRS A5868/2, NAA.

¹⁰⁰ Cabinet Submission 306, 'The Strategic Basis of Australian Defence Policy - 1968', CS file C306, CRS A5868/2, NAA

was also perceived to embody historical sentiments of regional hegemony, with ‘interests and suppressed ambitions in East Malaysia’; and an unstable East Malaysia could explode ‘into communal conflicts and chronic instability, which would eventually draw in Indonesia’. The Indonesian government, the submission recorded, has so far ‘submerged ambitions in the wider context’ of regional cooperation, and cannot ‘be expected in the period of this study to seek to establish dominance or control over Australia’; however, it will always remain of ‘continuing concern’ because it ‘lies astride some of Australia’s important lines of communications and has a common border with Australia in New Guinea’. The evolution of Indonesia, nonetheless, ‘is in the direction we want, and there are reasonable prospects of ad hoc security cooperation in the short term and a deepening sense of mutual security in the longer term’. Therefore Australia’s political and economic activities ‘are necessary to promote social development and cohesion’. The submission did, however, note one overriding concern:

The strategic position of Australia and its allies and their consequent military commitments and arrangements will be weakly based if they depend upon the survival of particular political regimes ... Our policies must be geared to the possibilities of change.¹⁰¹

The results of Cabinet’s deliberations were inaccurately leaked to the media. Press reports stressed that no decisions would be made until Gorton discussed with President Nixon the objectives of the proposed peace talks on Vietnam.¹⁰² Cabinet responded to the ‘misleading’ reports by issuing instructions that cables should be sent to the relevant governments to correct any impression that the decisions were ‘not stood over’. Gorton also indicated that he would ‘speak with senior management of the newspapers and issue a press statement’.¹⁰³ The recommendations of the Strategic Basis, however, were never fully implemented; yet the intellectual energy that developed the detail and identified the elements of change would not be wasted. In the longer term those elements would become central to future defence assessments: the extent of self-reliance, the offensive projection capacity of the ADF, the continuing importance of defence treaties, the concept of regional security, the wider definition of security cooperation, and Australia’s relationship with

¹⁰¹ *Ibid.*

¹⁰² ‘Gorton, Nixon to discuss defence’, *Daily Telegraph*, 5 December 1968, p.9; and Ian Flichett, ‘Decisions on defence wait on peace talks’, *The Sydney Morning Herald*, 5 December 1968, p.1.

Indonesia would all feature, to a greater or lesser extent, in subsequent strategic assessments.¹⁰⁴

The 1968 Strategic Basis did confirm a new perspective on the security threat from Indonesia. The Indonesian threat was perceived in two interrelated time domains. In the first domain, direct military conflict was considered unlikely until at least the 1980s, although operational planning should continue to counter possible lower levels of intermittent conflict, particularly if circumstances deteriorated in the Papua New Guinea border area. Secondly, changes to Indonesia's political stability and cohesion manifested circumstances, which were difficult to forecast; and threats to the political cohesion of the republic had the potential to undermine regional, including Australia's, security. The submission accepted that a friendly, anti-communist Indonesia was an important ingredient to Australia's security and to the prospects for a benign region; however, ambivalence was ever present. An unfriendly Indonesia would impose a disproportionate burden over time to national development and Australian society, and hinder further independence in defence and foreign policy-making. The abiding nature of Australia's security rested 'with the degree of uncertainty of Indonesian conduct in the longer term'; and, Australian efforts in providing assistance to improve the cohesion and stability of the New Order government, satisfied the national interest by laying the foundation for a substantial and more friendly relationship. In the absence of a security pact with Indonesia, this was all that Cabinet could reasonably expect.

¹⁰³ Cabinet Decision 741, 'Australian Defence Policy', 5 December 1968, CS file C470, CRS A5619, NAA.

¹⁰⁴ The 1968 Strategic Basis would later suffer criticism because of its treatment of China. While the assessment described China's potential to disrupt regional security, its major contribution lay in defining a benign security environment for Australia over the next ten years, with the caveats of a possible long-term threat from Indonesia if circumstances developed over Papua New Guinea, or over Malaysia and Singapore. The other strengths, such as describing the nature of the threat in the ten-year period, which became the forerunner of low level contingencies in subsequent assessments, and proposing a more self-reliant defence force, capable of rapid deployment from Australia into South East Asia, with deterrent capability, have continued to be the major strategic issues. For other views, see Alan Dupont, *Australia's Threat Perceptions: A Search for Security*, Canberra Papers on Security and Defence, Number 82, Strategic and Defence Studies Centre, The Australian National University, Canberra, 1991, pp.64, 67-8; and Ball, *The Politics of Defence Decision Making in Australia: The Strategic Background*, p.6.

THE FOLLOW-ON

On 25 February 1969, Gorton informed the nation that his government had decided to ‘maintain forces of all arms’ in Malaysia and Singapore after the British withdrawal in 1971. His statement confirmed extant policies and verified that the views of Hasluck and Fairhall had prevailed in Cabinet and in the party room. The need for change had not dissipated; what seemed to have disappeared from the security equation was Gorton’s energy to effect change.¹⁰⁵ He confirmed that the forces would consist of the two Mirage squadrons stationed at Butterworth, and, in conjunction with New Zealand, a two-battalion group in Singapore, from which one infantry company would be detached in rotation to Butterworth. Additionally, both Australia and New Zealand would maintain ‘one naval ship in the area at all times for purposes of protection and not merely for purposes for training’. Gorton declared that the forces would remain as long as their presence was desired. He stressed that the Australian and New Zealand presence in Malaysia and Singapore was not ‘directed against any other country in the region, and this, we believe, is well understood and accepted’. The government’s announcement that ‘swift additional [military] assistance should be maintained within Australia’ also represented one of the major conclusions of the Strategic Basis and reflected some of the characteristics of Gorton’s ‘Israeli-type defence force’.¹⁰⁶

Whitlam criticized Gorton’s statement, declaring the government had lost ‘a very great opportunity’. He asserted that the ‘government was caught up by the course of events and the facts of history’; he noted Gorton’s statement was silent on Indonesia and declared:

Labor is determined to do three things – to defend Australia, to build the defence in our region, and to build the economies and societies of the countries in our region ... Of all the countries in the region, Australia is best able to help finance, equip and train the defence forces of our region ... [and] Australia is best able to help build the economies and societies of the countries in the region ... It would be tragic if the Australian people were to accept that the Prime Minister’s statement represented the last word on Australia’s future defences and on the role that we should playing in our

¹⁰⁵ Alan Ramsey, ‘Gorton follows key ministers on defence line’, *The Australian*, 15 August 1968, p.1.

¹⁰⁶ Ministerial Statement, *CPD*, House of Representatives, Volume 62, 25 February 1969, pp.35-6.

region ... In a very real sense the Prime Minister's statement is a retreat, a retreat into old modes of thought and outdated postures and a retreat from Australia's responsibilities in the region.¹⁰⁷

Whitlam was correct; the strategic circumstances were now different, and would become even more so during 1969 with the impact of the Guam doctrine and later through the policy of Vietnamization; and the government would reduce defence expenditure while troops were still committed to South Vietnam.¹⁰⁸ The decision to maintain forces in Malaysia and Singapore beyond 1971 seemed to be a compromise to satisfy internal party politics and to encourage DLP preferential support for the 1969 federal election.¹⁰⁹ Gorton had personally responded to the Tet offensive by declaring that Australia would not commit additional troops to South Vietnam; the government had acknowledged that a forward defence strategy was untenable without assistance from the United States and Britain, and Cabinet had accepted the strategic environment as defined in the 1968 Strategic Basis which indicated no likely threat to Australia or to the region in the next decade. So the continuation of the forward deployment of forces in Malaysia and Singapore did little to inspire confidence in the logic of the government's overall defence strategy. The importance of Australia's relationship with Indonesia, however, permeated Gorton's announcement since the continuation of forward deployments could not have been made without prior consultation with Indonesia.

LINGERING THOUGHTS ON SOME SORT OF PACT

As the new Minister for External Affairs, Gordon Freeth's first overseas visit was to Jakarta in April 1969 to discuss with Suharto and Malik the government's announcement.¹¹⁰ Freeth first visited Jakarta in 1959 when the city was filled with demonstrations over Dutch New Guinea, and he later admitted that the scale and the intensity of the demonstrations convinced him that the Indonesian people firmly believed 'that West Irian is part of their

¹⁰⁷ Debate on Ministerial Statement on Defence, *CPD*, House of Representatives, Volume 62, 27 February 1969, pp.271, 273.

¹⁰⁸ In August 1969 Fairhall announced to the House of Representatives that Australia could afford 'a breathing space' on defence spending since it was not confronted with 'no early threat'. Ministerial Statement, *CPD*, House of Representatives, Volume 64, 26 August 1969, p.665. Fairhall later remarked that Cabinet, unanimously, took the decision to reduce spending. Interview Sir Allen Fairhall, 24 July 2000.

¹⁰⁹ *Ibid.*

¹¹⁰ Hasluck was appointed the Governor-General of Australia on 29 April 1969, after resigning from parliament some three months earlier. Gordon Freeth was sworn in as the new Minister for External Affairs. Porter, *Paul Hasluck*, pp.286-7.

territory'.¹¹¹ His discussions confirmed general satisfaction 'about the state of relations' and the manner in which the relationship was developing. Malik expressed concern over the consequences of the United States' withdrawal from Vietnam and noted that the stationing of forces in Malaysia and Singapore was beneficial while American intentions were unclear. Therefore Indonesia did not object to the forward deployment of Australian forces 'but would not be happy if additional forces are introduced into the area'.¹¹² Freeth cabled Gorton:

Malik went further than anything he has said to us before about Indonesia's involvement with Asian security. He repeated Indonesia's policy of remaining outside pacts but stressed the importance of bi-lateral security co-operation with neighbouring countries both for dealing with subversion and as a basis for full defence co-operation if that became necessary ... As regards defence co-operation between Australia and Indonesia, he said that Australia clearly could not help in combating subversion in Indonesia but if there was a prospect of open war Indonesian and Australian interests would be threatened in common and we could come together. As long as this did not happen, we should continue to plan on practical co-operation and exchanges between the Services.¹¹³

Freeth had not anticipated the communion of such personal thoughts on Indonesia's security concerns and left Jakarta convinced that he had established a rapport with Malik that went beyond national boundaries. In reporting that Australia had an opportunity to enter into a closer defence arrangement with Indonesia 'if that became necessary', Freeth had reawakened a possible security solution that had been discouraged by Malik during Gorton's State visit in the previous year. At least Gorton could confidently approach the forthcoming federal election in the knowledge that Australia's ongoing deployments were accepted in the region and could not be used against the government in the manner that the Labor opposition might have wished.¹¹⁴

On his return to Australia, Freeth's optimism and confidence in his personal rapport with Malik rapidly declined through the intense media criticism of Indonesia's responsibility for the cross-border shooting incident at Wutung. The Wutung incident coincided with his discussions with Malik, and Freeth's presence in Jakarta at the time of the incident only

¹¹¹ Press Conference, 30 April 1969, in *CNIA*, Volume 40, 1969, p.160.

¹¹² *Ibid.*

¹¹³ Cablegram 1066, Freeth to Gorton and Fairhall, 28 March 1969, DEA file JA1969/03T, CRS A6366/4, NAA.

added to his embarrassment and the perception of Indonesia's disregard for Australian sovereignty in the border area. Freeth had recognized and accepted the folly of a special relationship with Malik; special relationships were difficult to maintain when national interests were threatened, and Freeth concluded after the visit that Malik may only have raised the possibility of a security arrangement to atone or compensate for the Wutung incident.¹¹⁵ The conclusion of the 1968 Strategic Basis - the abiding nature of Australia's strategic relationship with Indonesia centred on the 'degree of uncertainty of Indonesian conduct in the longer term' - had started to haunt the government.¹¹⁶

LATER STRATEGIC ASSESSMENTS

The passage of the 1971 Strategic Basis through Cabinet was relatively smooth. Hasluck and Fairhall had retired from active politics, and opposition to Gorton's foreign and defence policies had diminished. Gorton had won the 1969 federal election with a reduced majority, and the decision to maintain forces in Malaysia and Singapore had not substantially rebounded on the government. Acceptance of Australia's role in regional security seemed to be embraced by many Australians, and Cabinet agreed that forward deployments of Australian units should continue to be explained in terms of regional security and Australia's 'capacity and the will to share in the burdens of regional defence'.¹¹⁷ Cabinet also noted that the new FPDA should not overly 'arouse' Indonesian anxieties that Australia:

was specifically tailoring our arrangements against them, but which on the other hand will give them pause should their thinking involve actions towards upsetting the territorial status quo in the area.¹¹⁸

Ambivalence towards Indonesia also translated into new financial arrangements for the purchase of the F-111C, which would provide Australia with a long-range strike capability against targets in the Indonesian archipelago.¹¹⁹

¹¹⁴ *Ibid.*

¹¹⁵ Interview Sir Gordon Freeth, 23 September 2000.

¹¹⁶ Cabinet Submission 306, 'Strategic Basis of Australian Defence Policy - 1968', CS file C306, CRS A5868/2, NAA, p.167.

¹¹⁷ Cabinet Decision 139, 'Supplementary Defence Equipment Proposals', 17 February 1970, CS file C854, CRS A5619, NAA.

¹¹⁸ Cabinet Decision 430, 'Anglo-Malaysian Defence Agreement (AMDA): British Proposal for Replacement by Five Power Declarations', 11 June 1970, CS file C854, CRS A5869, NAA.

Unsurprisingly, the 1971 Strategic Basis assessed little change to Australia's security environment, with its conclusion of no direct threat to Australian territory in the 1970s outside the unlikely contingency of a general war.¹²⁰ Moreover, the position of Indonesia in the security equation had changed with a new emphasis on the importance of maintaining friendly and cooperative relations, even to the inconvenience of other regional nations:

Australia's relations with Indonesia are of profound and permanent importance to Australia's security and national interest [and] Australia should aim politically to represent herself as a sympathetic and helpful neighbour with interests compatible with those of Indonesia's. To do this will certainly imply a continuance of our concern to avoid that our policies in relation to Singapore and Malaysia give legitimate offense to the Indonesians.¹²¹

The shift in emphasis reflected the pragmatic assessment that the prospects for the 'continuance of responsible political and economic policies' by the present Indonesian government were 'reasonably good', and changes in the orientation of the Indonesian government was unlikely 'at least for the first half of the decade'.¹²² The assessment noted that if a change did occur, then it would be in circumstances of domestic instability, which would leave Indonesia 'weak, disunited and incapable of presenting a significant threat to Australia or even to her neighbours'.¹²³ Indonesia's armed forces were not regarded with apprehension; indeed the submission reported that its armed forces lacked offensive capability with low capacity for effective deployment, which could not easily be fixed:

A massive and closely supervised programme of foreign military aid extending over a period of four to five years would be needed to build up the Indonesian forces, and this is unlikely even to be initiated in the first half of the decade ... It is very unlikely that any Indonesian government in this decade would develop a capability or intention to mount a serious and sustained attack on the

¹¹⁹ When Malcolm Fraser, as Minister for Defence, successfully sought Cabinet agreement for changes to the F-111C contract with the United States, he argued that Australia:

needed the right combination of range and carrying and penetration capacity [now] that the British strike capacity, provided during Confrontation with Soekarno, had disappeared and I presume the United States does not want to be the only country possessing the capacity in the South East Asian region.

Cabinet Decision 296, 'F-111C Project', 30 April 1970, CS file C854, CRS A5869, NAA.

¹²⁰ The submission was lodged Gorton, who was then Minister for Defence, on 19 May 1971 and discussed by Cabinet on 8 June 1971. Cabinet Decision No 197 of 8 June 1971 and Cabinet Submission No 107, 'The Strategic Basis of Australian Defence Policy – 1971', CS file 470 Part 2, CRS 5619, NAA.

¹²¹ *Ibid.*, p.30.

¹²² *Ibid.*, p.27.

¹²³ *Ibid.*

Australian mainland. We could expect warning over a period of years of any change of Indonesia's intentions or capability.¹²⁴

Nonetheless, Indonesia was accepted as the 'country from or through which a conventional military threat to the security of Australian territory could most easily be posed'. The Indonesian army, the submission noted remained 'adequate to contain the internal threat and there are prospects of improvement in some elements of the army and air force in the next few years'.¹²⁵

Other supporting strategic documentation refined the nature of the threat. For example, the 1971 Environment of Future Australian Military Operations (EFAMO) identified a range of peacetime measures that could be employed against Australia during the 1970s: harassment of shipping, smuggling, illegal entry, challenges to Australian sovereignty, denial of passage rights and poaching of Australian resources.¹²⁶ The EFAMO also addressed lower level forms of military activities such as raids, harassment and limited lodgements onto Australian territory. The assessment considered that four regional countries possessed the means to undertake these activities - Indonesia, China, Japan and the USSR – and only Indonesia was geographically capable of mounting most of the listed operations. As one commentator observed:

In the EFAMO, for example, the central scenario was conflict with Indonesia; although it was reckoned as very unlikely in the 1970s and also unlikely in the 1980s, it was the threat to be watched and the threat against which any self-reliant Defence of Australia posture should be judged.¹²⁷

The judgement on Indonesia's capabilities and intentions was assessed through the notion of warning time. The concept of warning time enabled the government of the day to adjust defence expenditure according to changes in the security threat. In 1971 warning time was defined as the time from government acceptance of a perceived threat to the time that the

¹²⁴ *Ibid.*, pp.27-8.

¹²⁵ *Ibid.*, p.54.

¹²⁶ The EFAMO was an internal Department of Defence document produced to 'fill the gap between the general review of the strategic environment and the more particular requirements of the Services with respect to force structure planning. Ball, *The Politics of Defence Decision Making in Australia: The Strategic Background*, p.16.

¹²⁷ Quotations from the EFAMO are cited from Ball, *The Politics of Defence Decision Making in Australia: The Strategic Background*, pp. 31-4.

threat is judged to require an operational response.¹²⁸ In the 1968 Strategic Basis warning time was regarded more generally, along the lines of no likely threat from Indonesia until the late 1980s, and this assessment provided the Gorton government a measure of justification to reduce defence expenditure in the 1969-70 Budget.¹²⁹ The 1971 Strategic Basis and EFAMO suggested a warning time of not less than four to five years for Indonesia to undertake large scale military operations against Australia, although Indonesia could conduct peacetime low level contingencies within its present capabilities. These timeframes replicated Gorton's discussions with Santamaria in 1968, and contained the elements of uncertainty in Indonesia's longer term behaviour. Out of strategic prudence, Indonesia's military capabilities and its capacity to conduct operations against Australia had become the yardstick against which Australia's defence preparedness was to be measured.¹³⁰

PRESIDENT SUHARTO'S STATE VISIT TO AUSTRALIA

Suharto's State visit to Australia in 1972 was perhaps a fitting conclusion to the evolution of the bilateral relationship under the Gorton and McMahon governments.¹³¹ Suharto arrived in Canberra on Sunday 6 February in darkness and was met by the Governor-General, Sir Paul Hasluck, and the Prime Minister, William McMahon; he was greeted by a flood-lit ceremonial 21 gun salute and a Royal Military College guard of honour after which he met with other Australian dignitaries, including the Leader of the Opposition,

¹²⁸ *Ibid.*, p.36.

¹²⁹ Interview Sir Allen Fairhall, 24 July 2000.

¹³⁰ The magnitude of warning time was comprehensively debated. For example, the Director, Joint Intelligence Organisation, suggested that 'it would take Indonesia five years and more, from the time of political decision, to build significant offensive armed strength' to threaten Australia. Presentation, Director Joint Intelligence Organisation, to the Joint Standing Committee on Foreign Affairs and Defence, 'Australia's Relations with Indonesia- Interim Report', *Parliamentary Papers*, Volume 8, 21 June 1973, p.3. In contrast, Sir Arthur Tange believed that 'we would get several years warning ... from the present entirely co-operative policies', in Minute, Tange to Minister for Defence, 25 January 1973, cited in Ball, *The Politics of Defence Decision Making in Australia: The Strategic Background*, p.36. Leaked 1974 correspondence between Tange and New Zealand officials indicated that Tange believed Japan, China and Indonesia were 'contingent defence problems a couple of decades from now'. 'Defence chief raps government', *Nation Review*, 28 June – 4 July 1974, p.11.

¹³¹ During the 1969 election, Freeth lost his seat of Forrest in Western Australia and was appointed Ambassador to Tokyo. The loss was attributed to the DLP's campaign against Freeth over his statements on Soviet naval activity in the Indian Ocean, and the DLP's decision not to allocate preferences to him. On 15 March 1971, William McMahon replaced Gorton as Prime Minister. 'Robber baron doomed, says Whitlam',

Gough Whitlam. The presidential party was not small, of some 44 members, and included Mrs. Suharto, Foreign Minister Malik, State Minister and Chairman of the National Planning Board, Professor Widjojo Nitisastro, the Army Chief of Staff General Umar Wirahadikusuma, and Cabinet Secretary Major-General Sudharmono.¹³² Gorton had extended an invitation for Suharto to visit Australia during his visit to Indonesia in 1968; the invitation was re-presented by Freeth when he visited Jakarta in April 1969 and again raised by the Australian Ambassador in 1970 when Suharto confirmed his intention to visit in 1972 as part of a longer itinerary.¹³³

The itinerary was weighted towards fostering Australian commercial activity in Indonesia; little time was devoted to political discussion or sightseeing, with only one day and night spent in Canberra, Melbourne and Sydney. In Melbourne and Sydney, Suharto entertained selected business people, as well as visiting Australian Consolidated Industries (ACI) in Sydney, which was in the process of establishing an \$A5 million glass manufacturing plant in Indonesia.¹³⁴ The late 1960s and early 1970s saw an accelerating increase in Australian private investment in Indonesia, assisted in part through the successful programs of economic assistance and military cooperation. Private investment seemed to follow where government assistance had been provided; for example, the most prestigious projects included the Broken Hill Propriety Limited (BHP) which, in conjunction with the Colonel Sugar Refinery (CSR), had invested in tin mining in Sumatra and East Kalimantan, and Imperial Chemical Industries (Australia) Limited (ICI) which was engaged in mining in West Irian – all areas where economic assistance and military cooperation had been undertaken. At the time of Suharto's visit to Australia, some 20 large projects were in train

The Australian, 16 March 1971, p.1; and Editorial, 'The PM's riposte', *The Sydney Morning Herald*, 16 March 1971, p.6.

¹³² *The Bulletin* reported that some members of Suharto's party were armed. Hugh Mabbett, 'Suharto – Achieving everything by doing nothing', *The Bulletin*, 12 February 1972, p.31.

¹³³ After Australia, Suharto visited New Zealand for three days followed by two days in the Philippines. Note to File, undated, PM file 66/3659, CRS A463/32, NAA. See also Question without Notice, 28 August 1969, CPD, House of Representatives, Volume 64, 1969, p.797; and 'Supplementary on Indonesia', *The Sydney Morning Herald*, 7 February 1972, p.1.

¹³⁴ Peter Hastings, 'Ruler with Staying Power', *The Sydney Morning Herald*, 5 February 1972, p.6. See also 'Soeharto gets "royal" welcome', *The Sydney Morning Herald*, 7 February 1972, p.6; and 'Demonstrators jeer at Soeharto', *The Australian*, 10 February 1972, p.1.

or recently finished, mostly through joint ventures in the mining and industrial sectors.¹³⁵ One far-reaching investment was in the planning stage: a group of 16 companies was undertaking feasibility studies to develop an industrial complex on the south coast of Java at the port of Tjilatjap to include a steelworks, heavy industry products factories, and an oil refinery. The idea was conceived through a Western Australian government trade mission to Jakarta in 1969 and proposed in the form of a joint venture with the Indonesian government and the province of Central Java. As well, the Australian government had committed to provide project aid to dredge the port and develop the port facilities when the joint venture commenced. Joint ventures were encouraged by the Indonesian government to overcome some of the difficulties of increased foreign ownership in the commercial and industrial sectors, and Suharto's visit to Australia was designed to encourage further Australian private investment through joint ventures.¹³⁶

Total private investment had overtaken economic assistance to Indonesia, nourished through new organizational arrangements that promoted investment. The formation of the Australia-Indonesia Business Co-operation Committee in November 1971 was designed to further the commercial and cultural relations between the two countries. The Committee was sponsored by the Department of Trade and Industry, which had also strengthened the Australian Trade Commission in Jakarta to assist visiting Australian business people. The Department also continued to encourage the activities of the Australia-Indonesia Chamber of Commerce, a Sydney-based organization that was formed in late 1964, to promote two-way trade between the two countries.¹³⁷ The formation of these bodies also provided additional lobbying channels into government decision-making.

¹³⁵ Of these, the most striking were Leighton Constructions was building multi-story complexes in Jakarta; Blue Metal Industries (BMI) with CSR, had developed a ready-mix concrete plant outside Jakarta; COMALCO Limited had commenced building an aluminium plant near Bandung; Jennings Constructions was negotiating contracts to enter the commercial and industrial building markets; Paragon Investment and Development Company had entered into a contract with the Indonesian government to build a 600-bed hotel and casino in Bali; PDC Constructions Pty Ltd was building a fertilizer blending and distribution system in Sumatra and Commonwealth Industrial Gases (CIG) was operating an industrial gas plant near Jakarta. 'Supplement on Indonesia', in *The Sydney Morning Herald*, 7 February 1972, p.3

¹³⁶ Supplement on Indonesia, in *The Sydney Morning Herald*, 7 February 1972, p.3

¹³⁷ Ministerial Speech by Deputy Prime Minister and Minister for Trade and Industry, 'Scope for Partnership with Indonesia', 7 February 1972, quoted in *The Sydney Morning Herald*, 8 February 1972, p.2.

The Visit

Reports of the one-hour discussion between McMahon and Suharto were well documented in the newspapers. 1972 was an election year for Australia, and McMahon had been disappointed by President Nixon's polite refusal to visit; therefore Suharto's State visit gave McMahon opportunities to press the international credentials of his government. The short discussion period reflected a political relationship that harboured little disagreement. Suharto emphasized that the best counter to Chinese subversion in South East Asia was political stability and economic growth; however, Asia could become the source of great conflicts if the 'major powers, within or without Asia, fail to exercise restraint'. He welcomed further economic cooperation with Australia, perhaps in partnership, so that Indonesia could take advantage of Australia's superior technological base; and he remained confident that Australian investment in Indonesia would continue to grow.¹³⁸ He added that Indonesia had no interest in defence pacts, such as the current 'Five Power arrangements'. He did, however, welcome additional bilateral defence cooperation that would come with the support arrangements for the gift of 16 Sabre jets.¹³⁹ The announcement of the Sabre gift did not attract community criticism and added substance to the results of the visit.¹⁴⁰ Agreement was also reached on the exchange of information on Soviet shipping movement in and out of the Indian Ocean.¹⁴¹ As well, both leaders agreed to regular bilateral meetings between foreign affairs officials and between trade and industry officials; and agreement was reached for a further meeting of experts to be held as soon as possible on the seabed boundary and land border between the two countries.¹⁴²

From McMahon's perspective, the visit was a success, and the media applauded Suharto's efforts in rescuing Indonesia from the throes of political and economic despair in 1965. *The Sydney Morning Herald* reminded Australians what plight they might have experienced 'if the attempted coup had succeeded', adding:

¹³⁸ 'Soeharto appeals for co-operation', *The Sydney Morning Herald*, 9 February 1972, p.8.

¹³⁹ Question without Notice, CPD, House of Representatives, Volume 76, 2 March 1972, pp.475-6; and 'Soeharto calls for peace and unity', *The Australian*, 10 February 1972, p.3.

¹⁴⁰ Ministerial Statement by the Minister for Defence, the Hon. David Fairbairn, in *CNIA*, Volume 43, May 1972, pp.243-4.

¹⁴¹ The government expressed 'alarm' over the presence of Soviet warships in the Indian Ocean and sought Indonesian assistance to track Soviet shipping in the area. Editorial, 'Indonesia and reality', *The Australian*, 8 February 1972, p.8.

Our relations with Indonesia now are such that our prime minister has promised the run-down Indonesian air force 16 phased-out Sabre jets ... and each year sees regular exchange of political, defence and regional intelligence ... Australian investment is beginning to find increasing outlets in Indonesia and our exports are rising steadily. These are most healthy developments in terms of self-interest and of our interest in regional prosperity and stability, but because in the long run our Asian policies as a whole are likely to be judged most keenly by our relations with Indonesia. President Suharto should know that he [is] a most welcome and honoured visitor.¹⁴³

In Indonesia, the visit educed the Indonesian Catholic daily, *Kompas*, to report the results of the 'military discussions' between McMahon and Suharto:

A period of military co-operation between Australia and Indonesia, for the moment, will be in equipment, and naturally in the sector of personnel as well. Defence co-operation will not create difficulties for Indonesia's position in implementing its free and active foreign policy.¹⁴⁴

The visit did not fully exclude the moral questions that political pragmatism could partially conceal. Protests were conducted in Melbourne and Sydney, mainly by unionists, academic staff and students, against the atrocities of the Suharto government in the 'massacre of 500 000 people', the subsequent incarceration of 'thousands of Indonesians' in 'concentration camps', and the demise of trade union activity in Indonesia.¹⁴⁵ The intention to hold protests was publicized on 1 February 1972, before the Suharto visit began, and was immediately denounced in some sections of the media as 'disingenuous nonsense'. 'If they do demonstrate', *The Sydney Morning Herald* proclaimed, 'then they should know that their protest is not against the suppression of trade-unionism but against the suppression of communism'.¹⁴⁶ The protests were not large, with some 200 out of 3000 in Sydney who shouted taunts of 'Go home, Suharto', 'Free your political prisoners' and 'He's got blood on his hands'; in Melbourne, protester groups were never more than 50 strong, but their banners and oral taunts were more pointed – 'Go home, butcher'. The visit organizers were able to manoeuvre the official motorcade around known areas of protests; and, through the control of entry and exit points of official venues, Suharto was rarely exposed to the small

¹⁴² 'Visit of President Soeharto', *CNIA*, Volume 43, pp.31-42.

¹⁴³ Editorial, 'Welcome guest', *The Sydney Morning Herald*, 5 February 1972, p.6.

¹⁴⁴ *Kompas*, 9 February 1972, cited in *The Sydney Morning Herald*, 10 February 1972, p.3.

¹⁴⁵ Not all protests were against the Suharto government; in Canberra outside Old Parliament House aboriginal protests were directed against the Australian government over land rights and cultural preservation. 'The fate of political prisoners', *The Canberra Times*, 8 February 1972, p.2.

number of Australians who publicly opposed some of his government's domestic activities.¹⁴⁷

In 1972 Australian society was generally ignorant and reluctant to acknowledge the extent of the massacres in the post-coup period and unknowing of the large number of prisoners still being held for their alleged connection with the PKI and the activities emanating from 30 September 1965. The number of prisoners was never officially confirmed, although the number of 33 000 was widely used by protagonists to publicize that detainees were being held, either awaiting classification or duly classified into the four known prisoner groups: Group A prisoners were to be tried for their involvement in the attempted coup; Group B prisoners were not to be tried but kept isolated until the Indonesian government felt that re-indoctrination had been sufficiently successfully to allow them to return to society; and, Group C prisoners were to be released as soon as conditions permitted in accordance with Suharto's New Year's Day announcements of forgiveness. Group X prisoners consisted of those prisoners who were yet to be interrogated and formally classified into one of the other three groups. About 4 000 prisoners were known to be in Group A, and some 200 had been tried and convicted.¹⁴⁸ Suharto's visit prompted a group of academic staff members to raise the legal basis by which the Indonesian government continued to hold the large number of untried political prisoners in gaols. 'The time had come', the open letter to the major dailies stated, 'for an examination of the whole position of those held for their political involvement in 1965'. This peaceful protest also acknowledged their professional respect for the Suharto government's achievements.¹⁴⁹ The protest never elicited a response from either government.

Other issues surfaced, if only for a short time. Suharto was questioned during his first press conferences whether, 'as leader of Indonesia, he would welcome and support any move

¹⁴⁶ The statement of protest was signed by 201 leaders of 21 trade unions. 'Suharto visit angers unions', *The Australian*, 1 February 1972, p.2.

¹⁴⁷ There was only one arrest during Suharto's visit; a woman was fined \$A50 for climbing the barricades surrounding the Sydney Town Hall where a civic reception was held for the Suharto's. 'Demonstrators jeer at Suharto', *The Australian*, 10 February 1972, p.1.

¹⁴⁸ 'The Communist Party of Indonesia (PKI) since September 1965', in *CNIA*, Volume 40, October 1969, pp.569-572.

¹⁴⁹ 'Academics plead for Indonesian prisoners', *The Sydney Morning Herald*, 8 February 1972, p.8.

towards independence in West Irian; and, if independence was granted, would he give an assurance that Indonesia would honour it?' Indonesia, he responded:

wanted to contribute to the creation of peace. Therefore we would always support any independence movement because the Indonesian people have experienced for hundreds of years foreign domination.¹⁵⁰

After the visit, *The Bulletin* raised corruption and graft as a barrier to Indonesia's long-term political stability, deftly accusing Suharto's key advisers of presidential handouts, while noting that 'Suharto's own honesty has never been *responsibly* queried'.¹⁵¹ *The Bulletin* suggested that Suharto appeared to have non-budgetary money at hand, 'presumably from oil exports', adding that where 'Suharto is vulnerable on this score is his tolerance of his wife's involvement in a "foundation" ostensibly devoted to charitable works but too rich for its reputation not to suffer'. *The Bulletin* suggested:

Ibu Tien Suharto is said to make no bones about being in business. If so, in such a deferential society as Indonesia's, who is going to outbid or outwit her? Rightly or wrongly a good many Indonesians believe that behind that motherly smile and above that matronly figure there lurks a keen financial mind; not so long ago Ibu was dubbed "Mrs. Tien Per Cent", a cognomen difficult to live down.¹⁵²

Diplomatic reporting since 1967 informed the government on the growing involvement of the Suharto family and other members of the ruling elite in joint venture and business activities.¹⁵³ The irony of the moment lay in Suharto's stated objective for his visit to Australia - to encourage further Australian private sector joint investment in Indonesia. In the current circumstances, graft and corruption were evils that Australia, like other aid donor countries, was prepared to accept in order to foster a stable Indonesia. Some commentators editorialized that ongoing support for a corrupt ruling elite will always lead to bad politics; and *The Australian*, for example, cautioned against the creation of an artificial or special relationship:

The cause of relations between us is not being served by the pretence that we are both essentially Asian nations ... Neither is there much purpose in unrealistic talk about trade pacts and defence alliances, both of which require the precondition of strong basic common interests. These are hard to

¹⁵⁰ 'Links with Indonesia discussed', *The Sydney Morning Herald*, 8 February 1972, pp.1, 8.

¹⁵¹ 'Suharto – Achieving Everything by Doing Nothing', in *The Bulletin*, 12 February 1972, pp.30-1.

Emphasis added.

¹⁵² *Ibid.*

¹⁵³ For example, see 'Annual Report, 1st July 1967 – 30th June 1968', DEA file 3034/10/1 Part 30, CRS A1838/280, and 'Annual Report for 1968', DEA file 3034/10/21 Part 2, CRS A1838/2, NAA.

discover in our relations with Indonesia ... Australia's role in this relationship is to assist, without trying to be critical or poking a Western nose to the unavoidable problems of a developing country ... There will be a time, when the two countries are technologically closer, to talk of pacts, treaties, and the detailed political common interest.¹⁵⁴

If there was a common interest between the two countries, it undoubtedly centred on promoting an anti-communist and stable government in Indonesia. Since 30 September 1965, Australian governments had pragmatically encouraged the survival of the Suharto government through economic and military cooperation; and Australian diplomacy was tactically employed to advocate and encourage international economic assistance. The government displayed skill in using aid in the form of unconditional grants rather than loans to promote domestic stability through the provision of commodity and food aid, and project and training aid. The timing of Suharto's visit to Australia, some five years after he was confirmed as acting president in 1967, suggested a complacency in Indonesia's attitude to the relationship that seemed to rest on the practised urgency of Australian ministerial visits to Indonesia - visits that sought to explore, consult and discuss with Indonesian authorities before decisions were taken elsewhere.¹⁵⁵ If Suharto's State visit to Australia confirmed anything, it confirmed a one-sided relationship that seemed deficient of genuine reciprocity.

McMAHON'S STATE VISIT TO INDONESIA

McMahon's reciprocal State visit to Jakarta in June 1972 was no different in outcome. The visit was part of a wider itinerary to South East Asia that included Singapore and Kuala Lumpur.¹⁵⁶ During private discussions with Suharto the two leaders exchanged views on the situation of the Vietnam war, agreed that Australia and Indonesia would support each other's candidatures for the Security Council, and announced the detail of the new three year economic aid program of some \$A69 million in grants and the new defence

¹⁵⁴ Editorial, 'Indonesia and reality', *The Australian*, 8 February 1972, p.8.

¹⁵⁵ Gorton undertook a State visit to Indonesia in June 1968; Hasluck, as Minister for External Affairs, undertook visits in July 1964, August 1966, January 1967, February and May in 1968; Freeth visited in April 1969; McMahon, as Prime Minister, in June 1972; as Minister for Foreign Affairs, Bury did not visit Indonesia in 1972. By way of comparison, Malik came to Australia for Holt's memorial service in December 1967, attended an ECAFE meeting in Canberra in April 1968 and accompanied Suharto to Australia in February 1972.

¹⁵⁶ McMahon's 1972 itinerary consisted of Jakarta (5-8 June), Singapore (8-11 June) and Kuala Lumpur (11-14 June).

cooperation technical and defence assistance of \$A20 million.¹⁵⁷ McMahon became the first Australian Prime Minister to address the Indonesian Parliament, and he held talks with a variety of Cabinet ministers and military commanders. The Joint Communiqué summarized the economic benefits of the new three-year grants and announced the building of an Australian cultural centre in Jakarta. There was no discussion of an equivalent Indonesian centre in Australia. The announcement was, nonetheless, widely received in Australia as a natural consequence from the cultural agreement that was jointly signed during Gorton's visit in 1968.

The 1968 cultural agreement had its own ironic history through the surprise its existence caused in Australia, including to Malcolm Fraser who, as the Minister responsible for the Arts, was unaware that Gorton would conclude an agreement with Indonesia. At the time of Gorton's visit to Indonesia, Fraser was visiting Italy to encourage Italian cultural exchanges with Australia. Originally, Fraser had proposed to sign a cultural agreement with Italy, to which Gorton refused agreement, on the basis that such an agreement would 'establish a precedent making it difficult, without offence, to decline to negotiate a similar agreement with any other country'. Fraser was subsequently 'quite surprised' to discover that Gorton had signed a cultural agreement with Indonesia.¹⁵⁸

The theatre of McMahon's address to the nation on his return to Australia attempted to satisfy the political imperatives for the forthcoming federal election; yet the content of his address added little to the detail of the joint communiqué. 'With President Soeharto', he stated, 'I mapped out a programme for co-operation in economic, cultural, defence and political matters over the next few years'. In the field of defence cooperation, he observed:

Our Armed Forces are working closely together in a number of projects. Neither of us wants a military pact or alliance. But there is much that we can do by giving assistance in a practical way and by sharing experiences and knowledge and co-operating to our joint advantage.¹⁵⁹

He reiterated the provision of the 16 Sabres, adding 'we will help the Indonesians equip a military airfield as the base for them', and declared that Australia was 'willing to carry out

¹⁵⁷ Joint Communiqué, 8 June 1972, in *CNIA*, Volume 42, June 1972, pp.273-4.

¹⁵⁸ Coombs wondered 'how far this *volte face* contributed to the deteriorating relationship' between Fraser and Gorton. Coombs, *Trial Balance*, p.277.

exercises between our two Navies'.¹⁶⁰ More detail on the Sabre gift was announced later by the Minister for Defence who confirmed that an operational and training air defence squadron would be raised, matching a similar arrangement with Malaysia in 1969. The new project included the training of pilots and maintenance crew in Australia as well as seconding a number of Australian Air Force personnel to Indonesia in 'transitional technical and advisory roles'.¹⁶¹ The first batch of Sabres was flown to the Iswahyudi Air Base in East Java on 13 February 1973, followed by the remaining six aircraft two days later. The project was regarded as successful; it involved the training of some 150 Indonesian pilots and ground crew at Williamstown, NSW, and the stationing of 32 RAAF air and ground crew at Iswahyudi in training and maintenance advisory roles.¹⁶² These personnel remained in Indonesia until January 1975 when the project was judged to be completed.¹⁶³ As well as providing technical assistance to the Indonesian air force, access to their supply and maintenance systems and observations of pilot training standards provided up-to-date assessments on the effectiveness of the Indonesian air force which were useful for intelligence purposes, particularly in calculating operational elements of warning time.¹⁶⁴

CHANGES TO DEFENCE COOPERATION

McMahon's announcement of the Sabre gift, his reference to future combined naval exercises and his confirmation that \$A20 million was to be spent on more defence cooperation for the period to June 1975 confirmed that the two leaders had agreed to a more comprehensive cooperation program which went beyond the endorsed recommendations of the 1967 IDC report. A review of defence cooperation was instigated in late 1969 at the request of United States officials who favoured a strengthening of Australia's program with

¹⁵⁹ Prime Ministerial Statement, in *CNIA*, Volume 42, June 1972, p.272.

¹⁶⁰ Prime Ministerial Address to the Nation, June 1972, *CNIA*, Volume 42, June 1972, p.285.

¹⁶¹ For detail on the gift of ten Sabres to Malaysia, see Ministerial Statement, *CPD*, House of Representatives, Volume 62, 15 April 1969, p.1071 and Cabinet Decision 937, 'Defence Aid to Malaysia and Singapore', 15 April 1969, CS file C22, CRS A5619, NAA.

¹⁶² Press Release from the Minister for Defence, *AFAR*, Volume 43, 11 February 1973, p.139.

¹⁶³ While most of the staff were withdrawn by the end of January, some five members were transferred to Bandung to advise the Indonesian air force on ongoing engineering and equipment issues for the Sabres. *AFAR*, Volume 46, January 1975, p.97.

Indonesia without having to 'sign any security agreement'.¹⁶⁵ The request emanated from recent American decisions to expand its defence aid program with Indonesia to offset the potential instability that could result from the American withdrawal from South Vietnam.¹⁶⁶ The IDC was re-tasked to consider augmenting the current program with sophisticated equipment and joint exercises.¹⁶⁷

Only modicum changes were agreed based on ongoing concerns on the future role of the Indonesia army. In contrast to the benign perspectives of the *1971 Strategic Basis*, the IDC accepted the Australian embassy's cautious view not to include 'expansive' changes. The embassy had suggested a new framework, conditional on the behaviour and capacity of the Indonesian armed forces:

There is no parallel elsewhere in South East Asia. The pervasive role of the Army carries with it serious risks as well as opportunities. Efforts are being made to make the Army presence less obtrusive and its functions more orderly, to render the Army less politically vulnerable while retaining its grip on power, and to use the Army as an instrumentality for economic development ... We start with the view that it would be clumsy and damaging at this rather critical period for the Armed Forces to be given large new injections of modern arms and equipment.¹⁶⁸

Changes to defence cooperation rested on the practical limitations of the Indonesian armed forces. The IDC agreed that Australia should structure its assistance to help the Indonesian armed services 'carry out its internal security functions', 'the Services should have training capability for conventional military operations, and all Services should have the organizational strength and resources required to preserve morale and discipline'.¹⁶⁹

¹⁶⁴ The assessment of warning time covers a range of military indicators of which the capacity to provide air defence and air support for attacking and defending maritime and land forces is one of the most important. There is little unclassified detail on Australian Defence Force warning time methodologies.

¹⁶⁵ The request was raised at the 1969 ANZUS Council Meeting in Washington. Cablegram 2203, Jakarta to Canberra, 20 August 1969; and Savingram No 55, 'Defence Aid to Indonesia', 10 October 1969, DEA file 692/2/2/8 Part 1, CRS A1838/369, NAA.

¹⁶⁶ The Australia Embassy reported:

'Our experience here is that the American Embassy, while ready to answer our specific enquiries, is somewhat reserved about fully disclosing classified military information ... The fact that this sort of thing is discussed in the ANZUS context will help to break down their reserve.'

See Cablegram 2203, Jakarta to Canberra, 20 August 1969, 10 October 1969, DEA file 692/2/2/8 Part 1, CRS A1838/369, NAA.

¹⁶⁷ Department of Defence Memo 69/1783 of 23 September 1969, DEA file 696/2/2/1 Part 2, CRS A1838/389, NAA.

¹⁶⁸ Savingram No 55, 'Defence Aid to Indonesia', 10 October 1969, DEA file 692/2/2/8 Part 1, CRS A1838/369, NAA.

¹⁶⁹ *Ibid.*

In practical terms only minor joint naval exercises were agreed. The provision of patrol boats was recommended after a further evaluation of the maintenance and administrative issues; maintenance of Hercules aircraft engines was agreed; and, additional exchange and training serials were added to the 1967 government-endorsed list. Until the supplementary evaluations were completed, no public announcements on the changes were to be made.¹⁷⁰ As well, the gift of Sabres was conditionally agreed pending further reconnaissance visits to Indonesia; and to avoid accusations of prejudice to Indonesia's non-aligned status, the decision was also taken that Indonesia would not be 'told that a planned programme of Australian defence assistance had been established'.¹⁷¹

Most of the changes were publicly announced during McMahon's visit to Indonesia. The Sabre project was assumed to cost some \$A6 million, ongoing mapping assistance had been estimated at \$A2 million, and personnel training assistance remained uncoded. The outstanding funding of some \$A12 million raised questions on how and when it was going to be spent, and McMahon was only prepared to respond in general terms. He remarked at the State Dinner that Australia was willing to respond 'to your wish to strengthen your coastal surveillance capabilities ... [and] approved increased funding ... to assist in these and other ways'.¹⁷² The government had confirmed its satisfaction with the new framework, which was claimed to be a model for future arrangements with other countries through its objectives to 'promote the development of self-reliance and the capability to resist external threats by providing technical and training assistance, undertaking joint exercises and continuing defence consultations'.¹⁷³ The announcement of the additional monies ensured that by the end of 1973 Indonesia became the largest recipient of defence cooperation assistance outside of Papua New Guinea, receiving more than all of the other ASEAN countries' combined.¹⁷⁴

¹⁷⁰ For detail on the joint naval exercises, see Cablegram No 1756, Jakarta to Canberra, 29 April 1970, DEA file 692/2/2/8 Part 1, CRS A1838/369, NAA.

¹⁷¹ Ambassadorial Brief (Jakarta), 27 November 1969, DEA file 692/2/2/8 Part 1, CRS A1838/369, NAA.

¹⁷² *CNIA*, Volume 45, June 1972, p.272.

¹⁷³ *Defence Annual Report* 1973, p.6.

¹⁷⁴ Report of the Senate Standing Committee on Foreign Affairs and Defence, 'Australia's Defence Co-operation with its Neighbours in the Asian-Pacific Region', Parliamentary Paper 316/1984, October 1984, in *Parliamentary Papers*, the Parliament of the Commonwealth of Australia, Volume 22, 1984, p.45.

In 1967 Hasluck and Fairhall had accepted the IDC recommendation that Australia's interests 'should be limited to the more modest objective of developing closer links'. Now, after the prompting of United States officials, the McMahon government had expanded the defence cooperation program to include for the first time the provision of military hardware and Indonesia participation in combined exercises.¹⁷⁵ The gift of the Sabres served to enhance Indonesian operational capability, although it would take time for Indonesia to master the technicalities, to accrue satisfactory pilot experience and maintenance expertise. In defence terms the Sabres were old equipment, which would reach their end of life well before Indonesia could possibly become a threat to Australia and the region. The Sabres did, however, provide a modicum of lethal technology beyond the requirements of internal security in the tactical areas of air defence and limited ground to air support tasks. Only three years earlier, the Defence Committee had concluded that Australia would have to look for 'ways and means of taking care of Indonesia's undoubted intention to cut a figure in the region'.¹⁷⁶ Now, in 1972, the Australian government had sufficient confidence in the relationship to approve the gift of the Sabres, develop an air base and provide medium term jet flying training and maintenance.

THE PERIOD IN REVIEW

The politics of the period 1968-1972 did not always develop as Australian governments had wished. Planning for the British withdrawal coincided with a new Prime Minister and a nascent mood of growing nationalism and with circumstances in which the Australian government had to accept more independence in policy-making. Gorton was determined to change the forward defence strategy but party opposition thwarted his attempts; and decisions were taken in Cabinet, with Indonesia's blessing, to continue Australian military deployments to Singapore and Malaysia. Had Indonesia objected to the deployments, then in the absence of United States military support it is arguable that Cabinet would probably have not agreed to continue the forward deployments after 1971.

¹⁷⁵ DEA file 3034/10/1 Part 31, CRS A1838/280, NAA.

Moreover, Gorton's unsuccessful efforts to secure American military support in circumstances of large-scale hostile Indonesian operations against Australia in the longer term, beyond the 1980s, left the government with one option - to develop the closest possible ties with Indonesia. Australian defence and foreign policy had always shown a disposition to search for special relations; now, in the regional environment of a withdrawing Britain, the anticipated end to the Vietnam War as well as a United States reluctance to commit to East Asia, first Hasluck, then Gorton, explored the possibilities of developing more enduring security arrangements with Indonesia.¹⁷⁷ Yet Indonesia did not want a relationship beyond Australian economic assistance and military cooperation. Its policy of non-alignment precluded 'some sort of pact' with Australia, even though Malik had at various times intimated the opposite. Indonesia accepted in principle the formation of FPDA but refused to join in accordance with its policy of non-alignment. The formation of ASEAN was regionally negotiated with no Australian participation and no offer of membership because Australia was deemed, in Malik's words, not to be geographically a part of the region. These polite refusals were further demonstrations of Indonesia's lack of reverence for the bilateral relationship and confirmed Indonesia's security gaze was elsewhere to its own security interests, north towards China and inwards to its internal problems.

This, however, did not deter Hasluck and Gorton in their efforts to seek a closer security relationship with Indonesia; both Hasluck and Gorton accepted the 1968 Strategic Review approach which stated that strategy embraced 'political, economic and social objectives equally with military'¹⁷⁸; and they both accepted the advantages that could accrue to Australia and the region if Indonesia was engaged in some form of non-aggression pact or collective regional security arrangement, perhaps 'to balance Indonesia and to work with her'.¹⁷⁹ Out of their failure emerged policy initiatives to build confidence with the new Indonesian government that mirrored elements of cooperative and, to a lesser extent,

¹⁷⁶ Defence Committee Brief for Quadripartite Talks on Defence of South-East Asia, 20 June 1966, DEA file 287/3/26, CRS A1945/37, NAA.

¹⁷⁷ See, for example, F.A. Mediansky, 'Suharto - a seeker of security', in *The Australian*, 6 February 1972, p.8.

¹⁷⁸ Cabinet Submission 306, 'Strategic Basis of Australian Defence Policy - 1968', CS file C306, CRS A5868/2, NAA.

common security through defence cooperation, economic assistance and a range of social and cultural measures that encompassed the broader brush of ‘community of interests’.¹⁸⁰

To be sure, economic assistance programs did contribute to a change in the social climate between the two countries. Within six years, Australian private investment soared above the levels of government assistance, trade increased and tourism between the two countries grew proportionally as time dulled the memories of Confrontation. The government’s assistance programs were small in magnitude and cautious in outputs because of the ever-present suspicion of the political role and aspirations of the Indonesian military. Suspicion diminished over time, but suspicion of the military was translated into ambivalence in successive Strategic Basis assessments because it was accepted that ‘it is from or through an Indonesia in hostile hands that Australia could most effectively be attacked’, even though Indonesia was perceived to be incapable of large-scale hostile operations against Australia until at least the 1980s.¹⁸¹ The cultivation of a friendly Indonesia did not preclude defence assistance or prudent security planning, and judgements on Indonesia’s intentions and military capabilities to conduct operations against Australia remained the yardstick against which Australia’s defence preparedness was measured.

The change in government in December 1972, however, supplied fresh opportunities to influence the management of the relationship. The British withdrawal, the Vietnam War, the unfinished business of forward deployments, and an impatient Labor government would all impact on Australian defence and foreign policies in ways that would endanger the bilateral relationship through to 1999.

¹⁷⁹ *Ibid.*

¹⁸⁰ These included new commercial relationships, student exchanges, cultural visits, informal visits by senior Australian experts and officials ‘passing through’ Jakarta, a layered program based on the ‘free exchange of peoples, ideas and skills’. ‘Working Paper on Indonesia’, 25 August 1966, DEA file 3034/10/1, CRS A1938/280 Part 28, NAA; ‘Annual Report 1966’, 16 May 1967, DEA file 3034/10/21 Part 1, CRS A1838/321; and ‘Annual Report, 1st July 1967 – 30th June 1968’, DEA file 3034/10/1 Part 30, CRS A1838/280, NAA.

¹⁸¹ Cabinet Submission No 107, ‘The Strategic Basis of Australian Defence Policy – 1971’, CS file 470 Part 2, CRS 5619, NAA, p.61.

CHAPTER 4

ORDER AND DISORDER: WHITLAM AND INDONESIA 1972 – 1975

MAKING LABOR POLICY

The federal election of 2 December 1972 delivered the first federal Labor government to power since the Chifley government lost office in December 1949. Edward Gough Whitlam and Lance Herbert Barnard were sworn in as Ministers three days later, assuming all the portfolios until Caucus met to elect members to the ministry.¹ One of Whitlam's first acts as Minister for Foreign Affairs was to announce the provision of \$A2.5 million worth of rice to alleviate the shortage in Indonesia caused by the extended drought in central Java. The gift of rice was generous, although touched with irony because of the manner in which the government acquired the rice; the rice was purchased on the international market because Australian producers were unable to provide the total amount due to adverse weather conditions in Australia.²

Whitlam was unquestionably a student of South East Asian history and politics. His introduction to the Indonesian archipelago happened during the Pacific campaign of the Second World War when he accumulated knowledge on the areas of Sumbawa, East Timor and Dutch New Guinea while navigating Royal Australian Air Force aircraft during air reconnaissance operations in 1944 and 1945.³ He delivered his maiden speech in the House of Representatives in September 1953 on international affairs and declared that the

¹ The chief electoral officer advised Whitlam that final counting was unlikely to be concluded before 15 December and through the vehicle of a 'duumvirate' in which Whitlam allocated himself 13 portfolios and the remaining 14 to Barnard, Labor immediately set about implementing the mandate for change that Whitlam declared was given to Labor at the federal election. Whitlam, *The Whitlam Government*, pp.14-24.

² Ministerial Statement by the Prime Minister and Minister for Foreign Affairs, *CNIA*, Volume 43, 12 December 1972, p.625. Whitlam added that the rice was additional to the 74 000 tons of wheat and 5 000 tons of rice which the McMahon government had already agreed to provide. See Ministerial Statement, *CNIA*, Volume 43, 16 October 1972, p.532.

‘significant feature ... at the moment is that we European countries are witnessing the assertion by Asian countries of their political and cultural independence and self respect’.⁴ Whitlam was distinguishing the political movements of nationalism and decolonization, rather than communism, as the fundamental forces of change in the region; and these differences would determine his opposition to the Coalition’s policies on China, the French Indo-China war, the Vietnam war and his general support for self-determination and independence for the peoples of the French, British, Dutch and Portuguese colonies.⁵

In the search for solutions to the Netherlands-Indonesia dispute over Dutch New Guinea, he dabbled with the idea that Dutch New Guinea should become a United Nations trusteeship, similar to Australia’s trusteeship of Papua New Guinea; he also considered a proposal for a Melanesian federation, consisting of Dutch New Guinea, the Australian territory of Papua, the Trust Territory of New Guinea and the British Solomon Islands Protectorate, as a worthy vehicle to effect self-determination and independence. This was not a novel proposal because John Kerr suggested a similar arrangement at a Canberra seminar in 1958. At the same seminar, Arthur Calwell declared the Indonesians:

have no claim whatsoever to Dutch New Guinea, whether on ethical, historical or any other grounds ... If we allow the Indonesians into Dutch New Guinea there would be no hope of holding the northern portion of Australia and the fate of the country would be sealed and certain.⁶

Calwell’s opinion was not universally shared, particularly by Whitlam who had asserted his support for the principles of self-determination and decolonization and stressed the inconsistencies in the arguments against the incorporation of Dutch New Guinea into the Republic of Indonesia:

We persist in misrepresenting Indonesia’s claim to [West New Guinea]. It makes no geographical or racial sense; otherwise the Indonesians would make a claim to East New Guinea or to Eastern Timor also, or to North Borneo and Sarawak, or to Palawan and the Sulu Archipelago. But Indonesia’s claim is based on the ground that Indonesia is the successor state to all the Netherlands East Indies,

³ Whitlam, *Abiding Interests*, p.64.

⁴ *CPD*, House of Representatives, Volume 1, 15 September 1953, p. 211.

⁵ Whitlam, *The Whitlam Government 1972-1975*, p.29.

⁶ Downs, *The Australian Trusteeship of Papua New Guinea 1945-75*, p.222. Calwell was regarded as having a ‘long’ memory; as Minister for Immigration in the Chifley government an issue that captured the public’s attention was the O’Keefe affair, which involved the granting of Australian citizenship, contrary to the White Australia policy, to Annie O’Keefe who was born in Ambon. Some have suggested that the public reaction to

in which West New Guinea was included ... We cannot assert that the inhabitants of West New Guinea should govern themselves, since we assert that the inhabitants of the eastern half are not fit to do so. Indonesia can scarcely claim she could govern them when she finds so much difficulty in governing Sumatra, Borneo and the Celebes. One thing is for certain, however, and that is that the Netherlands can have only an ever-decreasing tenure in this territory, and Australia is backing a dead horse instead of promoting some idea of trusteeship such as we ourselves maintain in our area of New Guinea. Let it be realized that every year in the last three years the United Nations has, by a large majority, rejected Australia's stand in favour of the Netherlands, and that every country in Asia, including all the SEATO and METO powers, voted against us, and on every occasion the United States abstained from voting.⁷

Whitlam was exposing the inconsistency in the government's urging of self-determination for West New Guinea while concurrently arguing that Papua New Guinea was not ready for independence; he noted the difficulties that the central government in Jakarta had in administering its disputes with the dissident elements in Sumatra and the North Celebes, and he proved correct in anticipating that the United States would not offer military assistance to Australia in its support for the Netherlands against Indonesia. His message was a reminder that West New Guinea was the only part of the previous Dutch East Indies that had not been incorporated into the Republic of Indonesia. At the Round Table conference at The Hague in 1949 the territorial status of Dutch New Guinea was deferred for one year, during which time its future was to be determined through discussions between Indonesia and the Netherlands.⁸ Some 13 years passed when the Netherlands, under the threat of military conflict with Indonesia, agreed to transfer administrative responsibilities to Indonesia under the New York Agreement in 1962, which included the provision for an act of free choice to be held by 1969. During the period of threatened

the incident coloured Calwell's approach to Indonesia. Colm Kiernan, *Calwell – A Personal and Political Biography*, Nelson, Melbourne, 1978, pp.139-41.

⁷ Debate on Ministerial Statement, *CPD*, House of Representatives, Volume 14, 11 April 1957, p.810. In the same speech Whitlam criticized the government for the long gap in Australia's diplomatic representation in Jakarta, noting that 'we did not have an accredited representative in that country' for the last four years. The Middle East Treaty Organization (METO), or Baghdad Pact, was founded in 1955 and was re-named the Central Treaty Organization (CENTO) in 1959.

⁸ Article II of the Round Table Charter stated that the status quo of Dutch New Guinea was to be maintained with the stipulation that within a year from 27 December 1949, the agreed date for transfer of sovereignty to Indonesia, the question of the political status of the territory would be determined through negotiations between Indonesia and the Netherlands.

military action, in contrast to Calwell's strident opposition to Indonesian control of Dutch New Guinea, Whitlam argued against military support for the Dutch.⁹

In the Cold War environment, the making of Labor's foreign policy in the 1950s and 1960s was a torturous affair open to challenge and change from unexpected quarters.¹⁰ The policy outline would normally be approved at a National Conference, and implementation left to the federal parliamentary party through initial deliberations by the Caucus foreign affairs and defence committee.¹¹ Input from the Labor leader was selective and limited; Calwell preferred to focus on domestic and economic issues which to him were the critical areas of disagreement with the Coalition government; his reluctance to make statements on foreign policy disappointed his colleagues some of whom observed that Whitlam slowly filled the vacuum that Calwell had managed to create.¹² Calwell was, nonetheless, fervently outspoken on Vietnam and West New Guinea, and when the Menzies government adjusted policy on West New Guinea in 1962, the shift offended Calwell. Under Calwell's leadership, Labor had moved from a position of support for Indonesian incorporation for all of the Dutch East Indies to support for 'the status now existing in Dutch New Guinea'. He initiated a verbal campaign against Sukarno, the strength of which distracted 'attention from the incapacity of Menzies and Barwick' to manage the government's policies on

⁹ Debate on Ministerial Statement, *CPD*, House of Representatives, Volume 14, 11 April 1957, p.810.

¹⁰ See, for example, Kim Beazley, 'Post-Evatt Australian Labor Party attitudes to the United States Alliance: An analysis of the effects of selected Australian foreign policy and defence issues on the evolution of Australian Labor Party attitudes to the United States alliance, 1961-1972, *MA Thesis*, University of Western Australia, October 1974. A photograph featuring Calwell and Whitlam waiting outside a motel room while the 'faceless men' of the Federal Executive reached a decision on the United States communications base at North-West Cape in Western Australia was prominently featured in the 1963 federal election. For detail on the incident, see Graham Freudenberg, *A Certain Grandeur. Gough Whitlam in Politics*, Sun Books, Melbourne, 1978, pp.88-90.

¹¹ Even when Whitlam became Prime Minister he continued to chair the Caucus Foreign Affairs and Defence committee. Freudenberg, *A Certain Grandeur*, pp.20-1.

¹² See Calwell's comments on the domestic circumstances leading up to and after the 1961 federal election. A.A. Calwell, *Be Just and Fear Not*, Lloyd O'Neil, Hawthorn, 1972, pp.204-11. Clyde Cameron reflected that Calwell made the mistake of 'believing that an Opposition can buy its way into Government'. Clyde Cameron, *The Cameron Diaries*, Allen & Unwin, North Sydney, 1990, p.727; and Kiernan, *Calwell*, pp.230-1. Uren observed that Calwell contradicted Whitlam's public statements on Vietnam and conscription, undermining Labor party unity during the federal election campaigns of 1969 and 1972. Tom Uren, *Straight Left*, Random House, Milsons Point, 1994, p.113. Whitlam was no less dismissive of Calwell's actions, describing Calwell's outbursts over Sukarno as attracting 'attention to his own incapacity in foreign affairs'. Whitlam, *Abiding Interests*, p.66. To be fair, Calwell's anti-Sukarno rhetoric may have influenced the positive reception that Whitlam received during his later visits to Indonesia, after the attempted coup in 1965.

Indonesia.¹³ Calwell's campaign against Sukarno did not resonate with the historical close and friendly relations that had developed between a newly independent Indonesia and the Chifley Labor government. Whitlam believed that Calwell's campaign was sustained from the close result of the 1961 federal election when Calwell judged that a strong anti-Indonesian campaign could attract sufficient Liberal voter defections to enable Labor to win government. Calwell's anti-Sukarno campaign soured through the lack of party support¹⁴, and Whitlam would later lament Labor's treatment of Indonesia, musing that West New Guinea was the only instance:

where an imperial power had been allowed to detach and retain some part of a former colony. None of the 100 states which have achieved independence since World War II has settled for smaller boundaries than those it enjoyed as a colony. Indonesians had to put up a longer struggle to unite their country than any people in our region other than the Vietnamese.¹⁵

At the 1963 ALP Federal Conference, Whitlam successfully advocated support for 'effective decolonization of the territories of North Borneo, Sarawak, Brunei and East Timor' in accordance with the principles of the United Nations. The new policy plank reflected the general acceptance of the 1962 New York Agreement.¹⁶ Later, he iterated the reasons for decolonisation for East Timor during the 1963 Roy Milne memorial lecture in Adelaide:

Eastern Timor must appear anachronistic to every country in the world except Portugal. We shall get nowhere by saying that outside pressure on Portugal is just another indication of the expansionist policy of one of our neighbours. We would not have a supporter in the world if we backed the Portuguese. They must be told in no uncertain terms that the standard of living must be rapidly raised, and the rights of self-determination fully granted ... Through the UN we must act quickly to

¹³ *Ibid.*, p.66. Menadue alleges that *The Sydney Morning Herald* influenced Calwell's approach. John Menadue, *Things You Learn Along the Way*, David Lovell Publishing, Melbourne, 1999, p.58. For Calwell's account of the events, see A.A. Calwell, *Labor's Role in Modern Society*, Cheshire-Lansdowne, Melbourne, 1965, pp.177-8.

¹⁴ On behalf of the Left in caucus, Leslie Haylen threatened to withdraw support from Calwell unless he stopped his verbal attacks on Indonesia. Haylen declared that 'he would call off the Left if thenceforth Calwell would make no statement and take no initiatives on foreign affairs without his approval'. Whitlam, *The Whitlam Government 1972-1975*, p.33.

¹⁵ Presentation by E. G. Whitlam, 'Indonesia and Australia: Political Perspectives', in *Indonesia: Australian Perspectives*, Research School of Pacific Studies, The Australian National University, SOCPAC Printing, Canberra, 1980, p.757.

¹⁶ Michael Davenport, 'Portuguese Timor: A Colonial Embarrassment at our Front Doorstep', *The National Times*, 11-16 June 1973, p.6.

meet the problem on our doorstep. We learned the lessons of West New Guinea the hard way. We must not become bogged down in another futile argument over sovereignty.¹⁷

His view varied little from the conclusions of the Menzies government. In February 1963 Cabinet recognized a similarity in the perils of an unresolved East Timor with the government's diplomatic experiences in forging policy on West New Guinea, and accepted the inevitability of East Timor becoming a part of Indonesia:

In the current state of world opinion, no practicable alternative to eventual Indonesian sovereignty over Portuguese Timor presented itself. It would not be acceptable to Australia, or the West, for Indonesia to proceed against Portuguese Timor with arms, and this must be brought home to Indonesia. But otherwise the course which it seemed best to follow is for Australia to bring such quiet pressure on Portugal to cede peacefully and in addition to explore ways by which the international community might bring pressure to bear on Portugal.¹⁸

Insurrections in other Portuguese colonies of Guinea and Mozambique in 1964 resulted in a further amendment at the 1965 Federal Labor Conference when Whitlam was able to persuade delegates to accept a more simply worded resolution 'urging effective decolonisation of all colonial countries'. From 1966 to 1974 Labor concerns shifted slowly from South East Asia to Africa, with Labor's broader desire to improve Australia's international image through support of developing nations 'in their battle against the major affronts ... [of] racial discrimination and colonialism'.¹⁹ This was a rich area for foreign policy differentiation with the government; and Afro-Asian representation of the UN between 1949 and 1972 increased from 11 out of 51 states to 76 out of 132.²⁰ After the formation of Malaysia, all that remained in South East Asia were West New Guinea and

¹⁷ Quoted in Helen Hill, 'Australia and Portuguese Timor – Between Principles and Pragmatism' in Roger Scott and J. Richardson, *The First Thousand Days of Labor*, Volume 1, Australasian Political Science Association, Canberra, 1976, pp.339-40.

¹⁸ Cabinet Decision 632, 'Indonesian Quadripartite Talks in Washington', 5 February 1963, CS file C3739, CRS A4940/1, NAA. Cabinet's decision did not inhibit additional studies by a DEA working group, which was established to 'explore all possible measures' for decolonization of East Timor. Its report of 4 April 1963 concluded that Australian public opinion should be prepared 'so that it can make a balanced judgement in a crisis', which, the working group feared, was more likely to manifest in 'an uprising and bloody suppression' leading to Indonesian intervention. Memorandum Tange to Waller, 25 February 1963, and Report of Working Party on East Timor, 4 April 1963, in DEA file 3038/10/1 Part 2, CRS A1838, NAA.

¹⁹ For detail of Labor's focus on decolonization in Africa, see David Goldsworthy, 'Australia and Africa: New Relationships', *Australian Quarterly*, Volume 45, Number 4, December 1973, pp.58-72; and Owen Harries, 'Mr. Whitlam in Australian Foreign Policy', *Quadrant*, Volume 17, Number 4, July-August 1973, pp.55-64.

East Timor, and concern over West New Guinea lost much of its political angst after the 1969 act of free choice.²¹ Hence three of the declared principles of the future Whitlam government's foreign policy - anti-racism, anti-colonialism and respect for UN resolutions - were aimed at the decolonization phase of African modern history; and these principles defined the context against which some would judge Whitlam and Labor on self-determination for the East Timorese.²²

THE REORDERING OF LABOR'S SECURITY POLICY

Whitlam's first visit as a parliamentarian to Indonesia happened in 1964. During the visit Shann raised the proposal for a regional organization in which Australia and Indonesia could share membership with other South East Asian countries. Shann had always supported a broadly based regional organization, which permitted more intimate political and economic inter-relationships that were beneficial to an exporting nation like Australia. Discussion ranged over the security benefits that were likely to accrue through closer economic and trade relationships and balancing Indonesia's desire for regional leadership; Shann concluded that he 'didn't get too far' with the proposal. This was incorrect because Whitlam would raise similar concepts in discussions with Indonesian leaders during his visits in 1966 and 1967, and suggest a regional organization broader than ASEAN during his first year as Prime Minister in 1973.²³

²⁰ Richard Higgott, 'Australia's Changing Relations: Australian/African Relations under the Labor Government', in Scott and Richardson, *The First Thousand Days of Labor*, p.330.

²¹ See Jill Jolliffe, *East Timor- Nationalism and Colonialism*, University of Queensland Press, St Lucia, 1978, p.244; and Whitlam, *Abiding Interests*, pp.68-9.

²² When East Timor began to develop as a significant issue in 1974, the Department of Foreign Affairs continued to differentiate between decolonization in Africa and East Timor. See, for example, 'In the absence of an armed struggle in Portuguese Timor, we see the situation there as different to that ... in the African territories'. Cablegram O.CH51736, Canberra to Jakarta, 2 May 1974, DEA file 49/1/3 Part 5, CRS A1838, NAA.

²³ Interview Sir Keith Shann, 1985, Oral TRC 1857, Oral History Section, NLA, p.67; Cablegram 743, Jakarta to Canberra, 20 July 1966, DEA file JA 1966/05T, CRS A6364/4, NAA. During Whitlam's breakfast meeting with Sukarno in 1966 in the transitional post-coup leadership period, Sukarno 'was surprisingly anxious for [Whitlam] to linger after the meal. The reason became obvious when Suharto arrived for an appointment', which Sukarno delayed by continuing to talk with Whitlam 'for some time'. This was the first meeting between Whitlam and Suharto. Whitlam, *The Whitlam Government 1972-1975*, p.107. Menadue travelled with Whitlam and similarly described the meeting. Menadue, *Things You Learn Along the Way*, pp.55-6.

Like Hasluck and Gorton, Whitlam equally pursued a military alliance with Indonesia and unsuccessfully raised the idea with Suharto in January 1967; Suharto responded that Indonesia was 'not interested [in] joining any security pact'; adding Indonesia's 'free, active [and] anti-imperialist' foreign policy meant that it preferred to 'rely on its own resources'. When Whitlam raised the subject of Indonesian membership of the Asian and Pacific Council (ASPAC) as a means to engage Indonesia in a broader regional organization, Malik was insistent that Indonesia did not wish to join or accept observer status to ASPAC, proclaiming that both Suharto and himself regarded ASPAC 'as Japan's latter-day co-prosperity sphere'.²⁴ During Whitlam's next visit in January 1968, a visit that was received more generously, his suggestion that Indonesia should attend the initial Five Power Defence talks in May was politely refused.²⁵ The idea, nonetheless, had merit; Hasluck had independently raised the possibility with Lee Kuan Yew but made no progress on the matter once Indonesia's rejection became more widely known.²⁶

During Whitlam's fifth visit to Jakarta in 1969, this time as Leader of the Opposition, he explored with Malik the election process for the act of free choice in West Irian, the process of which had not been specified in the New York Agreement.²⁷ The limited role of the United Nations in the process, exacerbated by the political isolation of the Special Representative, had generated anti-Indonesian criticism over the credibility of the process.²⁸ Malik described the problems in using a process of 'one man – one vote' and acknowledged the Special Representative's report that recommended a different voting system for coastal

²⁴ Summary of conversation, Whitlam and Suharto, in letter, Loveday to Secretary DEA, 24 August 1967, DEA file 3006/4/3, CRS A1838/2, NAA. ASPAC was the first Asian regional cooperative organization established in 1966 independently of the world powers. ASPAC membership (Japan, South Vietnam, Taiwan, South Korea, Thailand, New Zealand and Australia) had a decidedly anti-communist and pro-western appearance. For a critical overview of the limited progress of ASPAC, see Editorial, 'ASPAC', *The Australian*, 29 July 1968, p.6.

²⁵ Whitlam's visit program is contained in Cablegram 2587, Canberra to Jakarta, 9 December 1967, DEA file JA 1966/05T, CRS A6364/4, NAA. Discussions were held with Suharto, Malik and Cabinet members.

²⁶ 'Hasluck and Lee discuss Indonesia as defence partner', *The Australian*, 5 February 1968, p.1.

²⁷ Alan Watt, *The Evolution of Australian Foreign Policy 1938-1965*, Cambridge University Press, London, 1968, pp.249-52. Whitlam was elected as federal leader of the Australian Labor Party on 8 February 1967. For detail on leadership voting in Caucus, see *The Australian*, 9 February 1967, p.1.

²⁸ It was not the task of Ortiz-Sanz to become involved in Indonesian politics, nor in the politics of West Irian; his role was to carry out the duties of the Secretary-General of the United Nations by the provision of advice, and to assist and participate in the arrangements for the act of free choice, and report back to the Secretary-General. The Indonesian government ignored him. Peter Hastings, 'The Loneliest Man in Indonesia', *The Australian*, 3 June 1969, p.4.

and mountain West Papuans. Malik expressed concern that the voting system should avoid dividing the people, and strongly endorsed the *musjawarah* process, in which people talked through the subject until an acceptable consensus was reached. Malik's comments concealed the concerns of Suharto who was 'sensitive' to the growing criticism over the 'shortcomings' in the process; the New Order government did not doubt Indonesian sovereignty over the colony and only permitted an act of free choice to satisfy the international community; and Suharto's refusal to accept international scrutiny merely added to the criticism.²⁹ Whitlam offered no further comment, preferring to raise the ongoing threat of the PKI to Indonesia's cohesion, which Malik suggested was now not a problem; the main problem, Malik responded, 'was how to keep the generals working together'.³⁰

By the time of the 1972 federal election, Whitlam had established relationships with a range of Indonesians - relationships that should have allowed his later diplomatic endeavours to receive a more favourable reception - and the many visits to Indonesia added to his knowledge of the place, the people and the issues.³¹ His capacity for broad vision and his firm views on the independent role of small and medium powers in balance of power arrangements radiated confidence and assurance on Australia's future regional role. Hayden concluded that Whitlam transformed Labor foreign policy from 'the shrill and uneven fixation on strategic tensions between East and West' into a broad agenda to manage the magnitude of change occurring in the region.³² To be sure, Whitlam was reluctant to consult Caucus on foreign and defence issues; and, as Prime Minister and Minister for Foreign Affairs, 'would not consult his Cabinet', even on East Timor.³³ He

²⁹ Record of Meeting with Harry Tjan, 21 August 1974, Canberra, DEA file 49/2/1/1, Part 3, CRS A1838, NAA.

³⁰ Record of Discussion, Malik and Whitlam, Cablegram 200, Jakarta to Canberra, 30 January 1969, DEA file 3006/4/3 Part 4, CRS A1838/2, NAA.

³¹ In the field of international relations, there is little comparison between Whitlam's preparation for the position of prime minister with that of Gorton's or McMahon's; Gorton and McMahon had not formally visited South East Asia countries prior to their election to party leadership.

³² Hayden added that few 'seem to have noted that Whitlam set down enduring foundations, which Andrew Peacock later enforced, thus creating a welcome bipartisanship to Australia's foreign policies which sustains itself to this day'. Hayden, *Hayden*, pp.121-2.

³³ Nancy Viviani, 'Australians and the East Timor Issue - the Policy of the Whitlam Government', in James Cotton, (Editor), *East Timor and Australia. AIIA Contributions to the Policy Debate*, in association with Australian Institute of International Affairs, Australian Defence Studies Centre, Canberra, 1999, p.85.

would later remark that the ‘foreign policy of the 1950s which served the previous government politically into the 1970s was clearly exhausted’. The extent of change in the region, Whitlam speculated, meant that ‘even if there had been no change of government, there would have been a change in policy; and I am not so churlish as to suggest that it would not have changed for the better’.³⁴ He did, however, delight ‘in the untrammelled nature of the power involved in foreign policy making’ and reserved the right to intervene, as most prime ministers do, after he appointed Senator Willesee to the Ministry of Foreign Affairs in November 1973.³⁵

The Vietnam War, Nixon’s ‘Guam Doctrine’ and the British withdrawal from Malaysia and Singapore signified dramatic changes that Australia needed to address; the ‘Guam Doctrine’ identified an American reluctance to maintain a large military presence in Asia; it was also viewed as a statement of fact that nations of Asia had to assume more responsibility for security and economic development; and Japan and Australia were regarded as two of the nations most suited to contribute to regional security and development. Nixon had foreshadowed the thrust of policy change in an article, published in October 1967, in which he introduced the notion of greater responsibility for Asian nations in conducting their own affairs; he highlighted the importance for Asian nations to ‘come urgently to grips with the reality of China’.³⁶ The Nixon article echoed in part the urging of the Johnson Administration for Australia to grasp a more self-reliant security stance; the Administration had quietly counselled the Australian government against ‘clinging to America’, or invoking ANZUS to ‘satisfy’ Australia’s regional activities.³⁷ Therefore Nixon’s Guam comments some 18 months later should not have surprised the

³⁴ Gough Whitlam, ‘Foreword’, in C. Clark, (Editor), *Australian Foreign Policy: Towards a Reassessment*, Cassell, Melbourne, 1973, p.vii. The desire for change was not only the possession of politicians; when Alan Renouf was appointed Secretary of the Department of Foreign Affairs, he readily accepted the task to review the foreign policy that Whitlam had inherited. Renouf was appointed on 3 January 1974. Interview Alan Renouf, Oral TRC 2981/6, Oral History Section, NLA, p.124. See also ‘Australia’s Relations with Indonesia’, *AFAR*, Volume 44, August 1973, pp.560-1.

³⁵ Viviani, ‘Australians and the East Timor Issue – the Policy of the Whitlam Government’, p.85.

³⁶ The Guam Doctrine was drafted by Marshall Green who had previously been the United States Ambassador to Jakarta and would later become Ambassador to Canberra. Whitlam, *The Whitlam Government 1972-1975*, pp.46-7; and Richard Nixon, ‘Asia after Viet Nam’, *Foreign Affairs*, October 1967, pp.111-25.

³⁷ Henry S. Albinski, *Australian Foreign Policy under Labor – Content, Process and The National Debate*, University of Queensland Press, Brisbane, 1977, p.29; ‘ANZUS – No longer a blanket’, *The Bulletin*, 18 January 1969, p.15.

Australian government; and, in the circumstances of a regional withdrawal of British forces, a reordering of Australian security objectives seemed logical.

During McMahon's 1971 visit to the United States, American officials pressed the need for Australia to 'cultivate closer relations with Japan and Indonesia and so help the principle of self-reliance' under the Nixon Doctrine, perhaps offering an invitation to Indonesia to join the Five Power Defence Arrangements.³⁸ The history of invitations to Indonesia to join some form of military pact made the American proposal 'naïve and too theoretical' for McMahon; and he later briefed journalists that he favoured Japan's continued economic growth 'to help the development of Asian countries, and exert a political influence', adding that he would undertake actions within Australia's capacity to ensure Indonesia 'remains free and addicted to the cause of the West'.³⁹ Seven months later, in June 1972, McMahon announced the new \$A20 million three-year defence cooperation program with Indonesia. *The Bulletin* had earlier declared:

In varying degrees of politeness or bluntness the American attitude is that something more positive is to be expected of Australia than the role of loyal hanger-on and urger ... One of the paradoxes of the position is that what is most likely to impress the Americans is not 'loyalty' but independent initiative.⁴⁰

THE LABOR APPROACH

'Independent initiative' underpinned, in unambiguous terms, Labor's foreign policy objectives for the 1972 federal election:

- First, our own national security;
- Secondly, a secure, united and friendly Papua New Guinea;
- Thirdly, achieve closer relations with our nearest and largest neighbour, Indonesia;
- Fourthly, promote the peace and prosperity of our neighbourhood.⁴¹

³⁸ The United States Deputy Secretary of Defense confirmed at a press conference that Australia had been asked to consider inviting Indonesia to join. Roy Macartney, 'ANZUS A Pacific Pillar: Nixon', *The Age*, 4 November 1971, p.1; Editorial, 'Let's not be two-faced', *The Age*, 7 November 1971, p.7.

³⁹ Neville Meaney, 'The United States', in W.J. Hudson, (Editor), *Australia in World Affairs 1971-75*, Allen & Unwin, North Sydney, 1980, pp.176-7; Alan Ramsey, 'The Doctrine According to McMahon', *The Australian*, 2 November 1971, p.2; 'My Trip ... and After', *The Australian*, 21 November 1971, p.9.

⁴⁰ 'Australia and Nixon – What now?', *The Bulletin*, 23 November 1968, pp.36-40; Bruce Grant, 'The US view of Gorton', *The Age*, 13 November 1968, p.4.

⁴¹ Speech by the Prime Minister and Minister for Foreign Affairs, Mr. E.G. Whitlam, 27 January 1973 at the Australian Institute of Political Science Summer School, Canberra, in *AFAR*, Volume 44, January 1973, p.30.

During the 11-day life of the Cabinet duumvirate, changes to Australian foreign policy commenced immediately through a variety of announcements: the normalization of relations with China, confirmation of the timetable for Papua New Guinea independence, the end of the national service call-up, the recall of the Australian ambassador to Taiwan, the withdrawal of the remaining embassy protection troops from South Vietnam, the 'go ahead' for the purchase of 24 F-111s, the ending of wheat exports to Rhodesia, and the closure of the Rhodesian Information Centre in Sydney. Whitlam also announced his intention to visit New Zealand, Papua New Guinea and Indonesia in early 1973.⁴²

The speedy handling of the recognition of China was not without criticism. In accepting the terms of recognition, Australia, like Japan, the United Kingdom and Canada, had agreed to China's sovereignty over Taiwan, thus reversing the long standing policy that the people of Taiwan had the right to determine their own future. Some argued that Labor's principled policy position on self-determination acquired its first public tarnish.⁴³

EXPANDED REGIONALISM

The importance of Indonesia to Australia's well being, in Whitlam's view, was 'indisputable' and consistent with the theme that Spender, Barwick, Hasluck and Gorton had urged. Whitlam reasoned that the development of Australia's relations with Indonesia should be seen in the wider context of South East Asia, which meant that:

by giving priority to our relations with Indonesia, we would [not] do so at the expense of our relations with other ASEAN countries. Indonesia is, of course, closer geographically and much larger than the other countries. But our standing in other regional countries is not irrelevant to the importance which Indonesia will attach to Australia. In the same way as our destiny is inseparable from Indonesia so Indonesia cannot separate her own destiny from those of her immediate neighbours.⁴⁴

The regional perspective on Indonesia signified a stronger emphasis by using Indonesia's neighbours in 'a regional body both to balance Indonesia and to work with her', while using

⁴² Whitlam, *The Whitlam Government 1972-1975*, pp.19-22.

⁴³ Renouf, as Ambassador to Paris, undertook the negotiations leading to diplomatic recognition. Laurie Oakes and David Solomon, *Grab for Power: '74*, Cheshire, Melbourne, 1974, pp.100-7. For an analysis of the strategic interrelationship of China, Taiwan and Australia, see for example Malcolm Booker, *The Last Domino – Aspects of Australia's Foreign Relations*, Sun Books, Melbourne, 1976, pp.99-106.

⁴⁴ *AFAR*, Volume 44, January 1973, p.33.

Indonesia as an entry to the region. This was one of the Defence Committee's conclusions in 1966 but it also resonated with the importance that Labor placed on regional cooperation.⁴⁵ For example, the 1963 Special Labor Conference on Foreign Affairs and Defence unanimously carried the resolution that called for alternative regional arrangements to replace the 'ineffective' SEATO, with 'priority to be assigned to the negotiation of such a pact with Indonesia'.⁴⁶ This had been the resolution which empowered Whitlam to raise a possible security pact with Suharto.

For Labor, priority for a negotiated pact with Indonesia came out of Confrontation. Indonesian aggression lessened stable multi and bilateral relations in South East Asia because Indonesia's adversaries within the region were obliged to seek security assistance outside the region. Malaysia and Singapore had encouraged British, New Zealand and Australian military support; Australia sought conditional assistance from Britain and the United States for its commitment to Confrontation; and Sukarno pursued closer relations with China. Confrontation had encouraged super power activity, and Labor's Special Conference concluded that Confrontation was only postponing the 'withdrawal of Western military forces from a significant role in South East Asian affairs'. Indonesia should therefore 'not be given unnecessary offence' and 'driven to greater reliance on China and the Soviet Union by the policies of the West'.⁴⁷ After Suharto's rejection of Whitlam's suggestion of a security pact with Australia, decisions were taken at the 1967, 1969 and 1971 Federal Conferences to enhance Australia's security environment through 'participation in mutual defence arrangements with other nations of South-East Asia ... consistent with the United Nations Charter' and Australia's existing alliances, and parallel with the introduction of policies to encourage 'greater trade, cultural, sporting, social, political and trade union relations between Australia and all nations of Asia'.⁴⁸

⁴⁵ Defence Committee Brief to Cabinet on 'Quadripartite Talks on Defence of South East Asia', 20 June 1966, DEA file 287/3/26, CRS A1945/37, NAA.

⁴⁶ 'Official Report of the Special Commonwealth Conference on Foreign Affairs and Defence, March 1963, p.12, quoted in Beazley, 'Post-Evatt Australian Labor Party attitudes to the United States alliance', p.104.

⁴⁷ *Ibid.*, pp.103, 105.

⁴⁸ *Ibid.*, Appendix J, titled '1967, 1969 and 1971 Federal Conference decisions on defence policies and regional security arrangements', pp.366-7, 371.

The question in 1973 was what association or associations could satisfy Australia's requirements? Whitlam was aware of Indonesia's attitude to ASPAC and the growing regional concerns over Taiwan's membership which made the Association 'anachronistic' now that three of the ASPAC members - Australia, New Zealand and Japan - had recently recognized Beijing as the legal government of China. As well, diplomatic reporting indicated that Malaysia would officially withdraw from ASPAC in March 1973.⁴⁹ Indonesian membership of SEATO was unimaginable with its anti-communist and pro-western stance; in any case, SEATO, in Whitlam's view, was moribund and unlikely to survive into the 1980s.⁵⁰ The various offers to Indonesia of a security pact from Hasluck and Gorton, and even from Whitlam, confirmed little Indonesian intent in links outside of ASEAN, and Whitlam acknowledged that Australia would not be invited to join ASEAN in the foreseeable future. While he pledged support for ASEAN, he accepted that the Association was unlikely to change in style or tone in the short to medium term. Therefore a new regional organization was needed, perhaps along the lines that Shann had raised in 1964, a broad form of regional cooperation, wider than ASEAN, which included Australia. The proposal had never really been forgotten in the Department of Foreign Affairs, and there were some like Shann, Waller and later Renouf, who recalled the debates in the 1950s and the prompt in Spender's 9 March 1950 speech of the need for a broader, less defensive Pacific grouping.⁵¹

In January 1973, only weeks after the federal election, Whitlam announced the proposal in Wellington after discussions with the New Zealand Prime Minister:

The New Zealand Prime Minister and I expressed our intention to work with our Asian and Pacific neighbours in making adjustments to existing arrangements and seeking new forms of co-operation. We shall be consulting our neighbours – including Indonesia, Japan and others – before any final decisions are reached on how we should proceed. There is no question of seeking to change or

⁴⁹ On 18 August 1974 the Prime Minister of Singapore announced in a National Day Address that Singapore would not establish diplomatic relations with China until Indonesia had done, indicating the prominence of Indonesia's opinion on other ASEAN members. *AFAR*, Volume 45, August 1974, p.567.

⁵⁰ In discussions with Zhou Enlai in Beijing, Whitlam described SEATO as moribund, a term which he continued to use frequently. The SEATO Council agreed in September 1973 to cease military planning, and two years later agreed to the phasing out of the organization. Robert O'Neill, 'Defence Policy', in W.J. Hudson, Editor, *Australia in World Affairs 1971-1975*, in association with the Australian Institute of International Affairs, Allen & Unwin, North Sydney, pp.20-1; and Neville Meaney, 'The United States' in, *ibid.*, pp.198-200.

enlarge ASEAN. We should like to see all our ASEAN neighbours in a larger regional association for Asia and the Pacific, but ASEAN itself is a sub-regional grouping which is doing valuable work and any enlargement of the organization is a matter for its members.⁵²

This was the first time as Prime Minister that Whitlam had publicly raised the idea of a broader regional group, and he continued the theme in a speech in Canberra on 23 January 1973 when he proposed ‘a regional community ... generally representative of the region ... designed to insulate the region against ideological interference from the great powers’, adding:

I do not intend that Australia should try to impose a detailed formulation for setting up such a community and we shall not seek to intrude beyond our realistic capacity to participate and assist in the realization of this concept.⁵³

He was not offering a detailed proposal, or a detailed timetable for implementation, only a general idea to be discussed with regional countries. A broader regionalism could involve economic relationships; it could nurture political relationships that might translate into future security relationships; indeed, an expanded regionalism might even provide a balance to Indonesia’s regional hegemony. Whitlam argued that regional cooperation would be one of the ‘key-stones’ of Australian foreign policy for the 1970s and the future lay in the development of a new Asia Pacific community, with less emphasis on military pacts, and not ‘bedevilled by great power rivalries’. In those heady days of the new Labor government, he set about consulting with neighbouring countries, ‘ever prepared’ to take account of and participate in the ‘genuine aspirations of the region’. He felt fortunate in the timing of his ‘independent initiative’, and he took as an omen the events of January 1973

⁵¹ Interview Alan Renouf, Oral TRC 2981/6, Oral History Section, NLA, p.131.

⁵² Whitlam visited New Zealand 20-23 January 1973. Joint Communiqué, *AFAR*, Volume 44, January 1973, p.48. Albinski alleges that ‘New Zealand informants indicated [to him] that the genesis of the regional scheme was more Kirk’s idea than Whitlam’s, and New Zealand was not so much angered over not receiving due credit, as it was sorrowed because Whitlam’s enthusiasm in launching the proposal may have set it back.’ Albinski’s comment has not been substantiated. Albinski, *Australian External Policy under Labor*, p.97. This is a surprising statement when one takes into account Federal Conference Decisions in 1967, 1969 and 1971, which clearly enunciated regional security arrangements. See Footnote 47.

⁵³ Opening Address of the 39th Summer School, in Gordon McCarthy, (Editor), *Foreign Policy for Australia – Choices for the Seventies*, the Australian Institute of Political Science, Angus and Robertson, Sydney, 1973, p.6.

when an agreed cease-fire in South Vietnam provided an early opportunity in the life of his government for regional initiatives.⁵⁴

WHITLAM'S FIRST PRIME MINISTERIAL VISIT TO INDONESIA – 1973

Whitlam visited Indonesia in the period 20-23 February, declaring it was appropriate 'that my first visit overseas, after my meetings with the leaders of New Zealand and Papua New Guinea, should be to Indonesia':

I have already stated my Government's intention to develop and strengthen our relations with Indonesia. And I know from my personal contacts with the Indonesian leaders that this wish is reciprocated. The futures of our countries are indissolubly linked together and our relationship will be a crucial factor in determining the future of our region'.⁵⁵

Briefings prior to the visit covered ideology, values and the social base of the regime, economic policies and prospects, and Indonesian foreign policy. Caution permeated the main departmental brief: the New Order was considered 'vastly better than the other alternatives' in 1965; and expectations of the Suharto government 'have been disappointing', although Suharto 'is well disposed towards Australia, perhaps to the point of overestimating the contribution that Australia can make'. Suharto's disposition, the department concluded, provided opportunities for and risks in a larger role for Australia to satisfy its 'national interests'; thus, the importance of continuing Australian economic and defence assistance was emphasized. East Timor was not mentioned.⁵⁶

These were, in themselves, key aspects of Australia's relations worthy of discussion with Suharto; yet Whitlam's approach was more direct in order to take advantage of Suharto's apparent affection for Australia. In his first discussion session with the President, which lasted nearly two hours, Whitlam affirmed the direction of Labor's foreign policy that valued 'relations based on personal confidence [and] intensified cooperation in bilateral

⁵⁴ Talks between Dr Henry Kissinger and Mr. Le Duc Tho on the war in Vietnam recommenced in Paris on 8 January 1973, resulting in the United States, North Vietnam, South Vietnam and the Provisional Revolutionary Government signing a cease-fire agreement on 27 January 1973 which came into effect on the following day. 'Ceasefire signed – but fighting goes on', *The Australian*, 29 January 1973, pp.1, 5.

⁵⁵ This was Whitlam's eighth visit to Indonesia. Press Statement, *AFAR*, Volume 43, January 1973, p.40.

⁵⁶ 'The Soeharto Regime and Australian-Indonesian Relations', January 1973, DEA file 3034/10/6/9, CRS A1838, NAA.

relations'.⁵⁷ He briefed Suharto on his aspirations that Australia will come to be viewed as having a 'more independent stance on international affairs firmly based on national identity, social justice, human rights and peaceful cooperation, and not open to suggestions of racism'. Suharto's response re-affirmed the importance that Indonesia attached to ASEAN and to regional and national resilience, as well as to close bilateral relations with its neighbours. Suharto added that ASEAN members had discussed Australia's commitment to the FPDA and agreed that Australia should maintain forces in Malaysia and Singapore until the 'Indo-China situation had settled'.⁵⁸

Whitlam raised the 'eventual emergence of a comprehensive regional organization, which could include China and Japan'; such an organization could be developed to help 'free the Asia-Pacific area from great power intervention'. Suharto politely welcomed the suggestion, confirmed its potential, but noted that 'such a concept was unlikely to come about in the short-term'. He expressed doubts that an Asia Pacific organization would be practical without the Soviet Union and the United States, and any new proposal should 'not be considered until after a military and political settlement in Vietnam'.⁵⁹ In the Javanese fashion, Suharto was not offering diplomatic assistance to promote the proposal within ASEAN; Suharto knew that ASEAN Foreign Ministers reacted quickly to Whitlam's first public disclosure of the proposal, held preliminary discussions in mid-February and rejected the proposal outright.⁶⁰ Whitlam expected some Indonesian cooperation but was unable to put his case because Malik had neutralized the proposal in prior discussions with Suharto, and through a background briefing to selected Indonesian journalists, ridiculed the scheme

⁵⁷ During the visit Suharto presented Whitlam with a specially designed Batik shirt which incorporated kangaroos and the heraldic garudas of Indonesia. Photograph caption, *AFAR*, Volume 43, January 1973, p.91. The Prime Minister's party included Shann, Woolcott and Bruce Grant. The Hon. Sir Richard Kirby also traveled with Whitlam; Sir Richard Kirby, the then president of the Conciliation and Arbitration Board, was the Australian Representative on the Good Offices Committee of the United Nations, which was formed in 1947. Indonesia chose Australia as its representative, and Kirby was instrumental in drawing up the Renville Agreement which legitimized the peace settlement and the transfer of sovereignty of the Dutch East Indies to the Indonesian government in 1949. 'Australia's Relations with Indonesia', *AFAR*, Volume 45, October 1974, p.650.

⁵⁸ Australia-Indonesia Joint Communiqué, 25 February 1973, *AFAR*, Volume 44, February 1973, pp.92-4.

⁵⁹ Alan Ramsey and United Press, 'Suharto rejects Whitlam's plan to widen regional ties', *The Australian*, 22 February 1973, p.1. See also Alan Ramsey, 'Indonesia remains cool on PM's regional plan', *The Australian*, 23 February 1973, p.1; and Brian Johns, 'Soeharto: merit in Whitlam's plan', *The Sydney Morning Herald*, 23 February 1973, p.3.

at the very time that Whitlam and Suharto were having their first discussion session. Later, during an ‘on the record’ briefing with Australian journalists, Malik rejected the proposal ‘as it stood’.⁶¹

Malik was regarded in Indonesia as the *kancil*, the mouse-deer, a hero of Indonesian folklore, who was able to outsmart larger and fiercer animals.⁶² Malik had smoothed Australian wrinkles over the Wutung incident, initially convincing Freeth that Indonesian forces had not deliberately entered Papua New Guinea in pursuit of suspected OPM members, and he had offered Freeth prospects of a personal and special friendship to build the relationship between Indonesia and Australia. Malik had reassured Whitlam that the act of free choice for West Papuans would be the most appropriate method to undertake self-determination; and his tactics in denouncing Whitlam’s proposal for an expanded regionalism demonstrated his commitment to ASEAN, membership of which he successfully negotiated from Indonesia’s position of economic and political weakness. In Australian diplomatic circles, there were growing concerns over Malik’s attitude towards Australia.⁶³

The Indonesian reaction was widely described as a ‘rebuff’ in the Indonesian and English language press in Jakarta; the Australian press were no less positive, depicting the Indonesian reaction to Whitlam’s ‘grand design’ as ‘a major set-back’ and the five-day visit as ‘a disaster’ and ‘a failure’; *The Australian* editorialized that ‘Mr. Whitlam is having a hard school in the realities of politics’ with Indonesia.⁶⁴ What was disappointing was the extent of misunderstanding which was never overcome. The set-back was made worse

⁶⁰ Australia-Indonesia Joint Communiqué, 25 February 1973, *AFAR*, Volume 44, February 1973, pp.92-4; Oakes and Solomons, *Grab for Power: Election '74*, p.104.

⁶¹ Editorial, ‘Indonesia wants aid not politics’, *The Australian*, 23 February 1973, p.8.

⁶² Some regarded Malik as a political chameleon ‘who had started in the tiny radical party Murba, won Sukarno’s confidence and became ambassador to Moscow in the early 1960s, and then jumped to the Right in 1965’. After the coup he assisted Suharto and became the Foreign Minister. Desmond Ball and Hamish McDonald, *Death in Balibo-Lies in Canberra*, Allen & Unwin, St Leonards, 2000, pp.9-10.

⁶³ By 1974 Malik’s antagonism towards Australia was well known. See, for example, Department of Foreign Affairs Brief for Prime Minister, 2 September 1974, in DFA file, 801/13/11/1, Part 3, CRS A10463, NAA. During the lead-up to the Indonesian invasion of East Timor, diplomatic reporting emphasized the ‘hard-line’ nature of Malik’s opinions. Record of Conversation, Harry Tjan and Alan Taylor, 10 March 1975, DFA file 801/13/11/1 Part 8, CRS A10463, NAA.

through the activities of a number of embassy officials and advisers travelling with Whitlam who, in background briefings to Australian journalists, criticized Malik as ‘unreliable’, ‘erratic and out of favour with the Indonesian government’, and ‘Indonesia’s Jim Cairns’. The anti-Malik briefings were aimed at discrediting reports of the ‘rebuff’; in this they failed, and criticism remained centred on Whitlam who was represented as possessing concepts on the future for Asia which did not complement those of its residents.⁶⁵

There were two major points of contention that a less hasty Whitlam might have considered further: the involvement of China and Japan in the proposal, and the status of ASEAN. While the suggestion that China and Japan could be involved was not intended to be specific and was offered by way of example for discussion, the ‘experimental’ suggestion nonetheless bordered on insensitivity. The region had recently undergone psychological shock through President Nixon’s visit to China and the growing realization of an imminent admission of China to the United Nations, and both developments raised questions of how and when to normalize relations with a communist China.⁶⁶ Australia’s announcement to recognize China satisfied the requirements of the Whitlam government; however, the speed of recognition was seen to be less helpful to ASEAN members who were still considering the circumstances in which to reestablish relations.⁶⁷ Most of the ASEAN nations wanted to reach some form of *modus vivendi* with China but only after the resolution of unacceptable Chinese support for local insurgency movements in Thailand and Malaysia. For Indonesia, its relationship with China was equally traumatic; memories of China’s apparent involvement still freshly resonated from the Sukarno era, the PKI, the attempted coup of 1965 and recent communist-inspired uprisings in the outer archipelagic islands. In

⁶⁴ Editorial, ‘Indonesia wants aid not politics’, *The Australian*, 23 February 1973, p.8. See also ‘Aust force welcomed’, *The Sydney Morning Herald*, 22 February 1973, p.3.

⁶⁵ Alan Ramsey, ‘Indonesia remains cool on PM’s regional plan’, *The Australian*, 23 February 1973, p.1.

⁶⁶ Regional reaction to Nixon’s visit is detailed in Heiner Hänggi, ‘ASEAN and the ZOPFAN Concept’, *Pacific Strategic Papers*, Institute of Southeast Asian Studies, Singapore, 1991, pp.16-7.

⁶⁷ Albinski suggested that the McMahon government was ‘cautioned by all ASEAN governments about recognizing Peking’. Whether the message was communicated by the Department of Foreign Affairs to Whitlam is unknown. Albinski, *Australia’s External Policies under Labor*, p.97. Whitlam ‘apparently’ followed the standard diplomatic protocol in informing ASEAN members on the progress of official talks with Beijing. Michael Richardson, ‘After Whitlam ... An Asian image problem’, *The Australian Financial Review*, 1 March 1973, pp.1, 9.

October 1967 the New Order government withdrew its embassy staff from Beijing in retaliation of Beijing's endorsement of 'a revolutionary line for the insurgent remnant of the PKI'; and the relationship remained, to use Malik's word, 'frozen', on the assumption that 'normalization' of the relationship would occur at some future time.⁶⁸ Indonesia would eventually resume normal diplomatic relations in 1990. Malik declared that Indonesia was not ready to accept membership of an organization that included China, and he made this point quietly known to Whitlam during their discussion session.⁶⁹ Even the Indonesian acceptance of Japanese involvement evoked dangers for the ruling elite. Anti-Japanese feelings remained strong in Java from war occupation and lately from the behaviour of ubiquitous Japanese businessmen; and in spite of the public benefits of large grants of tied and untied Japanese development aid since the attempted coup, anti-Japanese sentiment was a significant ingredient in the three days of riots during the visit by the Japanese prime minister, Kakuei Tanaka, to Jakarta some 11 months later.⁷⁰

The future linkages between ASEAN and China and Japan were difficult to anticipate; what the ASEAN member states did not want was to be overshadowed by an economically strong Japan or by a populous and militarily potent China. If the equation of a regional association contained a resource-rich Australia, then ASEAN could find itself under the influence of external powers, which was contrary to the intent of the ASEAN Bangkok Declaration. Therefore, the second issue of a more broadly based organization that might eventually incorporate ASEAN was unacceptable to the Indonesian government. And the idea that ASEAN was, in Whitlam's words, merely a sub-regional group challenged the Indonesian government's perspectives on the future of the region, which were perceived to be inextricably linked to the success of ASEAN. During the post-coup period Malik had made it clear that Indonesia's foreign policy priority was to serve its development needs; the only source of development finance was external, and to obtain external finance,

⁶⁸ Crouch, *The Army and Politics in Indonesia (revised edition)*, p.333; Leifer, *Indonesia's Foreign Policy*, p.127.

⁶⁹ Alan Ramsey, 'Indonesia remains cool on PM's plan', *The Australian*, 23 February 1973, p.1.

⁷⁰ Whitlam recorded that he raised the matter of the imprisonment of 'hundreds of rioters and looters' with Suharto, who ordered their release in 1975. Whitlam, *The Whitlam Government 1972-1975*, p.79. For detail on the riots, see Kingsbury, *The Politics of Indonesia*, pp.82, 104-5.

international confidence in Indonesia's stability and security was paramount.⁷¹ Regional and national resilience could be achieved through ASEAN, which represented Suharto's vision, of a 'co-operating South-East Asia', as an instrument through which Indonesia, and its neighbours, would be able to establish a system of regional order 'untrammelled by dependence on outside powers'. ASEAN was central to Indonesia's foreign policy, and Whitlam's proposal threatened to impair the growth of an infant ASEAN, and if ASEAN's future was in some way diminished, so then was Indonesia's growing status as the natural regional leader. There was general recognition, and sometimes criticism, that ASEAN's political development was too slow; on the other hand, there were some, like Malik, who forecast that ASEAN would develop into a political monolith after its members had re-ordered their political objectives for the general benefit of the region.⁷² ASEAN was developing at a pace comfortable to all members, and during the following 18 months decisions would be taken towards implementing a South East Asian zone of peace, freedom and neutrality (ZOPFAN) and establishing an ASEAN Permanent Secretariat in Jakarta.⁷³

Whitlam's lack of success resulted also from poor processes. In the first instance, successful prime ministerial negotiations can only be achieved through the diplomatic apparatus at the disposal of the government; and, equally, time is needed to permit satisfactory discourse between the parties. Like Gorton's 1968 initiative on a non-aggression pact, which was communicated to the Indonesians just before his visit to Jakarta, the public communication of Whitlam's 'expanded regionalism' followed an equally short timeline. Its announcement in general terms in New Zealand and at the Summer School in Canberra in January 1973, to its discussion with Suharto in the following month limited the available time for diplomats to establish common ground, to undertake reasoned consideration and test the proposal with Indonesian officials. Successful diplomacy with Indonesia rested on extended discourse. The consequences of the episode would linger to

⁷¹ Adam Malik, 'Promise in Indonesia', *Foreign Affairs*, Volume 46, Number 2, January 1968, pp.292-303; Adam Malik, 'Indonesia's Foreign Policy', *The Indonesian Quarterly*, October 1972, p.12.

⁷² Adam Malik, *In the Service of the Republic*, Gunung Agung, Singapore, 1980, p.242.

⁷³ The Kuala Lumpur Declaration on ZOPFAN was issued after intense discussion by the ASEAN Foreign Ministers over the period 26-27 November 1971. *Far Eastern Economic Review*, 4 December 1971, p.5. At the 20 June 1973 meeting of ASEAN representatives in Baguio, agreement was reached to recommend to governments the declaration of a ZOPFAN; at the 7-9 May 1974 meeting, ASEAN foreign ministers agreed to recommend to governments that the Permanent Secretariat should be housed in Jakarta.

Whitlam's chagrin, just as they had for Gorton, although in Whitlam's case Suharto deftly reduced the diplomatic tension by agreeing 'in principle to the proposal' in their second discussion session.⁷⁴

During his address to the Indonesian parliament and at the Jakarta State Banquet given in his honour, Whitlam continued to proclaim Australia's willingness:

should Indonesia so desire, to make arrangements with your government – and equally with an independent Papua New Guinea – to provide assistance in the training of forces, and in technical facilities and the supply of military equipment. We seek no binding treaty or formal alliance, merely an understanding based on mutual trust and friendship. We will be charting a new course in our foreign policy, with less emphasis on the kind of military pact that is no longer relevant to the realities of the 1970s ... The keystone of our foreign policy for the 70s will be the search for regional cooperation.⁷⁵

He did not yield to Indonesian criticism; the zest for change and the assertiveness of Whitlam were modified into a more subdued and finely tuned manner in order to persuade. Processes were altered to bring wider knowledge and experience into the arena of policy advice, and a second division was established in the Department of Foreign Affairs to concentrate on regional affairs.⁷⁶ New systems were incorporated to bring local in-country sensitivities into deliberations in Canberra; and for visits to South East Asia in 1974, a personal aide was dispatched in advance of a Whitlam visit to effect liaison and gather perspectives from embassy staff for inclusion in speeches and discussion sessions during the visit.⁷⁷ On instructions, Australian embassies were directed to elevate the importance of ASEAN to regional stability, to affirm the primacy of ASEAN in South East Asia, to offset the perceptions that Australia was somehow a willing intermediary for China or Japan, and to 'erase false impressions arising from the Prime Minister's three day official visit' to

⁷⁴ Brian Johns, 'Soeharto: merit in Whitlam's plan', *The Sydney Morning Herald*, 23 February 1973, p.3.

⁷⁵ 'Prime Minister's Address at State Banquet', *AFAR*, Volume 44, February 1973, pp.95-6

⁷⁶ 'Creation of a Second Division in the Department of Foreign Affairs', *AFAR*, Volume 44, March 1973, pp.201-2.

⁷⁷ Kelly observed that Whitlam's visit in 1974 'became one of the first occasions before a Prime Minister's overseas visit that Australian embassies have played a constructive role in the stance adopted through such close consultation'. Paul Kelly, 'How Gough wowed 'em in Asia', *The Australian*, 15 February 1974, p.9. For comment on the poor use of the public service in the early days of the first Whitlam government, see Daly, *From Curtin to Hawke*, pp.195-6.

Indonesia.⁷⁸ Whitlam continued to emphasize Australia's intentions not to undertake actions, 'willingly or unwittingly', which might undermine the strength and viability of ASEAN as a sub-regional group or 'disturb the unity, progress and harmony of that association.'⁷⁹ He pledged Australia's support for the ASEAN Declaration on South East Asia as a zone of peace, freedom and neutrality, confirming that Australia shall work with ASEAN 'towards the eventual implementation' of ZOPFAN.⁸⁰ He publicly conceded to the pace of consultation, now accepting that 'regional arrangements will be a slow and delicate growth. We are content to let the concept take seed in the thinking on the timing, structure and membership'. Australia, he added:

will devote its efforts towards strengthening bilateral relations [with Indonesia] and continuing careful discussion of future regional co-operation until such time as countries of the area are ready to participate in a wider grouping.⁸¹

By the end of 1973 he had raised the proposal with the Indian government in June, with the United States Administration in July, with the Canadian government in August, and with the Japanese and Chinese governments in October, and he would discuss the proposal individually with the other ASEAN member states during his regional visit in early 1974.⁸² The success of the proposal lay with its acceptance by ASEAN; if ASEAN did not support the proposal, then a wider regional grouping was unachievable. To be sure, criticism of Whitlam's management of the initial handling of the proposal slowly began to undermine Australia's regional image - an image of 'Australia egotistically and brashly attempting to hitch itself on to South-East Asia'.⁸³ By October 1973 newspaper reporting in Australia was strongly negative; Australia's position in the region was perceived to have gone backwards, and Australia was no longer regarded 'in the same basic warm manner' as it

⁷⁸ Michael Richardson, 'After Whitlam ... An Asian image problem', *The Australian Financial Review*, 1 March 1973, p.9.

⁷⁹ Ministerial Statement, *CPD*, House of Representatives, Volume 84, 24 May 1973, p.2646.

⁸⁰ *Ibid.*

⁸¹ Question on Notice Number 968, *CPD*, House of Representatives, Volume 86, 9 October 1973, p.1811

⁸² *Ibid.*, p.1812; 'The Prime Minister's Visit to South-East Asia', *AFAR*, Volume 44, December 1973, pp.830-5. When Whitlam spoke with William Rodgers, Secretary of State, Rodgers offered United States support for the proposal but suggested that any suggestion of 'US support would be the kiss of death for it'. Japan was 'not interested at this stage'. Oakes and Solomon, *Grab for Power: '74*, p.104.

⁸³ Michael Richardson, 'After Whitlam ... An Asian image problem', *The Australian Financial Review*, 1 March 1973, p.9.

was 'a few years ago'.⁸⁴ The Coalition Opposition reacted by scoring domestic political points in blaming Australia's declining regional reputation on the style of the Prime Minister.⁸⁵

Indonesia's Quadripartite Proposal

In October 1973 the Indonesian government announced a modest intermediate step, free of ideology and from the influence of major powers, towards a distant goal, which only the future could determine, but a goal loosely based on the Whitlam proposal. The counter-proposal of a quadripartite association of Indonesia, Australia, Papua New Guinea and New Zealand offered direct and indirect benefits. The counter-proposal might have been suggested to soften Indonesia's refusal of Whitlam's proposal and reduce the tension between the two governments. The counter-proposal did not threaten the internal balance of ASEAN; it did offer new prospects to address Indonesia's difficulties over the disproportionate scale of assistance and development between Irian Jaya and Papua New Guinea; thus, for Indonesia, the quadripartite proposal offered political and economic benefits.⁸⁶

Reactions from the other three countries were mixed. New Zealand supported the concept as a modest step towards the original proposal. Papua New Guinea hesitated because of the uncertainties emanating from its progress towards independence; and the possibility of adjustments to ongoing economic assistance from Australia, redirected for example to Irian Jaya, was unwelcomed. The Australian response was later described by 'persons very close to the scene' that 'such a grouping would distract attention rather than stimulating the wider Asian-Pacific community'.⁸⁷

⁸⁴ Michael Richardson, 'Australia, Indonesia tensions surface', *The Australian Financial Review*, 15 October 1973, pp.1, 10.

⁸⁵ One notable attack was by L. Bury, Member for Wentworth, during the debate on Appropriations Bill (Number 1), *CPD*, House of Representatives, Volume 86, 23 October 1973, p.2559. See also 'Discussion of Matter of Public Importance – The Whitlam Government: Foreign Policies', *CPD*, House of Representatives, Volume 87, 20 November 1973, pp.3497-506.

⁸⁶ 'Foreign Minister's Visit to Indonesia', *AFAR*, Volume 45, March 1974, p.209-10.

⁸⁷ Report on Press Conference with Prime Minister A.M. Kirk, in *The Age*, 5 August 1974, p.4; A Somare, 'The Emerging Role of Papua New Guinea in World Affairs', 25th Roy Milne Memorial Lecture, Melbourne, 14 June 1974; and Albinski, *Australia's External Policy under Labor*, p.99.

The Opposition's Proposal

The Opposition did not directly criticize the counter proposal, preferring to attack the government for its original proposal of 'grandiose designs', its lack of awareness of 'Asian sensitivities' and its 'imperious style'. An undercurrent of resistance to any proposal for an expanded regionalism lingered; any association that might include 'as yet an untamed China' and undervalue 'Australia's traditional definitions of security requirements' were questionable.⁸⁸ The Opposition was ambivalent towards a growing acceptance of the new regionalism and its inherent potential for new security associations, which were becoming more fashionable in the political rhetoric of the day. The lack of progress on the Whitlam proposal offered the Coalition an opportunity to suggest its own scheme, a cooperation and development scheme between ASEAN and the South Pacific Forum, which could include 'other South-East Asian and possibly South Asian states' over time.⁸⁹ This was indeed a slightly different but novel approach, couched in terms that contrasted with the weakness of the quadripartite proposal and mirrored many of the potentialities of Whitlam's expanded regionalism:

This proposal is distinct from Labor's 'forum' – it is a strategy not an organization; its purpose is cooperation and development not simply consultation, though that is part of it; it offers something practical to those who choose to participate. It would be a step towards rationalizing, in our region, the tangled web of bilateral relationship.⁹⁰

The proposal was caucused through the region in 1974 and 1975 as part of the efforts of Snedden and Fraser to establish more intimate links with other conservative parties in countries such as India, New Zealand and Japan. Reaction to the concept of a minimalist 'strategy' seemed awkwardly private, with little public discussion and no outburst of universal acclaim, which was perhaps not surprising for an idea suggested by a political party in opposition. The proposal, however, had some life and continued to be 'advertised' well into the period of the Fraser government.⁹¹

⁸⁸ *Ibid.*, p.101.

⁸⁹ See Fraser's press conference, in *The Age*, 26 July 1973, p.3; and William McMahon, 'Alliances with Neighbours', *The Sydney Morning Herald*, 3 March 1973, p.6.

⁹⁰ Quotation from an internal Liberal party document, cited in Albinski, *Australia's External Policy under Labor*, p.100. See also A. Peacock, Conference Paper, 'Australia and South-East Asia – An Alternative View', *Australian Institute of International Affairs*, Melbourne, May 1975, pp.7-8.

⁹¹ Ministerial Statement, *CPD*, House of Representatives, Volume 99, 1 June 1976, p.2742.

The End of Expanded Regionalism?

By September 1975 diplomatic activity in promoting the Whitlam and quadripartite proposals had reduced to general expressions of interest through normal diplomatic contact. The Whitlam government accepted the long term nature of the proposal and recognized that progress could only evolve from the region in accordance with ongoing regional relationships. The quadripartite proposal had in the Javanese manner shifted the focus of debate away from ASEAN, without incurring undue criticism, but failed to gather sufficient support to warrant further diplomatic discussion. Indeed, by the end of 1973 the mood of the region was changing; the Allied commitment to the Vietnam War had all but finished; and Malaysia, the Philippines and Thailand had decided to resume diplomatic relations with China. The uncertainty of future regional bilateral relationships did not offer a confident and stable environment for discussion of an expanded regionalism. All that the Whitlam government could do was privately acknowledge that the time had not yet come and encourage informal discussions 'on what might be possible to achieve'. In quietly shelving the proposal Whitlam might also have been influenced by the 'attitude of scorn' adopted by the Australian press on the proposal.⁹² Expanded regionalism, nonetheless, would reappear some 16 years later, in 1989, in a different form as the Asia Pacific Economic Cooperation (APEC); and Indonesia's Quadripartite proposal, modified to include the new nation of East Timor, would also reappear as the West Pacific Forum proposal in the year 2000.⁹³

STRATEGIC ASSESSMENTS

Two strategic assessments were completed in the period of the Whitlam government. The 1973 Strategic Basis was followed by a further a re-assessment in April 1975, copies of which were circulated to ministers in October but the fall of the government in November precluded formal endorsement.⁹⁴ Therefore throughout much of its period in office the

⁹² Question on Notice Number 2715, *CPD*, House of Representatives, Volume 96, 2 September 1975, p.897; Booker, *The Last Domino – Aspects of Australia's Foreign Relations*, p.214.

⁹³ President Abdurrahman Wahid, 'angered over ASEAN resistance to an eastwards expansion' proposed the West Pacific forum to include Australia, New Zealand, Papua New Guinea, East Timor and possibly the Philippines. The Australian government supported the proposal at an Australian-Indonesian ministerial meeting in Canberra on 7 December 2000. Editorial, 'Forum offers progress for West Pacific', *The Weekend Australian*, 9-10 December 2000, p.18.

⁹⁴ Alan Reid, 'Top Secret: Our Defence Planning', *The Bulletin*, 12 June 1976, pp.16-7.

Labor government relied on the 1973 assessment which was completed and presented to government on 1 June 1973.⁹⁵

Barnard first requested the assessment during a speech to the National Press Club in March 1973; the short period of preparation was effected through decisions taken within the Department of Defence to undertake a new strategic review on the change of government in December 1972, and Barnard's March announcement, although apparently a surprise to the Department, was accommodated but with some internal controversy.⁹⁶ The first draft to government was altered at the direction of staff in the Prime Minister's office, who anticipated a reaction from the Foreign Affairs and Defence Committee of Cabinet over two major issues of Labor defence policy: the draft conclusion on the size of the Army was amended to omit the requirement for Army elements to be structured for deployment outside Australia; and the extent of reliance on ANZUS was diluted to reflect the government's commitment to more self-reliant foreign and defence policies.⁹⁷ Public knowledge of the manner of the changes led to criticisms of the 'dangerous' and 'unwelcome' politicization of strategic assessments.⁹⁸

The government accepted the generally optimistic strategic assessment for Australia. Nuclear conflicts were noted as unlikely in the foreseeable future; the prospect of conflict between great powers had receded, as had the influence of great powers in South East Asia. The security contingencies, the assessment concluded, were now quite different, with the possibility of a low threat environment for at least ten to 15 years. Australia was 'at present

⁹⁵ Brian Toohey, 'Defence Planning vacuum', *The Australian Financial Review*, 24 May 1973, pp.1, 30.

⁹⁶ Speech by Minister for Defence, National Press Club, Canberra, 15 March 1973; 'Barnard orders defence policy study', *The Australian*, 16 March 1973, p.2. The Department of Defence, under its new secretary, Sir Arthur Tange, had also produced a defence review in March 1972, which canvassed essential defence considerations. These became part of the new assessments. Department of Defence, *Australian Defence Review*, Australian Government Publishing Service, Canberra, March 1972, pp.3-10.

⁹⁷ Ball argues that the preparation of the assessment was undertaken in circumstances in which the Service chiefs did not know that an assessment was in preparation until the time of the Minister's Press Club speech. Participation by the Joint Intelligence Organization in the strategic assessments was also regarded as limited. Ball also details political interference in a number of the conclusions. Ball, 'The Politics of Defence Decision Making in Australia: The Strategic Background', pp.7-8.

⁹⁸ Fedor Mediansky, (Editor), *The Military and Australia's Defence*, Longman Cheshire, Melbourne, 1979; F.A. Mediansky, 'The Danger of Mixing Defence and Politics', *The Sydney Morning Herald*, 10 May 1976, p.7.

one of the most secure countries in the world'.⁹⁹ Indonesia, however, remained the yardstick to measure the preparedness of the ADF because of the degree of uncertainty about Indonesian conduct in the longer term. The notion that a direct threat to Australia could only come from or through Indonesia remained the major determinant in calculating warning time, and the monitoring of warning time would be done through more independent intelligence systems aimed in part on measuring Indonesian military preparedness and government intent.¹⁰⁰

The 1973 Strategic Basis championed the government's preferred approach in which the new security circumstances offered opportunities to adopt a more independent foreign policy. A low threat security environment, consisting only of improbable 'low-level contingencies' such as harassment, raids and limited lodgments, did not require military responses beyond that which could be provided from within Australia's military capacity. Thus 'low-level contingencies' began to specify the size, capabilities and preparedness of the Australian military 'force in being'.¹⁰¹ Moreover, in the low threat environment Australian foreign policy was not required to be subordinated to defence policy because Australia did not have to respond 'as a follower nation' by accepting foreign policy objectives linked to larger scale military undertakings of great powers. Australia, in Labor's view, was now able to 'assume the primary responsibility for its own defence against any neighbourhood or regional threats'.¹⁰² Thus, defence of Australia and greater self-reliance became the new parameters of security policy to be fulfilled through an expanded defence cooperation program with neighbouring countries that would permit the withdrawal of all Australian forward deployments in due course.¹⁰³

⁹⁹ Cited in Ball, 'The Politics of Defence Decision Making in Australia: The Strategic Background', p.28.

¹⁰⁰ Ministerial Statement, *CPD*, House of Representatives, Volume 85, 22 August 1973, pp.238-9; and Speech by Minister for Defence to the National RSL Congress, 29 October 1973, especially pp.2-6.

¹⁰¹ Ball, 'The Politics of Defence Decision Making in Australia: The Strategic Background', p.33.

¹⁰² *Strategic Basis of Australian Defence Policy 1973*, Canberra, 1 June 1973, p.84, cited in D. Ball & P. Kerr, *Presumptive Engagement – Australia's Asia-Pacific Policy in the 1990s*, St Leonards, 1996, p.11.

¹⁰³ Gough Whitlam, 'Australia's Foreign Policy: New Directions, New Definitions', 24th Roy Milne Memorial Lecture, Brisbane, 30 November 1973, Australian Institute of International Affairs, Melbourne, 1973, pp.5-6; 'Australia's Foreign Policy', *AFAR*, Volume 44, February 1973, pp.32-3. See also Editorial, *The Age*, 1 January 1974, p.5.

DEFENCE COOPERATION PROGRAMS 1972-1975

Under Labor, defence cooperation with Indonesia expanded across the range of defence activities and beyond the recommendations of the 1967 and 1969 IDC reviews to include combined naval exercises at the tactical and operational levels, the provision of maritime surveillance equipment and its maintenance, and access to scientific and technological areas of the Australian defence world. McMahon's \$A20 million three-year program was followed by a second program to 1978 which was announced in the context of the 1973-74 Budget. Total programmed expenditure was increased by 2.8 per cent to \$A34.8 million, of which Indonesia's favourable share of \$A25 million provided for the development of a maritime surveillance capability based on six Nomad aircraft, six 16 metre patrol craft, two Attack class patrol boats to be handed over in 1973 and 1974, and the later provision of two additional patrol boats of an equivalent size.¹⁰⁴ Maintenance of the Sabre jets was ongoing, as was the continuation of survey and mapping assistance.¹⁰⁵ The extent of defence cooperation was aimed at improving the self-defence effectiveness of the Indonesian armed forces in concert with defence improvements in Malaysia and Singapore, in effect targeting assistance in sufficient quantities, within Australia's capacity, to improve independent military effectiveness across Australia's near region.¹⁰⁶

Activities were varied to satisfy Indonesian service requirements. For example, a 25-person group from the Indonesian National Defence Institute visited Sydney and Canberra over 5-12 February 1973; the visit included tours of Amalgamated Wireless of Australasia (AWA), the Atomic Energy Commission at Lucas Heights, and the NSW State Town Planning and Transport Systems Authority, and the group held discussions with officials from the Departments of Foreign Affairs, Defence and Overseas Trade and Primary Industries.¹⁰⁷ In

¹⁰⁴ By the end of 1976, all patrol boats had been delivered as well as 761 field radio sets and three electronic target ranges. Question on Notice Number 220, *CPD*, Senate, Volume 67, 6 April 1976, pp.1089-90.

¹⁰⁵ Report of the Senate Standing Committee on Foreign Affairs and Defence, 'Australia's Defence Co-operation with its Neighbours in the Asian-Pacific Region', Parliamentary Paper 316/1984, October 1984, p.45, in *Parliamentary Papers*, the Parliament of the Commonwealth of Australia, Volume 22, 1984. From 1979 the program was conducted on an annual basis. 'Australia's Budget 1974-75', *AFAR*, Volume 45, October 1974, p.678-9. For detail on survey operations see Chapter 2.

¹⁰⁶ Defence cooperation programs commenced in 1972 with Thailand and in 1973 with the Philippines. Report of the Senate Standing Committee on Foreign Affairs and Defence, 'Australia's Defence Co-operation with its Neighbours in the Asian-Pacific Region', *Parliamentary Paper 316/1984*, pp.45-6.

¹⁰⁷ Press Statement, *AFAR*, Volume 44, February 1973, p.138.

March 1973 HMAS *Derwent* and *Perth* made port visits to Medan and Surabaya on their return from a training cruise in the Indian Ocean.¹⁰⁸ In the same month, the government announced that 11 Indonesian officers and senior NCOs finished on-the-job technical training on Iroquois helicopters at Fairbairn after completing language training at the RAAF School of Languages, Point Cook, Victoria; and 115 Indonesian officers and airmen received technical training at RAAF Base Richmond, NSW on Hercules aircraft. In addition, Indonesian airmen were trained in air traffic control duties and as flying instructors at RAAF Bases at Point Cook, East Sale and Williamstown; and technical training was provided through an engineer's armament course and an air conditioning course at RAAF School of Technical Training, Wagga.¹⁰⁹ On 17 May 1973, Barnard announced that army surveyors had commenced the 1973 phase of the survey operation to finish mapping Sumatra and the adjacent islands, and he noted that the phase had already succeeded in linking Sumatra with Malaysia by extending survey control across the Strait of Malacca.¹¹⁰

Barnard confirmed that two RAAF Dakota aircraft were to be handed over to the Indonesian air force on 10 September 1973 as part of the air navigation assistance. The Dakotas were popularly known as 'flying classrooms' because they were specially fitted with several sets of air navigation equipment to permit simultaneously in-flight instruction and practice for trainee navigators. Indonesian instructors and pilots had already completed basic training in Australia in 1971-2, and the project included 12 months of spare parts for the Dakotas.¹¹¹ The first combined naval exercise with Indonesia was held in November 1973 in the Java Sea; in reciprocation, three Indonesian warships, RI Jos Soedarso, RI Lambung Mangurat and the oiler, RI Sorong, practised command procedures in the Sydney-Jervis Bay area in January 1974. The exercise involved HMAS *Vampire*, *Swan*, the submarine *Oxley* and tender *Stalwart*, and as part of the exercise the Indonesian ships made port calls at Darwin, Cairns, Townsville, Brisbane and Sydney on their way to and from the

¹⁰⁸ *Ibid.*, p.139.

¹⁰⁹ Press Statement, *AFAR*, Volume 44, March 1973, pp.200-1

¹¹⁰ Press Statement, 17 May 1973, *AFAR*, Volume 44, May 1973, p.357; and *AFAR*, Volume 45, January 1974, p.60. For detail on Operation *Gading*, see Chapter 2.

¹¹¹ Press Statement, 6 September 1973, *AFAR*, Volume 44, September 1973, pp.611-2.

exercise area.¹¹² In August 1973 18 Royal Military College cadets visited Indonesia's Armed Forces Academy for two weeks as part of a cultural and historical familiarization visit. The visit was repeated in August 1974 when the Australian cadets participated in classroom instruction and a minor field exercise.¹¹³ In reciprocation, in March 1975 18 cadets from the Indonesian Armed Forces Academy toured Australian defence installations as part of a two-week attachment to RMC Duntroon.¹¹⁴ As well, the first Australian officer completed the Indonesian naval staff college course in 1974.¹¹⁵

Australian defence scientists visited Indonesia in April 1974 to arrange assistance in the field of defence science research and development. The visit followed earlier discussions in 1973 about possible collaborative projects and visits to Australia by Indonesian scientists. The Australian group, led by the Chief Defence Scientist, visited Indonesian defence centres and held discussions with officials of the Indonesian Ministry of Defence on the form of on-the-job training in Australia, consultative visits by Australian specialists to Indonesia and the provision of laboratory equipment.¹¹⁶ Some progress was made and the first group of eight Indonesians commenced training on 6 May 1974 in the areas of aerodynamics and propellant technology, and the testing and trialling of material and food science developments. The period of training varied between three to six months, and similar training programs were undertaken in subsequent years. In 1975 the areas of training were expanded to include electronics data processing, personal field equipment, and anti-corrosion and anti-fouling measures for naval vessels.¹¹⁷

Barnard's 1974 Visit

In December 1974 Barnard visited Singapore, Malaysia and Indonesia for general discussions on defence matters, including future defence cooperation programs.¹¹⁸ The 1971-74 program with Singapore and Malaysia had formally expired although some monies

¹¹² Press Statement, 14 December 1973, *AFAR*, January 1974, p.52.

¹¹³ 'RMC Cadets Visit Indonesia', *AFAR*, Volume 45, August 1974, p.550.

¹¹⁴ 'Scuttlebutt', *Pacific Defence Reporter*, March 1975, p.31.

¹¹⁵ Information provided by the Strategy and Ministerial Services Division, Department of Defence, 9 November 2000.

¹¹⁶ Press Statement, 18 February 1973, *AFAR*, Volume 45, February 1974, p.119.

¹¹⁷ Press Statement by Minister for Defence, 6 May 1974, *AFAR*, May 1974, p.329.

¹¹⁸ The visit is further discussed at p.226.

were still to be spent on ongoing activities, and the program with Indonesia would terminate in June 1975. The current defence cooperation programs involved a mix of military equipment, ammunition, stores and training and were to be curtailed and replaced with projects involving a focus on the transfer of technology and access to Australian training assistance, hopefully without incurring a 'diminution in military self-reliance of South-East Asian states'.¹¹⁹ There were economic and political reasons for the shift, not all associated with the 1973 Strategic Basis or the draft 1975 assessment. The Budget was under pressure from inflation and poor balance of payments circumstances, and the proposed shift could save monies in the Defence vote. The expense of providing training, instructors, advice and technological assistance, in terms of time and costs of using service personnel, was not a capital expenditure and could more easily be absorbed as part of normal ongoing service expenditure. The Sabre project to Indonesia, for example, had been declared to cost some \$A6 million; this was far from accurate, since the book value of the jets was approximately \$A8 million, pre-handover repairs and modifications cost some \$A3 million, and an additional \$A6-7 million was expended to upgrade the airstrip at the Iswahyudi Air Base in Java. The total project cost was closer to \$A18 million, of which Air Force absorbed all but some \$A6 million which was financed from the defence cooperation program.¹²⁰ In addition, gaining acceptance within the Labor party for a continuation of defence cooperation on the basis of a transfer of skills and technology was more easily achieved, particularly if the nominal costs appeared to have been reduced.

None of the three countries appreciated the change in emphasis, and Indonesian military leaders argued for a continuation of their current program because of concerns that the maritime surveillance project would soon falter through an inadequate maintenance program; the maintenance program had earlier been identified as critical to 'maximize the value' of the equipment.¹²¹ Barnard accepted that the cost of equivalent assistance would not be approved in the current climate of stringent budgetary conditions in Indonesia because these purchases would use Indonesia's limited foreign exchange and divert

¹¹⁹ Michael Richardson, 'S.E.A.', *Pacific Defence Reporter*, February 1975, pp.24-5.

¹²⁰ Brian Toohey, 'Indo-China won't change our defence posture', *The Australian Financial Review*, 8 April 1975, pp.2-3.

¹²¹ Michael Richardson, 'S.E.A.', *Pacific Defence Reporter*, February 1975, p.25.

resources away from the essential programs of rice and fertilizer purchases.¹²² He directed the Department of Defence to implement the changes for Singapore and Malaysia and to review Indonesia's circumstances. He also agreed to new arrangements for Indonesian soldiers to exercise in Australia in late 1975.¹²³

GOVERNMENT TO GOVERNMENT CONTACT

Contact between the two governments also increased throughout 1973. Talks began on 22 January 1973 in Canberra on the land boundary between Papua New Guinea and Indonesia, and the territorial sea and seabed boundary with Indonesia immediately south of Papua New Guinea; the negotiations were a continuation of discussions held in Jakarta in October 1972 and were successfully concluded in November 1973.¹²⁴ As well, border discussions on the management of traditional tribal movements between Irian Jaya and Papua New Guinea continued in Jakarta in September 1973.¹²⁵ Malik visited Australia for the fourth time in November 1973, heading the foreign affairs officials' delegation for the second round of annual discussions. Discussions focused on the new regional groupings proposed by Australia and Indonesia, and the sea boundary area south of East Timor in the Arafura Sea, which was unresolved from the initial round of talks in Jakarta in 1972.¹²⁶ The third round was held in Jakarta on 29 October 1974, and items discussed included law of the sea issues in the Timor Sea (excluding Portuguese Timor), regional affairs, and Soviet naval activity in the Indian Ocean.¹²⁷

On 23 July 1973, the government responded to an Indonesian request by offering \$A9 million over a period of ten years to establish one of the largest project aid schemes ever

¹²² *Ibid.*

¹²³ During the visit to Jakarta, Barnard handed over the patrol boat, the 'Kri Siliman'. 'Diary of World Events', *AFAR*, Volume 45, December 1974, p.861. Because of the invasion of East Timor, no exercises were held in Australia.

¹²⁴ 'Australia/Indonesia Boundary Talks', *AFAR*, Volume 44, January 1973, p.43; 'Border Arrangements Agreement between Papua New Guinea and Indonesia', *AFAR*, Volume 44, November 1973, pp.796-800.

¹²⁵ Press Statement, 20 September 1973, *AFAR*, Volume 44, September 1973, p.621.

¹²⁶ The first round of discussions were held in Jakarta in August 1972 as a consequence of Suharto's visit to Australian in 1971 when Suharto and McMahon agreed to keep to 'frequent and frank' consultations. 'Australia-Indonesia Relations', *AFAR*, Volume 44, October 1973, p.730; 'Shorter Notes', *AFAR*, Volume 44, November 1973, p.802; Letter, Jakarta to Canberra, 29 May 1974, DEA file 3038/10/1 Part 6, CRS A1838, NAA.

¹²⁷ 'Australia-Indonesia Official Consultations', *AFAR*, Volume 45, October 1974, p.716.

undertaken with another country. The project was aimed at increasing the output of meat and eggs to meet the demand for animal protein in the Indonesian diet. The project involved the Commonwealth Scientific and Industrial Research Organization (CSIRO), in conjunction with the Indonesian Directorate-General of Animal Husbandry, in building and equipping a new laboratory complex near Bogor to conduct research into genetics, nutrition, and animal husbandry.¹²⁸ This was not the only major project undertaken in 1973; telecommunications work continued to expand the telephone system linking all the main centres of Sumatra with the major towns in Java. This project was completed in 1976 at an additional cost of \$A11.9 million as part of the new three-year \$A69 million assistance program, which succeeded the McMahon three-year program of \$A54 million.¹²⁹ The grant of \$A69 million to Indonesia, however, compared favorably within the total Australian aid program, which for all countries now equalled some \$A228 million, or 0.61 per cent of gross domestic product in 1972.¹³⁰ In contrast, by the end of 1973 private investment was averaging \$A25 million per year across Indonesia's manufacturing, processing and service industries with the majority of investment focused on infrastructure development.

At the October 1974 officials' meeting, Chinese influence in Portuguese Timor was also discussed. Recent Australian information indicated that some 10 000 Chinese were residents in Portuguese Timor with commercial and family linkages in Macao. Ongoing relationships could attract the political attention of the Chinese government, which was of increasing concern to the Indonesian government in its attempts to forestall external interference in the Portuguese colony. Australian intelligence assessments concluded that a sizable proportion supported Taiwan, which could generate future unrest through the

¹²⁸ Press Statement, 23 July 1973, *AFAR*, Volume 44, July 1973, p.495.

¹²⁹ McMahon's three-year program terminated in August 1973. 'Aid to Indonesia', *AFAR*, Volume 44, November 1973, p.820.

¹³⁰ On 24 May 1973, Whitlam announced the government's intention to 'expand present aid programs in Asia, the Pacific and Africa' towards an 'official aid target of 0.7 per cent' by the end of the decade. This was in keeping with the aims of the International Strategy for the Second Development Decade, adopted by the United Nations General Assembly in October 1970. Ministerial Statement, *CPD*, House of Representatives, Volume 84, 24 May 1973, p.2650. The Development Assistance Agency was established on 1 December 1973 to administer all multilateral and bilateral aid programs. Defence cooperation programs, however, remained the responsibility of the Department of Defence. 'Australia-Indonesia Relations', *AFAR*, Volume 44, October 1973, p.730.

political tensions between China and Taiwan; however, Australian information collection had not established Chinese ‘mischief’ in Portuguese Timor; and Indonesian officials, when questioned, were unable or not prepared to provide any information on Chinese unrest in the colony.¹³¹

There was little difference in intent between the McMahon and Whitlam governments’ approach to security cooperation with Indonesia. Bilateral aid increased at a healthy level; defence programs targetted improvements in individual training standards and officer education and training, and provided a modicum of offensive capability through the ongoing maintenance of the Sabre jets for air defence training and the air and naval craft for maritime patrolling and policing of the Indonesian archipelago. Whereas the McMahon government responded with changes to the nature of defence cooperation at the urging the United States, the Whitlam government continued to expand programs with Indonesia, Malaysia and Singapore to satisfy its objective to withdraw Australian forces from Malaysia and Singapore.

AUSTRALIAN WITHDRAWAL FROM SOUTH EAST ASIA

By May 1973 the government had orchestrated the best political and military circumstances in which to announce the withdrawal of Australian military forces from South East Asia. Labor policy had always linked the removal of forward deployments with increased defence cooperation; if Malaysia, Singapore and Indonesia were militarily competent, then the withdrawal of Australian troops was politically more palatable. Whitlam had promised continuing defence assistance on the following basis:

Australia believes that the tactics of containment, forward defence and ideological confrontation are not only no longer relevant but counter-productive ... Our program of defence co-operation with Indonesia is very much in accord with the Australian Labor Government’s philosophy and will serve as a model for future arrangements of this kind. Its guiding aim is to promote self-reliance and the capability to resist external threats. It does not favour the permanent stationing of Australian military forces abroad, but looks to the development of relations in the defence field through co-operation in technical aid, training assistance, joint exercises and continuing consultation. The Government will

¹³¹ Record of Discussions – Australia-Indonesia Officials’ Meeting, 29 October 1974, DFA file 801/13/11/1 Part 2, CRS A10463, NAA.

seek co-operation of this kind with our regional neighbours on an informal basis without the need for fixed or formal military pacts. It is on this basis that Australia and Indonesia have together worked out a program of defence co-operation which will continue to be further developed.¹³²

The Labor party had entered the 1972 election campaign on the platform of eventual withdrawal of Australian forces from Singapore and Malaysia.¹³³ On 4 July 1973, Barnard formally announced that some 1250 personnel were to be withdrawn by the end of February 1974, leaving some 600 personnel in Singapore to be withdrawn by April 1975; and 150 personnel would remain in Singapore to implement the government's technical assistance and defence aid projects - a euphemism for signals interception activities. At this stage Cabinet had made no decision on the timing of the withdrawal of the Mirage squadrons from Butterworth.¹³⁴ The announcement did not generate wide attention, media coverage was subdued, and only two of the major newspapers detailed the announcement. It was as if the announcement was old news. The Opposition declared 'the decision ignored the attitudes of Australia's allies' and attempted to arouse the temper of the community through highlighting the spectre of 'the attitude of the Left-wing of the Labor party, which seeks to weaken Australia's defence capability by advocating isolationism'. The Opposition's criticism dissolved in a day, switching in focus to the domestic issues under discussion at the Labor Conference in Surfer's Paradise.¹³⁵ This was perhaps understandable; the decision of the Coalition government in 1969 to maintain forces in Malaysia and Singapore was not supported by a sizeable number of Coalition members, and as the momentum for change increased in response to events in Vietnam, the Nixon Doctrine and McMahon's 1970 decision to withdraw forces from Vietnam, the number of Coalition parliamentarians

¹³² Ministerial Statement, CPD, House of Representatives, Volume 84, 24 May 1973, pp.2646-7.

¹³³ For example, the 1969 Conference confirmed that 'no plans for the stationing of Australian armed forces in other countries are now feasible or acceptable'. See Conference resolutions on defence policy in *Report of the 27th Commonwealth Conference July 1967 and July 1969*, pp.214-7, quoted in Beazley, 'Post-Evatt Australian Labor Party attitudes to the United States Alliance', p.370.

¹³⁴ Press Statement, 4 July 1973, *AFAR*, Volume 44, July 1973, p.487.

¹³⁵ Paul Webster, 'Diggers to quit Asia by 1975, says Barnard', *The Australian*, 5 July 1973, p.2; John Jost, 'Singapore diggers out by '75', *The Age*, 5 July 1973, p.1. There was no coverage in other daily papers or in subsequent issues of *The Bulletin*. Detail of the Opposition's response only appeared in John Jost, 'Opposition hits troop pullout', *The Age*, 6 July 1973, p.10.

supporting the maintenance of forces in South East Asia diminished. To be sure, there were still some in the Liberal party who strongly objected to the withdrawal.¹³⁶

Part of the withdrawal included the closure of the Kranji signals intelligence facility, located north west of the port of Singapore, and its eventual move to a new facility at Shoal Bay, near Darwin. The monitoring facility in Singapore became public knowledge in March 1973 through comments by Whitlam during a background press briefing.¹³⁷ The comments caused some embarrassment, although when questioned on the facility, Malik diplomatically responded that Indonesia was 'not troubled by the presence of an Australian intelligence unit' in Singapore.¹³⁸ The Australian Defence Signals Division, as it was then known, had assumed signals interception responsibilities when the United Kingdom withdrew from the monitoring facility in 1971.¹³⁹ The Kranji facility was expanded to accommodate a 'comprehensive coverage across Indonesia, Malaysia, Thailand and China'; however, the new facility at Shoal Bay featured the latest monitoring equipment, which was installed to satisfy its primary task to monitor Indonesian communications across the archipelago, including in East Timor, which satisfied one of the recommendations of the 1973 Strategic Basis to develop more independent intelligence systems. In late 1979 the Shoal Bay facility was upgraded with new equipment to monitor telecommunications traffic from the Indonesian *Palapa* communications satellites.¹⁴⁰ Signals intelligence activities

¹³⁶ Fraser was aware of the increasing number of 'voices in the Liberal party ... advocating the withdrawal of all Australian forces', a policy which he labeled 'a policy of despair'. Malcolm Fraser's Alfred Deakin Lecture, 'Towards 2000: Challenge to Australia', cited in Philip Ayres, *Malcolm Fraser – A Biography*, William Heinemann, Richmond, 1987, p.195.

¹³⁷ 'The censure motion', *The Australian*, 2 March 1973, p.4.

¹³⁸ Brian Johns, 'Aust welcomed in SE-Asian defence', *The Sydney Morning Herald*, 22 February 1973, p.1

¹³⁹ In 1949 the British signals intelligence facilities were re-organized into the Commonwealth Signals Intelligence Organization (CSO), and Australian personnel joined the organization in 1950. After the British withdrawal in 1971, the Australian Defence Signals Division established a much larger facility at Kranji. 'SIGINT Presence in Singapore and New Station in Darwin', Director DSD to Secretary, Department of Defence, 23 February 1973, cited in Desmond Ball, *Signals Intelligence in the Post-Cold War Era – Developments in the Asia-Pacific Region*, Institute of Southeast Asian Studies, Stamford Press, Singapore, 1993, p.57; Albinski, *Australian External Policy under Labor*, p.9. The Australian Defence Signals Division was renamed Defence Signals Directorate (DSD) as a result of Justice Hope's first Royal Commission into Intelligence and Security, and Cabinet approved the new organization on 13 July 1978.

¹⁴⁰ Jeffrey T. Richelson and Desmond Ball, *The Ties That Bind: Intelligence Cooperation between the UK USA Countries – the United Kingdom, the United States of America, Canada, Australia and New Zealand*, Boston, Unwin Hyman, 1990, pp.40, 192, 209; 'Whitlam accused of Weakening Secrecy', *The Australian*, 14 February 1973, p.1; Editorial, 'Defence is now a dead horse', *The Australian*, 2 March 1973, p.8.

was another indication of the systemic ambivalence in Australia's defence planning towards Indonesia.

PRIME MINISTER'S VISIT TO INDONESIA 1974

At the invitation of Suharto, Whitlam made a visit to Indonesia in September 1974. The informality of the visit attempted to bring a less official style to discussions between Whitlam and Suharto and reflected a gesture from Suharto that had only been extended to the Malaysian and Thai Prime Ministers.¹⁴¹ Press speculation on the discussion issues centred on the arrest of some 42 Indonesians during the Malari riots in January 1974, political prisoners still incarcerated from the 1965 attempted coup, anti-union activity and general discussion on new initiatives to strengthen the relationship. It was also anticipated that the recent outbreak of Indonesian fisherman illegally poaching in Australian waters would be raised.

No Australian press representatives travelled with the Prime Minister's party, which restricted the consequent media comment on the visit. Nonetheless, East Timor was confirmed to have been discussed through a post-visit background briefing to selected journalists by officials of the Department of Foreign Affairs. The briefing was conducted in order to inform the public on the difficulties facing decolonization in East Timor.¹⁴²

Whitlam was presumed to have indicated to Suharto:

that Australia thinks an independent Timor would be an unviable state and a potential threat to stability of the area. But he is also thought to have made clear that the people of the colony should have the ultimate decision on their future.¹⁴³

At the time, the statement seemed unremarkable; and, unlike Whitlam's 1973 visit, the 1974 informal visit appeared uncontroversial.¹⁴⁴

¹⁴¹ The visit occurred over 5-8 September 1974. After Indonesia, Whitlam visited Malaysia.

¹⁴² Nancy Viviani, 'Australians and the Timor Issue', *Australian Outlook*, Volume 30, Number 2, August 1976, p.199. Viviani's analysis is important; she was working in Senator Willesse's office at the time.

¹⁴³ The statement has attracted attention for its perceived accuracy on what was said at the briefing. See Viviani's analysis, *ibid*.

¹⁴⁴ Before the visit, see Peter Hastings, 'Indonesian Realities', *The Sydney Morning Herald*, 5 September 1974, p.7. After the visit, see 'Whitlam raises poaching issue', *The Sydney Morning Herald*, 9 September

During the only significant after-visit interview with *The Age*, Whitlam confirmed the slight change in Australia's foreign policy since the whirlwind of activity of the first six months of the first Whitlam government. What had changed was not the degree of interest but the basis for future regional relationships; regional circumstances were changing through the ending of treaty and cooperative organizations and the redeployments of Australian military forces from South East Asia. Whitlam saw the need for new emphases, 'not so much on military arrangements, but on what I would regard as more enduring aspects of our relations, such as the network of personal contacts and trade and cultural arrangements'.¹⁴⁵ Whitlam declared that 'it is imperative that Australia and Indonesia should come to understand each other better and establish a basis for a lasting and co-operative relationship'.¹⁴⁶ For Whitlam, Indonesia's influence was gathering strength through ASEAN, and ASEAN activities underpinned regional stability. The Whitlam government now responded to ASEAN as an entity in itself, through financial and technical assistance, while continuing extant bilateral assistance programs with its members, ever poised to respond to other initiatives, which might come from its members.¹⁴⁷ Whitlam reminded Suharto that Australia would assist ASEAN where it could with any new endeavour. With the slow demise of ASPAC which Whitlam now frequently described as 'a set of dead letters', the de-emphasising of the military content of SEATO, and in Whitlam's words the 'limited life' of the FPDA, the future lay with Australia's relationship with Indonesia and ASEAN. A healthy relationship with Indonesia could only exist when Australia's relationship with ASEAN was equally healthy. ASEAN became a policy target, and the suggestion to develop political ties with the ASEAN Secretariat through the accreditation of an ambassador was the next initiative under examination. An accredited representative to

1974, p.2; 'Talks with Soeharto "very useful"', *The Sydney Morning Herald*, 10 September 1974, p.6; and Editorial, 'She'd be right', *The Sydney Morning Herald*, 11 September 1974, p.6.

¹⁴⁵ Interview Gough Whitlam and Michael Richardson of *The Age*, reproduced in *AFAR*, Volume 45, September 1974, p.590.

¹⁴⁶ *Ibid.*, p.591.

¹⁴⁷ In 1973 the ASEAN Secretariat invited Australia to discuss economic cooperation between ASEAN and Australia. Two further meetings were held in January and April 1974, and agreement was reached on the principles to determine economic assistance: projects should not be at the expense of ongoing assistance to any other individual member; assistance should be carried out in the ASEAN area; assistance should supplement ASEAN capability; and, assistance should benefit all member countries. The Australian government pledged \$A5 million to start economic cooperation. The meetings confirmed the framework for future ASEAN-Australian dialogue. 'ASEAN and the South-East Asian region', in *AFAR*, Volume 45, December 1974, pp.827-30.

the European Economic Community and to the Organization for Economic Co-operation and Development (OECD) had generated political and economic benefits that might be duplicated through an accredited representative to ASEAN, and accreditation offered possibilities for more substantial participation in ASEAN internal activities through the back door.¹⁴⁸

From a military perspective, there was little more that Australia could regionally contribute. By September 1974 through the initiatives of the Gorton, McMahon and Whitlam governments, Australia had established an active defence cooperation program with Indonesia, provided military assistance to Singapore and Malaysia and undertook limited air defence training with the two countries under FPDA. Under SEATO, Australia participated in military planning with Thailand and the Philippines. Economic assistance had been provided individually to varying degrees to the members of ASEAN, as well as to ASEAN. What now remained was the possibility of joint military exercises with a combined ASEAN force, and Whitlam acknowledged that this was unlikely in the foreseeable future while ASEAN member states were not threatened by a common enemy.¹⁴⁹

EAST TIMOR

Over time, the significance of the discussion on East Timor between the two leaders gradually became more apparent through rumour, articles written by former ministerial staff, and much later, through the early release of selected official documentation in September 2000.¹⁵⁰ Throughout 1974 Australian and Indonesian policy on East Timor gathered an unhealthy urgency due to the political events in Portugal, the inability of successive Portuguese governments to undertake timely planning for the decolonisation of

¹⁴⁸ Interview Gough Whitlam and Michael Richardson of *The Age*, reproduced in *AFAR*, Volume 45, September 1974, p.590.

¹⁴⁹ *Ibid.*, p.591.

¹⁵⁰ Selected documents were published in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy. Australia and Indonesian Incorporation of Portuguese Timor 1974-1976*, Melbourne University Press, Melbourne, 2000. These documents were part of the release of departmental files; unfortunately, not all documents in the files were cleared. Intelligence assessments, information collection plans, signals intelligence, Cabinet submissions and decisions, and a number of important briefs to ministers

Portuguese Timor, and the internal political developments in the Portuguese colony.¹⁵¹ The overthrow of the Caetano regime on 25 April 1974 by the left leaning Armed Forces Movement led to General Spínola assuming the presidency on 15 May and the appointment of the first provisional government on 16 May, which was followed by a new prime minister and a second provisional government on 17 July 1974. The attitude of the Spínola government towards independence for Portuguese colonies was regarded as 'one of progressive self-determination within the Portuguese federation'; however the existence of more radical political groups in Portugal resulted in pressure for faster liberalization, 'particularly towards the African colonies', and a 'flow-on' to Portuguese Timor was anticipated.¹⁵²

The coup in Portugal had undermined colonial governance in Timor, and authorities conceded freedom of political activity. During May 1974 three political parties were formed: the Timorese Democratic Union (UDT), which preferred 'to preserve Timor's association with Portugal in the name of progressive self-determination'; the Timorese Democratic People's Association (APODETI) which supported integration with Indonesia; and the Timorese Social Democratic Association (ASDT) which favoured independence.¹⁵³ The ASDT leaders initially saw independence in terms of a gradual process of preparation, perhaps 'lasting from five to 50 years'; however, one of its leaders, Ramos Horta, 'advocated independence within a year', an objective based on his belief that he had secured an undertaking from Malik in June 1974 of Indonesian non-interference in the

remain classified. In particular, documents pertaining to the period of the Fraser government's involvement with East Timor are poorly represented in the September 2000 release.

¹⁵¹ BAKIN completed its first major assessment on East Timor on the change in government in Portugal by 20 May 1974, and Australian embassy officials were then briefed on the outcome, which recommended the eventual incorporation of Portuguese Timor into Indonesia. Cablegram 2479, Jakarta to Canberra, 22 May 1974, DEA file 49/2/1/1 Part 2, CRS A1838, NAA.

¹⁵² The events in Portugal are only covered in sufficient detail to illustrate their influence on Australian security policy deliberations. For further detail, see Attachments 1 and 2 to *Report of the Second Meeting of the Ad Hoc Task Force on Portugal*, 17 May 1974, in DFA file 3038/10/1 Part 6, CRS A1838, NAA.

¹⁵³ The political parties were no more than skeleton organizations. Ramos Horta of ASDT was considered the most skilled of the emerging politicians and confident of winning over APODETI. Savingram, Canberra to Selected Posts, 3 July 1974, 'Portuguese Timor – Political Situation and Prospects', DFA file 801/13/11/1 Part 2, CRS A10463, NAA.

political developments in East Timor.¹⁵⁴ Malik's undertaking was not universally accepted in the ruling elite and was overturned, which only highlighted the policy differences on Portuguese Timor within the Indonesian defence and security community.¹⁵⁵

Whitlam and the Labor party were publicly committed to the principle of self-determination in the Portuguese colonial territories in Africa, and the government's response to the coup in Lisbon did not mention Portuguese Timor, which suited Department of Foreign Affairs officials who preferred to await Portugal's actions for the colony. Indonesian officials were concerned at the prospect of destabilization through an accelerated decolonisation process, which could lead to a left-wing political regime in an independent Timor. A plan for covert political operations had been prepared for Suharto in July 1974, detailing activities 'to ensure that the territory would opt for incorporation into Indonesia', and Australian embassy officials were briefed on the plan. The Australian ambassador, Robert Furlonger, had also reported an Indonesian request for assistance to help 'condition' international opinion for incorporation.¹⁵⁶ The request exposed Indonesian expectations of Australia diplomatic cooperation that indicated 'a serious misreading of the character of Australia's approach to foreign policy'.¹⁵⁷

The briefing of the covert plan offered the first significant occasion to press an Australian opinion in support, or in condemnation, of the plan; indeed, the absence of an Australian response could even be perceived by the Indonesians as unstated moral support. The seriousness of the situation seemed not to have registered with either ministers or officials. To be sure, Australian officials were aware that Suharto had not yet agreed to covert military actions and was prepared to wait while the intentions of the Portuguese government became clearer. In the absence of those intentions, the success of covert political activities could at some stage require military support to guarantee that

¹⁵⁴ *Ibid.*; Submission to Minister for Foreign Affairs, 'Portuguese Timor: Visit to Australia of Ramos Horta', 16 July 1974, DFA file 3038/10/1 Part 7, CRS A1838, NAA; Peter Hastings, 'The Timor Problem-I', *Australian Outlook*, Volume 28, Number 1, April 1975, p.28.

¹⁵⁵ Brief for Prime Minister, 2 September 1974, DFA file 801/13/11/1 Part 3, CRS A10463, NAA.

¹⁵⁶ Robert Furlonger was Australia's Ambassador to Jakarta from 11 March 1972 to 18 December 1974.

¹⁵⁷ Document 16, Letter Feakes to Furlonger, 'Portuguese Timor', 26 July 1974 and Document 17, Letter, Furlonger to Feakes, 30 July 1974, in Department of Foreign Affairs and Trade, *Documents on Australian*

independence movements did not interfere with incorporation; therefore it was a small step from covert propaganda activities to military supportive actions. Inferences, however, can be drawn that Senator Willesee knew of the clandestine plans; yet, on 14 August his department declared that 'the subject had not been referred to the Minister or to Cabinet'.¹⁵⁸ No formal government response was communicated to the Indonesian government until Whitlam's September visit, a period of some two months in which a timely declaration from the highest levels of the government against covert operations could have dampened Indonesian intent and altered the procession of events that eventually unfolded.

The Department of Foreign Affairs presumed that the Labor government would continue to exercise its oft-repeated public position on self-determination for all colonies, but tactfully couched in terms to avoid 'any possibility of differences' with Indonesia. The department concluded that 'there seems no cause for immediate concern ... the situation is orderly and is developing in a favourable direction'.¹⁵⁹ In hindsight, it is difficult to agree with the department's approach; some significant and ominous signs did exist. It was known that BAKIN had produced a discussion paper on the role of 'priests, China, and Portuguese Communists' in the colony to determine 'whether Horta had any chance of welding together a more nationalist movement', or whether a foreign power could exploit the circumstances.¹⁶⁰ Policy-makers were aware that unstable circumstances in East Timor were unacceptable to the Indonesian government. The history of the New Order government's political activities demonstrated a determination to counter communist interference and deny opportunities to any foreign power in the archipelagic area. This national determination had underpinned the extended anti-communist purges against the PKI and its sympathizers in the post-coup period, and was also consistent with the creation of ASEAN, which was established in part to counter an external power filling 'any so-

Foreign Policy, pp.70-4. Feakes held the position of First Assistant Secretary in the Department of Foreign Affairs. Furlonger was Ambassador to Jakarta from 11 March 1972 to 18 December 1974.

¹⁵⁸ JIO assessments would have contained comment on the covert plans and were normally distributed to ministerial offices. See Woolcott's penscript on Savingram 26, to selected posts, 3 July 1974, DFA file 801/13/11/1 Part 2, CRS A10463, NAA; and Minute, Arriens to Furlonger, 14 August 1974, in DFA file 801/13/11/1 Part 2, CRS A10463, NAA.

¹⁵⁹ Memorandum, Canberra to Jakarta, 5 July 1974, DFA file 801/13/11/1 Part 2, CRS A10463, NAA.

¹⁶⁰ See Note 2 to Document 14, in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, p.68.

called power vacuum created by the retreat of colonialism'.¹⁶¹ Therefore, the department's assessment that 'there seems no cause for immediate concern' seems hard to justify.

Whitlam's September visit was the next critical moment to influence Indonesian intent. Through discussions with intermediaries, the Department of Foreign Affairs knew that Suharto expected 'to receive an authoritative statement [from Whitlam] of Australia's attitude towards Portuguese Timor'.¹⁶² Up to the time of the visit, the Australian position had not changed from the government's commitment 'to the principle of self-determination in Portuguese colonial territories'; indeed, the government had not made any specific declaration on Portuguese Timor.¹⁶³ It was also known that Suharto would only discuss Portuguese Timor if he could be assured that Australia's response 'would be favourable'; he did not want to 'sour the atmosphere of the meeting by getting a rebuff' from Whitlam.¹⁶⁴ The Indonesian government still wanted legitimate access to Portuguese Timor for political and cultural indoctrination, which it could achieve on behalf of and through APODETI to generate support for incorporation. This message was communicated to Australian officials before Whitlam's visit.¹⁶⁵

Whitlam's Briefing Papers

The major briefing papers for the visit summarized the current situation prior to the visit. Portugal had not yet announced substantive plans for East Timor, although the Portuguese government believed only three options were suitable: a continuing association with Portugal, association with Indonesia, or independence. Suharto favoured the absorption of

¹⁶¹ Press interview with Malik, in *The Far Eastern Economic Review*, 25 September 1971, p.3.

¹⁶² Brief for Prime Minister, 2 September 1974, DFA file 801/13/11/1 Part 3, CRS A10463, NAA. Harry Tjan, for example, unofficially visited Canberra in August 1974 to seek out Whitlam's position on East Timor before the meeting with Suharto in September. The role of Harry Tjan Silalahi, of the Centre of Strategic and International Studies in Jakarta, still remains in the shadows. He appears to have been a member of OPUS (Special Operations), a presidential agency. His involvement in the preparation and submission of the covert plans on East Timor to Suharto and the subsequent briefing of Australian embassy officials on the contents of the plans are well documented. During his visit to Australia, departmental officials concluded that they had persuaded him of the folly of Indonesian special operations in East Timor. Record of Meeting, 21 August 1074, DFA file 49/2/1/1 Part 3, CRS A1838, NAA.

¹⁶³ Document 16, Letter, Feakes to Furlonger, 26 July 1974, in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, pp.70-2.

¹⁶⁴ Internal Embassy Minute to Ambassador, 14 August 1974, DEA file 801/13/11/1 Part 2, CRS A10463, NAA.

¹⁶⁵ Record of Meeting, 21 August 1074, DFA file 49/2/1/1 Part 3, CRS A1838, NAA.

East Timor, 'subject to the condition that integration should not prejudice regional harmony', and he had instructed the 'Governor of Indonesian Timor to find a solution along those lines'. Covert political operations had commenced with 'agents to carry out the operation already in place in Indonesian Timor'. Senior Indonesian officials remained concerned that, through inactivity of the Portuguese government, and partly through misapprehension over Australia's attitude, the situation was becoming more serious and military action could not be ruled out.¹⁶⁶ Whitlam was briefed that Indonesia was concerned:

that an independent Portuguese Timor would be poor and weak, and that it would be prey to foreign influence hostile to Indonesia which would seek to use Portuguese Timor as a channel to threaten Indonesia's security and national unity ... We believe that President Soeharto is likely to emphasise this strategic interest in his discussion with you and that he might invite you to agree that the inclusion of Portuguese Timor in Indonesia would be in the strategic interests of Australia and the region generally, as well as Indonesia itself.¹⁶⁷

Issues of culture, race and geographic completeness were of little significance; Suharto's chief concern was with stability in Indonesia's border regions, and incorporation was preferred to counter instability. In contrast, the departmental recommendation to Whitlam was based on self-determination for the East Timorese in accordance with Labor party policy and the maintenance of good relations with Indonesia:

Underlying Australia's attitude, is the wish that Portuguese Timor should not become an obstacle to good relations between Australia and Indonesia ... [The government] would be worried if Australian public opinion became agitated about developments in Portuguese Timor or if they gave PNG grounds for concern. Differences may develop from time-to-time between Australia and Indonesia about Portuguese Timor because the interests of the two countries are not identical.¹⁶⁸

The Discussions

Whitlam met Suharto at the State Guesthouse in Jogjakarta for the first discussion session on 6 September 1974. He introduced the subject of Portuguese Timor with a general but

¹⁶⁶ 'Events such as the visit to Portuguese Timor by Australian officials in June, the subsequent visit to Australia by Ramos Horta ... and widespread rumours that Australian intends to re-establish a consulate in Dili led the Indonesians to conclude that we were embarking on a forward policy in Portuguese Timor'. Brief for Prime Minister, 2 September 1974, DFA file 801/13/11/1 Part 3, CRS A10463, NAA

¹⁶⁷ *Ibid.*; and Cablegram JA4494, Furlonger to Prime Minister, 2 September 1974, DFA file 828/4/1 Part 2, CRS A10463, NAA.

¹⁶⁸ Brief for Prime Minister, 2 September 1974, DFA file 801/13/11/1 Part 3, CRS A10463, NAA.

tactful warning; he declared that initiatives taken in the first months of the first Whitlam government had been accepted by the government and the Australian community, and he anticipated that ‘in the course of events’ his personal views on Portuguese Timor would also become ‘the attitude of the Australian government’. He believed that Portuguese Timor should become part of Indonesia, and ‘this should happen in accordance with the properly expressed wishes of the people of Portuguese Timor’. The two elements of Whitlam’s pronouncement had extended the analysis in his briefing papers.¹⁶⁹ He added that ‘for the domestic audience in Australia, incorporation into Indonesia should appear to be a natural process arising from the wishes of the people’. He recalled ‘adverse public reaction’ towards Indonesia over the act of free choice in Irian Jaya in 1969, and stressed that ‘Indonesia should be aware of the effects on public opinion in Australia of incorporation of the province into Indonesia against the wishes of the people’.¹⁷⁰ Suharto appeared to accept Whitlam’s concerns and confirmed to Whitlam that:

Indonesia was committed to the principle that the people of Portuguese Timor had a right to self-determination but, if it proved that they wished to be independent, this would certainly give rise to problems. If the process of self-determination led to approval of incorporation into Indonesia, this would also give rise to problems. Portuguese Timor could not be incorporated, as an autonomous region, or *daerah*, like the special district of Yogyakarta.¹⁷¹

Both leaders agreed on the importance of self-determination as part of the decolonisation process. There was no discussion on the process for an open and acceptable process of self-determination; the consequences of majority support for independence were equally ignored; and there was no recorded discussion on the tension between Whitlam’s preference

¹⁶⁹ Paul Monk suggests that the two elements were more than objectives, perhaps ‘desiderata’. In the initial phase up to the Townsville meeting this may have been so. At the Townsville meeting, Whitlam attempted to distance Australia from the intimate discussions between Portugal, Indonesia and the peoples of Portuguese Timor, an action which suggests an Australian position less focused on requirements. The two elements, and the inherent tension between them, provide a rich area for debate. See James Cotton, ‘“Part of the Indonesian World”: Lessons in East Timor Policy 1974-76’, *Australian Journal of International Affairs*, Volume 55, Number 1, January 2001, pp.119-31 on Department of Foreign Affairs, *Documents on Australian Foreign Policy*; Paul Monk, ‘On secret intelligence and realpolitik’, *The Australian Financial Review*, 29 December 2000-1 January 2001, pp.4-5. For a contrary opinion, see Greg Sheridan’s book review of Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, ‘No Dili Dallying’, *The Australian Review of Books*, December 2000, pp.20-1; and Richard Woolcott, ‘Indonesia-Australia Relations: High moral ground, high cost’, *The Canberra Times*, 6 January 2001, p.C1.

¹⁷⁰ Record of Meeting, President Soeharto and the Prime Minister, 6 September 1974, DFA file 801/13/11/1 Part 3, CRS A10463, NAA.

¹⁷¹ *Ibid.*

for self-determination and incorporation. Independence seemed problematic, and self-determination lost its moral lustre through Whitlam's aside to Woolcott that he was:

in favour of incorporation but obeisance has to be made to self-determination. I want it incorporated but I do not want this done in a way that will create argument in Australia which would make people more critical of Indonesia.¹⁷²

At the second discussion session, Whitlam prophetically laboured the importance of Australian domestic opinion and the impact of a less than satisfactory process of self-determination for the people of Portuguese Timor, adding that 'if the public in Australia did not like developments in Indonesia they tended to lay the blame on the Australian Government'. Suharto's reaction was not recorded.¹⁷³

Whitlam's suggestion of self-determination and incorporation rested on his firm belief that the creation and survival of a small nation state in the region manufactured economic and political difficulties.¹⁷⁴ He was also mindful that the relationship with Indonesia had a domestic political resonance that was sensitive to the perceptions of threat; he believed that Australians should not be given reasons to embody Indonesia as the new 'Asian threat' in the manner that China had been represented in previous years.¹⁷⁵ In private, he argued that perceptions of a hostile Indonesia would hinder Labor's chances in elections since national planing to counter a hostile Indonesia would involve major increases in defence expenditure, which would limit Labor's capacity to finance social and national development policies; and the increases in the ADF's personnel strength to counter the larger Indonesian armed forces could only be achieved through some form of conscription. Conscription had plagued previous Australian governments; and conscription had also generated internal problems of unity and purpose in the Labor party. It was Whitlam's conviction that Labor could more easily secure victories at federal elections when relations with Indonesia were good.¹⁷⁶

¹⁷² Minute, Woolcott to Secretary DFAT, 24 September 1974, as Document 37, in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, p.111.

¹⁷³ Record of Second Meeting, President Soeharto and the Prime Minister, 6 September 1974, DFA file 801/13/1/1 Part 3, CRS A10463, NAA.

¹⁷⁴ 'Timor invasion plan "condoned by Whitlam"', *The Canberra Times*, 19 March 1976, p.1.

¹⁷⁵ Viviani, 'Australians and the East Timor Issue', p.84-5. See also Goldsworthy, *Facing North*, p.360.

Portuguese Timor was not the only issue raised during the discussion sessions. Suharto accepted the nomination of Richard Woolcott as Australia's next ambassador to Jakarta; Whitlam raised the issue of detainees from the period of the attempted coup in 1965 and from the rioting in January 1974 with little success; and the future of the Whitlam government was discussed. Whitlam indicated that a hostile Senate could refuse to vote supply in November and force a general election; and, if Labor lost the election, he anticipated that Andrew Peacock would become the new Foreign Minister and continue similar policies towards Indonesia.¹⁷⁷ Agreement was also reached on an 'in-principle' continuation of the defence cooperation and bilateral aid programs; for Suharto, the size of the program did not matter; his concerns were with Australia's continuing presence in the region, which he encouraged through the unexpected admission of support for Australian ownership of Christmas and Cocos Islands.¹⁷⁸

POLICY-MAKING AND EAST TIMOR

Differences in opinion on Portuguese Timor existed in the bureaucracy. The Department of Defence had not finalized a position on the defence aspects of decolonisation of Portuguese Timor, and internal debate through draft discussion papers indicated ambivalence in supporting Timorese independence. 'If Indonesia acquires Portuguese Timor by politically unacceptable processes', the relationship would suffer through disruption to defence cooperation; and 'if Indonesia is inhibited from acquiring the territory by adverse political attitudes', the defence relationship would also likely to suffer. In both cases, the territory would continue to be a source of regional insecurity, 'taxing both political and defence policy in relations with Indonesia'. The department was not yet ready to offer a recommended position.¹⁷⁹

¹⁷⁶ Interview Kim Beazley, 21 March 2002. For detail on Labor and conscription, see J.M. Main, *Conscription: the Australian Debate 1901-1970*, Cassell, Melbourne, 1970.

¹⁷⁷ Record of Second Meeting, President Soeharto and the Prime Minister, 6 September 1974, DFA file 801/13/1/1 Part 3, CRS A10463, NAA.

¹⁷⁸ Quoted from Record of Conversation with Tjan, 30 January 1975, DFA file 801/13/11/1 Part 6, CRS A10463, NAA. From time to time, Australian ownership of the Cocos Islands was raised; elements of the Indonesian ruling elite found Australian ownership geographically unnatural. Interview Brigadier K.B.J. Mellor, 22-23 May 2000.

The immediate departmental problem was Barnard's programmed South East Asian visit in December during which he intended to recommend changes to defence cooperation activities with Malaysia, Singapore and Indonesia.¹⁸⁰ In the climate that Portuguese Timor brought to Australia's relations with Indonesia, sensitivities were present in proposing changes without creating unnecessary perceptions that Australia intended to use a revision of defence cooperation as a brake on Indonesian actions in Portuguese Timor.¹⁸¹ While the timing of Barnard's visit was unhelpful, the decision to continue the ongoing maritime surveillance project without amendment could only have reflected some of the government's angst over its Timor policy. The second problem was the incomplete defence assessment that the Department of Foreign Affairs had requested in June 1974. The assessment had been delayed through the requirements for analyses to take into account both objectives of the government's commitment to self-determination in the first instance and a stated preference for incorporation into Indonesia. What interests Australia had with Portuguese Timor - commercial, resource exploration and exploitation, or security concerns associated with air and shipping routes - were best served through incorporation. Equally, to decide the future of Portuguese Timor without reference to the wishes of its people would only invite future international trouble and probable adverse Australian domestic opinion.¹⁸²

In the battle to influence policy outcomes, the major defence arguments for and against independence were leaked to the press in more colourful terms linking the moral significance of Timorese support for Australian soldiers in World War Two, Australian support for self-determination, and the future cohesion of Indonesia.¹⁸³ Barnard wrote to Willesee as 'a matter of urgency', suggesting that Australia should attempt to persuade Indonesia that an independent East Timor could be acceptable. If this was not done that the government, by association, could be criticised both internationally and domestically.

¹⁷⁹ Document 63, Draft Brief for Barnard, in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, p.139.

¹⁸⁰ Barnard's visit was previously discussed at pp.208-10.

¹⁸¹ For example, Document 63, Draft Brief for Barnard, in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, pp.139-41.

¹⁸² Draft Ministerial Submission to the Minister for Defence, undated (sometime in December 1974), DFA file 695/5 Part 3, CRS A1838; Submission to the Minister for Foreign Affairs, 6 December 1974, DFA file 801/13/11/1 Part 4, CRS A10463, NAA.

Australian support for any 'immoderate' military activity had the potential to undermine not just the defence relationship but also the 1973 Strategic Basis and the logic of the defence budget.

There would be those very ready to declare that the strategic assessment and defence policy that we have put to the nation, of relative stability in our immediate strategic environment and a relative reduction in the resources allocated to our defence effort, were discredited ... A particular area of policy that would come under attack from all the critics would be our Indonesian program of defence aid and co-operation. This is the only tangible activity supporting our relationship ... if we reduced it, the overall relationship would be damaged and reduced.¹⁸⁴

Willesee, however, had already written to Whitlam in December 1974 and January 1975 suggesting an incompatibility between Whitlam's two policy elements. He assessed from recent discussions with Ramos Horta and diplomatic reporting the high possibility of a majority vote for independence if an internationally acceptable act of self-determination was conducted; and he believed that Australian policy should now place greater emphasis on 'our commitment to the right of the people of the territory to decide their own future'. He also recommended that Australia should:

maintain a dialogue with the Indonesians about the problem of Portuguese Timor in order to try to divert them from too forward a policy and to ensure that developments there do not become an obstacle to good relations between Australia and Indonesia.¹⁸⁵

Whitlam's response has not been released.¹⁸⁶ Of the available documentation, the first indication of Whitlam's acknowledgement of Willesee's suggestions is his signed letter to Suharto in February 1975. By then, intelligence reporting and press articles had exposed Indonesian military planning for airborne and amphibious landings into Portuguese

¹⁸³ Hugh Armfield, 'Canberra aim for Timor: go Indonesian', *The Age*, 13 September 1974, p.8.

¹⁸⁴ At the time, Barnard was sensitive to the criticism on defence cutbacks and used several speeches to dispel conjecture and criticism; equally, commitments to East Timor would have increased budgetary expenditure. Letter, Barnard to Willesee, 11 February 1975, DFA file 801/13/11/1 Part 7, CRS A10463, NAA; and 'Barnard: we are sound and secure', *The Bulletin*, 3 May 1975, pp.20-3.

¹⁸⁵ Letter, Willesee to Whitlam, 13 January 1975, DFA file 74/7573, CRS A1209, NAA. See also Memorandum, Portuguese Timor: Visit by Ramos Horta, 13 December 1974, DFA file 801/13/11/1 Part 5, CRS A10463, NAA.

¹⁸⁶ In September 2000 Willesee stated that he 'had lost the debate' with Whitlam in early 1975. Tom Hyland, 'Whitlam hits back on Timor', *The Age*, 21 September 2000, p.1. See also Hamish McDonald, 'The Timor Cables; Politics of Betrayal', *The Sydney Morning Herald*, 13 September 2000, p.11.

Timor.¹⁸⁷ The public indications of an invasion generated an urgency debate in the House of Representatives on 25 February and provoked sufficient political pressure to seek clarification at prime ministerial level.¹⁸⁸

Whitlam's resultant letter to Suharto focused on three major points. The first attempted to allay Suharto's concerns on external interference in Portuguese Timor from China or the Soviet Union, a threat not evidenced by Australian intelligence agencies. If Indonesian authorities accepted there was no threat from a foreign power, then military action supporting incorporation was unnecessary, and future independence for the colony would not undermine regional stability. Whitlam's second point referred to the 'sensitivity' of the widespread support in Australia for an internationally acceptable act of self-determination and against 'a possible resort to unilateral action' which, Whitlam emphasized, 'no Australian Government could allow it to be thought, whether beforehand or afterwards, that it supported such action'. There was gratification, in a diplomatic sense, in Whitlam's reference to the public denials by the Indonesian Defence and Foreign Ministries of 'newspaper reports about the possibility of some Indonesian military action against Portuguese Timor' and to the 'denials from your Ambassador'. The clever employment of Indonesian denials to close off support for any Indonesian military intervention diminished the element of rejection in the relationship, which Whitlam addressed in his third point:

A primary concern of any Australian Government, and certainly of my own, is the preservation and promotion of the close and mutually advantageous relationship between our two countries which has been and will remain so important to succeeding Governments in this country. Any damage to that relationship, or any action or statement that could disturb it or evoke public controversy and criticism of our closest neighbour, would distress us very greatly.¹⁸⁹

¹⁸⁷ James Cotton correctly notes that 'many of the themes that characterize' the Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, had already 'found their way' into analysis and press comment much earlier. Cotton, ' "Part of the Indonesian World": Lessons in East Timor Policy 1974-76', p.121.

¹⁸⁸ References to Indonesian military planning are contained in Letter, W.B. Pritchett (First Assistant Secretary, Department of Defence) to Feakes, 21 February 1975, DFA file 935/17/3 Part 3, CRS A1838, NAA. See also Peter Hastings, 'Jakarta ponders a military "solution"', *The Sydney Morning Herald*, 21 February 1975, p.6; and Discussion of Matter of Importance: Foreign Affairs-East Timor, *CPD*, House of Representatives, Volume 93, 25 February 1975, pp. 640-8.

¹⁸⁹ Letter, Whitlam to Suharto, 28 February 1975, DFA file 801/13/11/1 Part 7, CRS A10463, NAA.

These strong words in a communication between two leaders had the potential to disrupt the relationship. Suharto's acceptance of the message, which he acknowledged to Woolcott, reflected in part his personal relationship with Whitlam as well as the deliberate and circumspect characteristics that he brought to decision-making.¹⁹⁰ Woolcott reported 'no evidence of coolness', only a request to 'pass [Suharto's] assurance on to the Prime Minister' that military action would not be undertaken. Suharto, Woolcott added, only wanted to have an 'orderly and proper decolonisation process in Portuguese Timor'.¹⁹¹ He suggested that Suharto:

was concerned to maintain Indonesia's international reputation. Also although Portuguese Timor was part of the Indonesian world, Indonesia had no historical claim to it and no territorial ambitions there. But in the last resort the President's thinking would be determined by his concern to maintain the security and the stability of the region.¹⁹²

Woolcott's assessment of Suharto's comments was based on recent visits by Australian officials to Portuguese Timor and discussions with Indonesian defence and security officials. He was aware that influential groups in HANKAN and in KODAM 16, the Bali military headquarters responsible for the geographic area of Timor, 'may look to a military solution of the Timor question', but this should not be 'seen as Indonesian policy, but as one option which might be reluctantly adopted in certain future circumstances'.¹⁹³

SUHARTO'S TOWNSVILLE VISIT

On 3 April 1975, Suharto arrived in Townsville for a three-day visit reciprocating Whitlam's September 1974 informal visit. The selection of Townsville was at Suharto's request because the location offered the opportunity to see aspects of the Australia beef, cattle and sugar industries, in which he had expressed an interest. In preparation for

¹⁹⁰ Woolcott reported that Suharto felt that 'he had a personal bond' with Whitlam. Letter, Woolcott to Prime Minister, 2 April 1975, DFA file 3038/13/1 Part 2, CRS A1838, NAA.

¹⁹¹ A month later, Woolcott contradicted himself in suggesting that when he arrived in Jakarta, 'I detected a trace of coolness towards Australia' as well as indications that Suharto might not accept Whitlam's invitation for a reciprocal visit to Townsville. *Ibid.*

¹⁹² Woolcott presented his ambassadorial credentials on 8 March 1975 after five days in country. Cablegram 8148, Jakarta to Canberra, 8 March 1975, DFA file 801/13/1 Part 7, CRS A10463, NAA.

¹⁹³ Woolcott added that 'Indonesian defence planners probably feel a need to have the capacity on the ground to exercise the military option in case the situation in Portuguese Timor deteriorates to a point at which they consider their national interest at stake'. *Ibid.*

discussions during the visit, Woolcott wrote to Whitlam warning of Indonesia's future intentions:

Indonesia is unlikely to mount a military invasion of Timor unless it regards the situation there as hopeless and as a real threat to its security. But the Indonesian Government has not abandoned its ultimate objective of integrating Timor and it will pursue covert and overt activity to influence Portuguese Timor to decide in favour of integration at the eventual act of self-determination.¹⁹⁴

Woolcott believed Australia was in a position 'where we are impaling ourselves on the hook of self-determination ... we should seek to disengage ourselves as much as possible from the Timor situation which could well become messy'.¹⁹⁵ Woolcott advanced his argument by intimating that if the government withdrew support from Indonesia, Suharto would be 'sensitive to any sign of our backing away either from him personally or from his regime'. Woolcott noted that the Indonesian government's image:

in Australia has unattractive features and there are some domestic political dangers in over-identifying with Soehato personally. The problem remains, however, that he is very much in control of the situation and, barring accidents, is liable to remain so for several years. If you personally, or the Government, were to adopt a more detached approach this would be misinterpreted in a society in which leadership is highly personalised and Javanese pride important.¹⁹⁶

Woolcott appeared to be positioning Whitlam to decide between longer-term support for Indonesia at the expense of the peoples of Portuguese Timor or forgo the relationship with Indonesia in favour of self-determination and its consequences for Australia and the region, including the possibilities of Indonesian military intervention. The Department of Foreign Affairs, through its brief to the Prime Minister, did not fully support Woolcott's position, preferring to stress the need for a genuine process of self-determination.¹⁹⁷

Whitlam, however, chose a third course and attempted to straddle Woolcott's two options. He reinforced the importance of a properly conducted process of self-determination while emphasizing the long term importance of the bilateral relationship; he expressed a preference for incorporation but not through military intervention; and he admitted that he did not like the way in which the Australian people, 'in the face of the rumours of an

¹⁹⁴ Letter, Woolcott to Prime Minister, 2 April 1975, DFA file 3038/10/1/2 Part 2, CRS A1838, NAA.

¹⁹⁵ *Ibid.*

¹⁹⁶ *Ibid.*

¹⁹⁷ The Brief for the Townsville discussions is included as Document 119 in the Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, pp.236-8.

invasion of Portuguese Timor, had been shown to be overly nervous and fearful of Indonesia'. He affirmed that Australia did not want to be 'seen as having a primary responsibility for the outcome in Portuguese Timor', which was essentially an issue for Portugal, Indonesia and the peoples of the colony. On this point, Whitlam was repeating Casey's diplomacy in removing Australia as a 'party principal' to the West New Guinea dispute in 1959.¹⁹⁸ Whitlam concluded by stating Australia's actions 'would always be guided by the principle that good relations with Indonesia were of paramount importance'.¹⁹⁹ He had attempted to step away from involvement in the machinations of decolonisation while retaining the closest of relationships with Indonesia and supporting both self-determination and a preference for incorporation. Perhaps Whitlam's third course offered more chance of success by relying on additional time during which an acceptable outcome could emerge. Portugal had not yet determined the timeframe or the framework for a transitional government to manage the process of self-determination in the colony²⁰⁰; and if the Portuguese option was internationally acceptable, and resulted in incorporation or continued links with Portugal, then Whitlam's approach would have been regarded as successful diplomacy. The third course, while appealing to all, would come unstuck if Indonesia did not accept the nature of political developments in Portuguese Timor and intervened militarily. Unfortunately this is what happened.

Suharto thanked Whitlam for his remarks and 're-affirmed that Indonesia had no territorial ambitions' on Portuguese Timor. He expressed concern over possible Chinese interference in the political development of the colony and requested Australian information to determine the extent of their involvement. Rumours persisted that 'communists' in Australia were in the process of shipping arms and material to the colony, a charge that Whitlam politely refuted. In spite of Whitlam's recent reassurances, concern existed at the highest levels in the Indonesian government about communist activities in the colony.²⁰¹

¹⁹⁸ See Chapter 2, pp.112-3.

¹⁹⁹ Record of Conversation, Whitlam and Soeharto, 4 April 1975, DFA file 801/13/11/1 Part 10, CRS A10463, NAA. There is some doubt over the accuracy of this document. An additional record was produced to satisfy Indonesian's concerns on the accuracy of the record. See Hamish McDonald, 'The Timor Cables; The Politics of Betrayal', *The Sydney Morning Herald*, 13 September 2000, p.11.

²⁰⁰ Cablegram 855, Lisbon to Canberra, 3 April 1975, DFA file 801/13/11/1 Part 9, CRS A10463, NAA.

²⁰¹ BAKIN officials had already communicated to Australian officials that the Chinese embassy in Canberra was involved in the movement of Chinese communists to Portuguese Timor via Australia. Whitlam denied

Suharto concluded with the hope that Australia and Indonesia could work towards a peaceful solution 'of the Timor problem'.²⁰² Not all the discussion was on Timor; Whitlam promised that Australia would continue the three-year program of aid after the end of the current program in June 1976 in such a fashion 'that the real value of the new program should be at least equal to the current program, and that Indonesia would hold to the proportion of Australia's total aid program that it currently enjoys'.²⁰³ Media reporting of the discussions, however, concentrated on Timor.²⁰⁴

Circumstances in East Timor deteriorated after the meeting; by August Indonesia's covert activities had resulted in the violent collapse of the coalition between UDT and FRETILIN, and the breakdown of Portuguese authority in the colony. Woolcott reported that Indonesia is now likely to adopt 'the course of inspiring an insurrection [in East Timor] 'to repeat the success achieved in the West Irian act of free choice, while building up the capacity to adopt even more direct methods should they prove necessary'. He recommended that Australia should continue to reassure Indonesia, but decrease its public statements because the situation 'may become messy'; public support for Indonesia now 'could prove embarrassing for us and make future relations ... even more difficult than they would be'.²⁰⁵ Later, after discussions with the head of Indonesia's State Intelligence Co-ordination Agency, Woolcott cabled Canberra that Indonesia will intervene if the situation in East Timor continues to deteriorate, recommending that 'it is certainly not in our interests to be in the vanguard of Indonesia's critics'.²⁰⁶ Woolcott also cabled Canberra with the detail of Suharto's July visit to Washington, which unveiled tacit American support for military intervention, with a preference for Indonesia to do so 'effectively, quickly and not use [United States] equipment'. Any reluctance that Suharto might have had to approve military intervention would only have diminished after confirmation of the United States position. Detail of follow-up discussions in the State Department were

that this was the case. Record of Conversation, Whitlam and Soeharto, 4 April 1975, DFA file 801/13/11/1 Part 10, CRS A10463, NAA.

²⁰² *Ibid.*

²⁰³ 'Visit of President Soeharto of Indonesia to Australia', *AFAR*, Volume 46, April 1975, pp.203-4.

²⁰⁴ *Ibid.*

²⁰⁵ Dispatch, Ambassador to Minister, 2 June 1975, DFA file 3034/10/6/9 Part 1, CRS A1838, NAA.

²⁰⁶ Cablegram O.JA1201, Woolcott to Canberra, 14 August 1975, DFA file 801/13/11/1 Part 6, CRS A10463, NAA. Whitlam wrote on the cablegram, 'Woolcott is right'.

forwarded to Woolcott who cabled Canberra that the United States government wanted to avoid any public controversy because it accepted that Australia, 'as a key regional ally, would feel "compelled" to support self-determination for the East Timorese', and therefore would make no further comment 'on the coup or on related events'.²⁰⁷

At this critical moment, the Australian government was caught in a dilemma of its making, either to accept Indonesia's use of military force to achieve incorporation in the context of Australia's 'longer-term national interests' of good relations with Indonesian or to change policy to support self-determination for the East Timorese. Support for the East Timorese would only be of a political or economic nature since military opposition to Indonesia was not a realistic option without support from the United States; and Labor was in the midst of removing Australian forces from Asia and overturning the forward defence strategy of previous Australian governments. As well, criticism of military incorporation would damage the bilateral relationship while containing domestic criticism of the government during its present political difficulties. Woolcott believed that Australia's efforts 'would then have to be directed towards riding out the damage [to the relationship] and possibly to our standing in the South East Asian region'.²⁰⁸ The choice between self-determination and the bilateral relationship had a certain prescience; in the absence of United States military support, in 1962 the Menzies government decided to support West New Guinea incorporation and a healthy relationship with Indonesia rather than to assist the Dutch in military opposition against incorporation. The circumstances in 1975 were similar, and the government mutely accepted the inevitable Indonesian invasion.

CHANGING ATTITUDES

It is difficult to select a specific turning point in the ground swell of Australian domestic criticism of the Indonesian New Order government. Suharto's visit in 1972 raised issues of corruption and the treatment of political prisoners; yet the protests were small and failed to ignite the temper of the Australian community. The visit followed the 1971 Indonesian

²⁰⁷ Document 2, National Archives, Record Group 59, Department of State Records, Transcripts of meetings Secretary of State Henry Kissinger, 1973-77, at <http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB62/>.

²⁰⁸ Woolcott summarises the dilemma in Cablegram O.JA2309, Woolcott to Renouf, 9 October 1975, DFA file 801/13/11/1 Part 9, CRS A10463, NAA.

election when media reporting emphasized the lack of progress in Indonesia's basic social, political and economic well-being.²⁰⁹ In July 1973 Don Chipp visited Indonesia as a member of a parliamentary delegation after which he raised misgivings over 'alleged excessive support for a narrowly based power elite' in a series of articles in *The Age*, which stirred public debate. Chipp wrote that 'the ruling junta of Indonesia to pursue its ethos of self enrichment ... when the man in the street, the becak driver, the man in the kampong, is no better off ... than under the much-abused Sukarno regime'. These were Chipp's views, rather than of the Liberal party, but it was another indication of a chasm between some Australians and the government of the day.²¹⁰ In the same month border crossings into Papua New Guinea became topical when the Australian government, after two months of delay, endorsed the Papuan New Guinea government's decision to return West Papuans to Irian Jaya. Domestic criticism of the decision emphasized the refugee circumstances of West Papuans fleeing Indonesian armed patrols – negative images of a repressive and militaristic Indonesian government and a less than sympathetic Australian government.²¹¹ In December 1973 some 25 members of Parliament, mostly Labor back-benchers, signed a public declaration highlighting the growing social divide in Indonesia and criticizing the Indonesian government for its treatment of trade unions and political detainees.²¹² The Jakarta riots in January 1974, which started out as anti-Japanese in nature, quickly turned to demonstrations of political dissatisfaction with the repressive nature of the Indonesian government; and media reporting highlighted the role of troops and police in dealing with the demonstrators.²¹³

Publicity in January and February 1975 canvassed the possibility of an Indonesian invasion of Portuguese Timor in sufficient strength for Whitlam to remind Suharto in Townsville on the importance of Australian domestic opinion in maintaining good relations:

²⁰⁹ Golkar won 62.8 per cent of the vote in 1971. 'Indonesia: A decade of "New Order"', *AFAR*, Volume 48, September 1977, pp.502-9.

²¹⁰ D.L. Chipp, 'Affection, respect fly out the window', *The Age*, 23 July 1973, p.7; 'Cruelty on our doorstep', *The Age*, 24 July 1973, p.9; and 'People starve, as regime gets fatter', *The Age*, 25 July 1973, p.8.

²¹¹ In 1973 Australia still retained responsibility for territory migration matters in PNG, and a deportation order required the approval of the Australian government. Ian Hicks, 'Border crossers face big change', *The Age*, 23 July 1973, p.7.

²¹² 'Indonesia stays cool', *The Sydney Morning Herald*, 18 December 1973, p.9.

²¹³ John Ingleson, 'South-East Asia', in W.J. Hudson, *Australia in World Affairs 1971-1975*, p.284; and Kevin Rafferty, 'Indonesia our Midas neighbour', *The Bulletin*, 11 May 1974, pp.39-40.

Elements of the Right ... were exploiting these rumours to suggest that Australia was militarily unprepared to face an expansionist Indonesia. Those on the Left were, in their own way, seeking to put distance between Australia and Indonesia and were calling on the Australian government not to condone those aspects of Indonesian society which they personally did not like. Though their numbers were small and their influence limited, Communist elements in Australia were also seeking to bring tensions in Australian society and to embarrass the Government on the issue of Portuguese Timor.²¹⁴

Policy differences in the Labor party manifested themselves in a Caucus delegation visit to Portuguese Timor in March 1975. The delegation called for the reopening of the consulate in Dili, direct aid to the colony and the establishment of an Australian-Timorese friendship society. These were recommendations contrary to government policy, and the delegation's conclusion that the UDT-Fretilin coalition had majority support only fuelled domestic support for self-determination while adding to Indonesian suspicions of Australia's support for Indonesian policy.²¹⁵ Even before the first covert invasion, notions of morality and idealism were fueling public opposition to any option other than a proper act of self-determination. East Timor had grown into the test of the relationship through an increasing domestic resentment to Indonesian activities in East Timor, a resentment which was nourished by a widening gap between public support for self-determination for the colony and the government's policy that placed more emphasis on incorporation.

WHITLAM'S CONTRIBUTION 1972-1975

During the short period of the two Whitlam governments, security issues remained the central focus of diplomatic activity with Indonesia. Previous Australian governments had attempted to take advantage of the new regional circumstances to construct a set of security arrangements that would contain China and provide the means to combat communism. The Whitlam government was equally committed to use regional arrangements to challenge

²¹⁴ Record Of Conversation, Whitlam and Soeharto, 4 April 1975, DFA file 801/13/11/1 Part 10, CRS A10463, NAA. See also, Peter Hastings, 'Jakarta ponders military "solution"', *The Sydney Morning Herald*, 21 February 1975, p.6; Paul Kelly, 'Indonesia to be told: don't invade Timor', *The Australian*, 25 February 1975, p.1; and Peter Hastings, 'Jakarta moves closer to takeover in Timor', *Sydney Morning Herald*, 25 February 1975, pp.1, 3.

²¹⁵ Cited in Viviani, 'Australians and the East Timor issue – the policy of the Whitlam government', in James Cotton, (Editor), *East Timor and Australia*, p.88.

perceptions of imminent threats to Australia and end Australia's forward defence strategy, and central to the success of the Labor government's initiatives were the political reactions of Indonesia.

Whitlam's desire to place the highest priority on relations with a powerful regional neighbour produced difficulties. Firstly, the suggestion of a new regional arrangement based on common political and economic outcomes failed to attract Indonesian support, which was essential as a first step in securing ASEAN support. His suggestion for a broadly based arrangement contained the threads of comprehensive and cooperative security but the timing of the initiative was inappropriate, and the method of its suggestion lacked diplomatic subtlety. Out of failure and through the processes of discussion, a more intimate relationship with Indonesia emerged, based on personal amity between Suharto and Whitlam, which changed the direction of Australian diplomacy by placing ASEAN in a more prominent regional position. Whitlam argued that a successful ASEAN, influenced through Indonesia's leadership, improved regional stability, which was enhanced through programs of Australian defence cooperation and economic assistance to its members. For Indonesia, economic and defence cooperation increased throughout the period, reaching modest levels of \$A22 million and \$A6 million respectively per annum; and the scope of military activities was expanded to include more operational equipment, additional individual training and joint maritime exercises.²¹⁶ The regional climate was consequently more responsive to an early withdrawal of Australian forces from Singapore and Malaysia, which was a Labor objective since 1966.

Secondly, the invasion of East Timor was a major Australian diplomatic reverse. Whitlam experienced difficulties in balancing Labor's proclaimed commitments to self-determination for the East Timorese and the desire to enhance relations with Indonesia. The decolonization of East Timor had sharpened political differences between the two countries in spite of the personal amity between Whitlam and Suharto. Through friendship, the Australian government was exposed early to Indonesian intentions in East Timor, and Whitlam's efforts to influence Indonesia were insufficient, proving once again that

²¹⁶ See Appendices 1, 2 and 4.

Indonesia's pursuit of its national interests outweighed the importance that the New Order government attached to the bilateral relationship. Perhaps the Australian government's inattention to the growing momentum of an invasion was understandable; the government was under increasing domestic pressure, and its political survival was in the balance as the Opposition moved to delay supply bills in the Senate; and Whitlam was justifiably absorbed with the politics of the issues. His domination, however, of foreign and defence policy-making, including his personal and ambiguous initiatives on East Timor thwarted Cabinet discussion and sometimes hindered timely policy responses by other responsible ministers.

Whitlam's belief that Australia was unable to oppose a hostile Indonesia guaranteed that military measures were never viable options before or after the start of Indonesia's covert military operations.²¹⁷ To be sure, military opposition was not part of Labor's psychology; it was only two years since the conclusion of Australia's military withdrawal from South Vietnam and the termination of national service; and Labor's drive towards a more independent foreign policy and the end of Australian military forward deployments, characterized a new focus on regionalism that did not presume future Australian military commitments. For Labor, regionalism rested on the preservation of good relations with all countries in Asia, including with an active ASEAN, which as an organisation could temper Indonesian excesses in the manner that the Defence Committee had suggested in 1965. In 1975, however, ASEAN was unwilling to challenge Indonesia's military intervention, and regional opposition to the invasion of East Timor was absent.²¹⁸ With the eventual demise of the Whitlam government, any opposition to Indonesian military intervention could only come from the new Coalition interim government, and this will be analysed next.

²¹⁷ When Tom Uren suggested to Whitlam that Australia should oppose Indonesia with military forces, Whitlam asked whether he wanted to 'see Australian troops back in Southeast Asia fighting another guerrilla war?' Cited in Ball and McDonald, *Death in Balibo Lies in Canberra*, p.23.

²¹⁸ See, for example, Ministerial Submission, 'Relations with Indonesia; Portuguese Timor', 13 November 1975, in DFA file 3038/10/1/2, CRS A1838, NAA.

CHAPTER 5

‘THE TEMPO OF THE GAMELAN MUSIC HAD INCREASED ... AND THE PLAYERS HAD TO DANCE MORE VIGOROUSLY’: THE FRASER GOVERNMENT AND INDONESIA 1975-1982

EAST TIMOR

Woolcott cabled Canberra on the import of recent discussions with senior Indonesian ministers, which confirmed the start of Indonesian covert operations in the first week of September 1975.¹ Suharto had agreed to the protection of Timorese supporters of integration ‘by “volunteers” from Indonesia’; he had also indicated to staff that the use of conventional forces to counter recent FRETILIN military gains against UDT and APODETI forces should not be ruled out.² Prior briefings on the operations had, as Renouf intimated, compromised the Australian government’s position, and no official government attempts were initiated to alter or delay the covert military operations.³ On 7 October 1975, Indonesian Special Forces captured Batugade, and at midnight on 15 October Operation *Flamboyant* commenced, after which reports were received that five Australian-based newsmen at Balibo were missing, presumed killed, on the morning of 16 October.⁴ Knowledge of the military operations in East Timor progressively entered the public domain through media reports on the closure of the Kupang civil airport to all but military

¹ On 9 September 1975, the Personal Assistant to the Indonesian Defence Minister, Dr. Singara, indicated to Australian embassy officials that ‘the tempo of the gamelan music had increased’, a reference to Suharto who was under intense pressure to approve a larger intervention in Timor, to which Woolcott added ‘and the players had to dance more vigorously’. Document 221, Woolcott to Canberra, 10 September 1975, in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, p.399.

² *Ibid.*, pp.398-400; Ball and McDonald, *Death in Balibo Lies in Canberra*, p.98.

³ Woolcott observed that the task of interpreting Indonesian policy was not easy because of the manner in which Suharto remained in ‘complete command but declaring only different parts of his game to different persons’. Malik seemed uninformed of Suharto’s intentions, and Acting Foreign Minister Mochtar seemed ignorant of the military options for East Timor. Suharto had deliberately separated military planning from diplomatic activities. Document 264, Cablegram Woolcott to Canberra, 16 October 1975, Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, p.472.

⁴ For a description of the Indonesian military operations, see Ball and McDonald, *Death in Balibo Lies in Canberra*, pp.1-30, 50-64, 114-9.

aircraft, the suspension of media access to East Timor, Department of Foreign Affairs' warnings to those passengers departing Darwin for Dili, the increasing number of wounded Indonesian soldiers transshipped to Java, the movement of refugees away from the border area, and FRETILIN radio reports of Indonesian military operations inside the border area.⁵ On 27 November 1975, the five Australian-based newsmen were confirmed to have been killed.⁶ These were the characteristics of an invasion that gradually lost its cloak of secrecy and exposed the pretence of a civil war. By the end of November, the Australian and international press were commonly referring to the conflict as an Indonesian invasion.⁷

Within the government, opportunities for discussion on East Timor were lost in the consequent political machinations from Fraser's announcement on 15 October to block the passage of money supply bills in the Senate.⁸ The political survival of the Whitlam government was now foremost in terms of the energy and time that government ministers devoted to domestic politics; what commitment to East Timor remained, seemed insufficient, even random, to manage the political fallout from Indonesian military activities. For example, the Department of Foreign Affairs was informed on 13 October on Operation *Flamboyant* and Willesee briefed one day before the start of the covert invasion; the briefing did not elicit an immediate government response.⁹ Senior government members accepted that Australia was unable to influence Indonesian actions.¹⁰ Indonesian officials were now not reticent in suggesting that 'Australia, and for that matter other

⁵ First indications that the fighting was not going well included Indonesian requests in October for more medical supplies and equipment to treat the growing number of more complex medical casualties that were transferred to Java. Interview Brigadier K.B.J. Mellor, 22-23 May 2000.

⁶ The connivance of Indonesian officials in the killing of the newsmen and the Australian government's handling of the episode are not detailed in this thesis. For detail on the issues, see Ball and McDonald, *Death in Balibo Lies in Canberra*, in particular pp.31-49, 122-84.

⁷ For example, 'Shipping ban on Indonesia predicted over Timor', *The Australian*, 27 November 1975, p.3; and Michael Richardson, 'Timor is our loss, too', *The Age*, 27 November 1975, p.10.

⁸ For detail on the money supply problem, see Paul Kelly, *November 1975*, Allen & Unwin, St Leonards, 1995, pp.111-39.

⁹ Document 258, Cablegram, Woolcott to Canberra, 13 October 1975 and Document 259, Ministerial Submission, 14 October 1975, in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, pp.462-3.

¹⁰ On 11 November 1975, Labor members, Senator Arthur Gietzelt and Ken Fry, raised the invasion of East Timor with Whitlam who replied: 'What do you want us to do? Send troops in?'. Cited in Ball and McDonald, *Death in Balibo Lies in Canberra*, p.133.

countries, had three options: to support Indonesia, to oppose Indonesia, or to keep quiet'.¹¹ All that Willesee was prepared to initiate after two days was to instruct Woolcott to register the government's 'extreme disappointment' at Indonesia's resort to 'large-scale' military intervention', which will 'inevitably' generate public debate in Australia once the extent of Indonesia's action 'becomes public knowledge'. The government did not protest at the highest level; Woolcott was given the option to communicate the government's position at 'an appropriate level', and no representations were made to Indonesian embassy officials in Canberra or public statements initiated, which confirmed that the government continued the third option, 'to keep quiet', for the present. Willesee's department had recommended that if the government made a public statement and Indonesia continued to deny the involvement of its troops in East Timor, 'it would be the Australian government that would be publicly disputing Indonesia's claims', thus increasing the potential for a serious disruption in the relationship.¹²

By 23 October 1975, Willesee recognized that the government would have to break its silence on the invasion; he was aware from JIO assessments that Indonesia had underestimated the strength, morale and fighting capacity of FRETILIN forces and would not, in all probability, defeat FRETILIN by the time objective of mid-1976. The extent of the invasion could not remain concealed for much longer, and once the invasion became general knowledge, the Australian public would likely turn on a government that appeared to have condoned the fighting without public protests or a condemnation of the invasion.¹³

¹¹ Document 265, Cablegram Woolcott to Canberra, 16 October 1975, and Document 266, Ministerial Submission, 17 October 1975, in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, pp.473, 477-8.

¹² Document 268, Cablegram, Canberra to Woolcott, 17 October 1975, in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, p.480.

¹³ No JIO assessments were released as part of the Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*; however, inferences can be drawn from other documents that JIO assessments concluded that Indonesia underestimated FRETILIN military reactions to the invasion. See Document 213, Cablegram Lisbon to Canberra, 4 September 1975; Document 214, Cablegram, Renouf to Woolcott, 5 September 1975; Document 262, Cablegram, Woolcott to Canberra, 15 October 1975; Document 265, Cablegram, Woolcott to Canberra, 16 October 1975; Document 266, Ministerial Submission, 17 October 1975; Document 268, Cablegram Canberra to Woolcott, 17 October 1975, in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, pp.384-7, 468-9, 473-6, 480. Even during Peacock's stopover in January 1976, Peacock noted the level of misguided optimism on an early victory. Document 404, Cablegram, Peacock to selected posts, 23 January 1976, in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, pp.671-2.

A parliamentary speech was commissioned for delivery on 30 October.¹⁴ The speech straddled the diplomatic practice in difficult circumstances of half-truths:

The Government has viewed with concern widespread reports that Indonesia is involved in military intervention in Portuguese Timor ... Were there any substance in the reports, the Australian Government would be extremely disappointed and we have so informed the Indonesians ... We have told the Indonesians that we remain opposed to the use of armed force.¹⁵

Australian Press reactions to the speech were subdued, swamped in part by the recent parliamentary tabling of documents on the Khemlani 'loans affair'.¹⁶ Coverage did not include detailed analysis and only emphasized the government's criticism of Indonesian military actions.¹⁷ Woolcott informed Malik that Willesee 'had in mind in making the statement the wish to do as little damage as possible to the relationship'; and, after the statement was delivered, Indonesian reaction was judged to be 'fairly low key' with an emphasis in the Indonesian media on Australia's offer of Darwin 'as a venue for talks between the parties, should they take place'.¹⁸ Willesee's speech was not just a collection of tactful sentences from a pre-occupied government; it seemed also to represent an expression of hope for a satisfactory long-term outcome.

Activities that would not hinder the possibility of a satisfactory outcome were optimistically grasped. For example, one day later, Willesee and Barnard approved a request to provide two RAAF armament fitters to assist the Indonesian air force to use and maintain the guns fitted to the Sabres which were provided to Indonesia in 1973. Approval was made in the context of the agreement to provide depot-level maintenance for the Sabres until 1978 although, in the current environment of Indonesian military operations, the timing of the

¹⁴ Document 301, Ministerial Submission, 28 October 1975, Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, pp.518-9.

¹⁵ Ministerial Statement, CPD, Senate, Volume 66, 30 October 1975, pp.1609-10; Document 308, Cablegram Canberra to Jakarta and Lisbon, 29 October 1975. Woolcott recommended that the Minister should use 'the formula which I used with Malik ... if there were substance to the widespread media reports of Indonesian military intervention in Portuguese Timor, then the Australian Government would be extremely disappointed'. Document 310, Woolcott to Canberra, 29 October 1975, in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, pp.530-2.

¹⁶ For example, see 'Liberal MPs sift Khemlani papers', *The Australian*, p.1.

¹⁷ Bruce Juddery, 'Talks in Australia "if wanted"', *The Canberra Times*, pp.1, 5; and 'Minister criticizes role of Indonesia in Timor', *The Australian*, p.3.

¹⁸ Document 313, Cablegram Woolcott to Canberra, 31 October 1975, in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, pp.536-7.

proposal was politically sensitive. Willesee and Barnard agreed the proposal, based on the departmental briefing not to disturb:

planning in areas which the Indonesians might interpret as connected with the Timor situation. A refusal to honour our previous undertaking, or even an undue delay in responding, could be so interpreted ... We think it advisable, and consistent with the above approach, if the Australian Ambassador in Jakarta were to consult appropriate Indonesian officials about the embarrassment which we could face if the Sabres were reported as having been deployed to Timor soon after the advisors had been in Iswahyudi.¹⁹

In addition, Willesee also approved emergency aid, valued at \$A150 000, for distribution through the ICRC to both Portuguese and Indonesian Timor.²⁰ This was the last act of a government determined to use all possible measures to demonstrate friendship and to maintain the relationship in spite of the military activities.

THE NEW INTERIM GOVERNMENT

Little publicly and privately changed under the new Coalition government. In accepting the caretaker commission from the Governor-General, Malcolm Fraser agreed to four conditions: to secure passage of the appropriations bills through the Senate; to recommend to the Governor-General an election for both houses of the Parliament; not to initiate any inquiries into the activities of the Whitlam government; and, lastly, 'make no appointments or dismissals or initiate new policies before the general election was held'.²¹ Once the general election was announced, the attention of the Fraser caretaker government was unswervingly focused on electioneering; however, most of the caretaker period, between 11 November and the election day of 13 December, coincided with the ongoing covert invasion and the second phase conventional forces operation which was launched on 6 December 1975 with the objective to secure all of Portuguese Timor.²²

¹⁹ Document 312, Ministerial Submission, 31 October 1975, in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, pp.535-6.

²⁰ Document 306, Ministerial Submission, 29 October 1975, in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, pp.526-8.

²¹ Acceptance Letter, J.M. Fraser to the Governor-General, 11 November 1975, is quoted in full in Kelly, *November 1975*, p.350.

²² The original start date was 5 December, which was altered to 6 December because President Ford and Secretary of State, Henry Kissinger, were to land in Jakarta for a 24-hour stopover from China on 5 December. Ball and McDonald, *Death in Balibo Lies in Canberra*, pp.126-7. For information on the start-time, see Document 359, Cablegram Woolcott to Canberra, 6 December 1975, in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, pp.601-3.

Andrew Peacock, as the new Minister for Foreign Affairs, continued to refer to the military activities in Timor as a civil war between FRETILIN and anti-FRETILIN forces, which he did until 26 November when he finally admitted that Indonesia had intervened militarily: 'I think Indonesian patience to date with a civil war occurring in its archipelago is something to be noted'.²³ This was not a statement of condemnation; like Labor's approach, it represented a soft, public comment on Indonesian activities; Peacock's concerns during the caretaker period centred on maintaining the relationship with Indonesia while implicating the Whitlam government in the invasion through its apparent inactivity over East Timor - inactivity which led to charges during the election campaign of Labor's 'connivance' in Indonesian military actions and which conveniently appealed to Australian voters who supported East Timorese independence.

Peacock's knowledge of past and future military activities was, however, comprehensive; he had acknowledged a departmental submission on 12 November 1975, which confirmed 'that the Indonesians have made it quite clear privately that they intend to incorporate Portuguese Timor into Indonesia and they have precise military plans to achieve this'.²⁴ He held discussions with Suharto and Malik in Jakarta in April 1975 after which Woolcott reported that Peacock, 'himself, wanted to defuse Portuguese Timor and withdraw from the somewhat exposed, pro-FRETILIN, pro-independence position' that Peacock had earlier adopted from meetings with Ramos Horta in late 1974 and expressed during the Timor urgency debate in the House of Representatives on 25 February 1975.²⁵ Peacock had also indulged in more secretive discussions with Indonesian officials on 23 September 1975 in Bali. Knowledge of this meeting became public in April 1976 when extracts of a record of conversation and a cable from the Australian embassy to Canberra were published in

²³ Michael Richardson, 'Indonesia's war in Timor to go to UN', *The Age*, 27 November 1975, p.7.

²⁴ Attachment to Document 336, Ministerial Submission, 12 November 1975, in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, p.567. The Submission was redrafted after further discussions between Renouf and Peacock. See Note 1 to the Submission.

²⁵ Document 131, Letter, Woolcott to Feakes, 12 May 1975, in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, p.259. See also Urgency Motion, CPD, House of Representatives, Volume 93, 25 February 1975, pp.640-8.

Australian and Indonesian newspapers.²⁶ Peacock admitted during a 'Want of Confidence' motion in the House of Representatives that he had 'an unsolicited briefing' from Indonesian officials, but denied as untrue the purported record of conversation which detailed future Liberal party policy on Indonesia and included a declaration that his party in government would not protest if Indonesia 'was forced to do something in Portuguese Timor'.²⁷ The contents of the leaked record of conversation remain in dispute; the contents did contain detail of the October plan for delaying the passage of money supply bills through the Senate, which only added to the perception of accuracy of the record of conversation. Nonetheless, that a secret meeting was arranged for Peacock through the Indonesian Ambassador to Canberra suggests an active 'government in waiting', willing to explore the relationship with Indonesian officials.²⁸ Clarification is still outstanding on the extent of Peacock's discussions in Bali. The meeting was not conducted with Indonesian foreign affairs officials but with the same officials who carried the responsibility for policy formulation on Portuguese Timor; and these were the same officials who briefed Australian embassy officials on the covert political and military operations, which commenced some three weeks before Peacock's discussions in Bali.²⁹

To add to the complexities and extent of secret diplomacy, on 20 November 1975 Fraser approved an oral message to Suharto, which Woolcott was instructed to deliver personally and confidentially:

The great importance which Mr. Fraser attaches to Australia's relations with Indonesia and that the Prime Minister, should he be returned to power on 13 December, will be seeking to build up further

²⁶ Gay Davidson, 'Timor accusations', *The Canberra Times*, 30 April 1976, p.1; and 'Whitlam warns on attitude to Indonesia', *The Sydney Morning Herald*, 3 May 1976, p.3.

²⁷ For detail of the 'Want of Confidence' motion, see *CPD*, House of Representatives, Volume 105, 3 May 1976, pp.1446-55. The disputed record of discussions was tabled during debate on the motion; secret Cablegram 0635, Woolcott to Renouf, for information Prime Minister, 24 September 1975 was also tabled. The cable was never disputed, which confirmed that Peacock had arranged through the Indonesian Ambassador a meeting with Indonesian officials in Bali. This information was provided to the Australian embassy by Harry Tjan who had also briefed embassy officials on Indonesian intentions on East Timor.

²⁸ Documents on the Peacock episode were not released as part of the publication, Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy. Australia and the Indonesian Incorporation of Portuguese Timor 1974-1976*, Melbourne University Press, Carlton South, 2000.

²⁹ Both Tjan and Lim briefed Peacock in Bali. Tjan suggested to Taylor in June 1976 that Peacock was given detail on Indonesian policy. Record of Conversation, Taylor and Tjan, 10 June 1976, DFA file 801/13/11/1 Part 13, CRS A10463, NAA. Lim, who is now known as Jusuf Wanandi of CSIS, accepted the Australian government's offer of an Australia-Indonesia lecture tour program in August 1979. *AFAR*, Volume 50, August 1979, p.500.

those relations and to establish close personal ties with the President. The Prime Minister wants you to say that he recognizes the need for Indonesia to have an appropriate solution for the problem of Portuguese Timor. He regrets such irritants ... as the actions of Australian trade- unions with regard to Indonesian shipping ... the Prime Minister proposes that the Foreign Minister should make an early visit to Jakarta ... The Prime Minister wants to tell the President, in addition, that pending the election Ministers will not (repeat not) receive Ramos Horta or any other representative of FRETILIN should he come to Australia.³⁰

Fraser recollected that he was 'pressured' by officials into sending the oral message after refusing to send a letter. 'It was pressed on the government very hard that Suharto needed the communication', he declared.³¹ This was an unusual comment on such a significant message between two heads of government, noting Fraser's reputation for dealing with departments and public service officials. His biographer described Fraser's determination to master issues and his attention to detail:

First, he was insistent on having developed a sound analytical basis for his approach, organizing purposeful research into policy and insisting on high quality briefing. Second, he tried to keep clear in his mind the principal objectives of policy and not be sidetracked to less central or stylistic aspects. Third, he was a continuing source of ideas or possible initiatives which he would mobilise his officials to work on. Fourth, he believed in the value of action – in his view it was rarely sensible to do nothing. So long as he acted and others were responding there was a greater degree of control over the situation. Finally, he was never embarrassed to refer to the ideas which underlay and legitimated policy.³²

The record of his ministerial experiences in the portfolios of Army, Education and Science, and Defence indicated a work ethic universally described as 'compulsive', 'to achieve', 'command of detail', 'who liked a continual flow of material across his desk', and 'fully in command of his job'.³³

³⁰ Document 343, 'Australian Relations with Indonesia', and Document 344, 'Cablegram to Canberra', in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, pp.579-580. Woolcott reported to Canberra on 25 November 1975 that the message was passed. Robert Garran, 'Fraser's claims rejected', *The Weekend Australian*, 16-17 September 2000, p.1.

³¹ Robert Garran, 'How Fraser was kept in the dark', *The Australian*, 14 September 2000, p.1.

³² Ayers, *Malcolm Fraser*, p.330.

³³ Patrick Weller, *Malcolm Fraser PM: a study in prime ministerial power*, Penguin Books, Melbourne, 1989, pp.8-18; Russell Trood, 'Prime Ministers and Foreign Policy', in Patrick Weller, (Editor), *Menzies to Keating. The Development of the Australian Prime Ministership*, Melbourne University Press, Melbourne, 1992, pp.156-63; G. Little, 'Leadership Styles: Fraser and Hawke', in B. Head and A. Patience, (Editors), *From Fraser to Hawke*, Longman Cheshire, Melbourne, 1989, pp.9-36; Hayden, *Hayden*, p.371.

It is therefore surprising that Fraser found it necessary to accept the need for a message, without questioning its intent and meaning. The language of the message, 'to have an appropriate solution', was sufficiently ambiguous for Woolcott to seek clarification from the Prime Minister's office before delivering the message; the response was unhelpful: 'the Prime Minister's words were self-standing and were not to be interpreted by the ambassador'. Woolcott later remarked that he would be amazed 'if a message of that nature, which was in fact questioned, would not have been based on proper departmental briefing, even during the period of the caretaker government'.³⁴ The message was significant because it was the first formal confirmation for Suharto, after the first invasion of East Timor and before the next phase of military operations, of the future direction of the Fraser government's relationship with Indonesia. It was sufficiently ambiguous to provide Fraser with freedom of manoeuvre with at least two options: to accept the second invasion and Indonesian sovereignty over East Timor if the take-over was generally well received; or, to criticize the Indonesian government if the Fraser government felt the domestic circumstances justified criticism. If the message did become public, its ambiguity satisfied Fraser's acceptance of one of the conditions of the caretaker government, not to 'initiate new policies before the general election'.

Perhaps Fraser was searching for options; it is known that Fraser was uncomfortable with the invasion and had instructed through his departmental secretary, John Menadue, to initiate option planning in the Department of Defence for possible Australian military intervention under the auspices of the United Nations flag or independently against Indonesian forces. The planning continued for a short period and was finally terminated in early 1976 when military action was ruled out.³⁵ The ambiguity of the message did not clarify Fraser's support for the invasion; indeed, Suharto was sufficiently puzzled to ask Woolcott what the message meant, and Woolcott's response may have exceeded that which was intended; he informed Suharto that he had not had time to discuss the issue with Fraser

³⁴ Robert Garran, 'Fraser's claims rejected', *The Weekend Australian*, 16-17 September 2000, p.29.

³⁵ Fraser also discussed the idea of military options with the Federal Secretary of the Liberal party, Tony Eggleton, who branded the suggestion as a 'mad-hatter idea'. Menadue, *Things You Learn Along the Way*, pp.178-9.

but assumed ‘an appropriate solution’ accommodated Indonesia’s policy interests.³⁶ The ambiguous phrase, ‘an appropriate solution’, when coupled with the first part of the message, ‘the great importance which Mr Fraser attaches to the relationship’, probably justified Woolcott’s interpretation.

The question remains, that before a major invasion involving some 30 000 Indonesian troops, of which Fraser was aware, was any communication justified at all? An unambiguous message, warning Indonesia that its actions were unacceptable, would have been understandable under the circumstances. Maybe the message to Suharto had a different *raison d’être*; the message did not warn or criticize, merely affirming the importance of the relationship and depicting an innocuous position on East Timor during the caretaker period. Fraser had last visited Indonesia in June 1973 when he held discussions with Malik on Indonesia’s policy on China, the Coalition’s proposal on regionalism, and on Australian foreign policy under the Whitlam government.³⁷ At the follow-up press conference in Singapore, he declared that Whitlam had ‘offended every government’ in South East Asia, a criticism that added to the anti-Australian sentiment generated in the region from Whitlam’s proposal to seek Indonesian and ASEAN support for an expanded regionalism.

Fraser was an avowed anti-communist and a declared realist in foreign and defence policies:

The first requirement for an effective Australian role ... is a realistic assessment of the state of the world ... free of self-deception, self-delusion. We must be prepared to face the world as it is, and not as we would like it to be. Only in this way can we avoid ... policies whose assumptions are so remote from reality that their failure is inevitable.³⁸

The opportunity was available to register differences between his government and its predecessor and between Whitlam and himself. There were indications in the early life of FRETILIN that its political leanings were to the left, perhaps even communist, and a left-wing governed country, geographically located in the strategic approaches to the Australian

³⁶ Robert Garran, ‘Fraser’s claims rejected’, *The Weekend Australian*, 16-17 September 2000, p.29.

³⁷ Ayers, *Malcolm Fraser*, pp.210-11.

³⁸ *AFAR*, Volume 47, Number 6, pp.300-9.

mainland, was a situation about which Fraser had already expressed strong concern.³⁹ Moreover, the Fraser caretaker government carefully refused recognition of the FRETILIN regime, which proclaimed the Portuguese colony independent on 28 November, declaring that it could not 'accept claims by any one of the three main Timorese parties to be the only true representatives of Portuguese Timor'.⁴⁰ For a realist like Fraser, these reasons were probably sufficient to justify sending a message of faint support before the second invasion. Yet, in publicly acknowledging intervention in terms of Indonesian reluctance and 'thankful patience' with the events in East Timor, Peacock and Fraser appeared to be supporting Indonesian actions and were attempting to blunt 'criticism of Indonesian actions' in order to limit damage to the relationship.⁴¹

THE SECOND INVASION

Headlines in the dailies proved to be accurate in detailing the build-up to the second invasion: 'Jakarta plans to invade East Timor' on 1 December; 'Jakarta Troops poised to invade' on 3 December; 'Ramos Horta confirms military action' on 4 December; 'Call for UN Peacekeeping Force to East Timor' on 5 December, and the Indonesian government warns its major trading and aid donor countries that 'they should not be surprised by any steps that Indonesia might take in East Timor'.⁴² Newspaper reporting in Jakarta and Singapore indicated that Malik had alerted Australian embassy officials to the invasion on 5 December. The extent of information on the invasion in the public arena could only attest to the Indonesian government's confidence that the proposed military actions would not be interfered with and accepted by those countries that had been briefed on the detail of the second invasion.⁴³ The Australian government had been forewarned much earlier and had sufficient opportunity to use all diplomatic avenues to register public or private concern

³⁹ In particular, Questions Without Notice from Anthony, Fraser and Sneddon, *CPD*, House of Representatives, Volume 96, 28 August 1975, pp.685, 689, 670 respectively.

⁴⁰ 'Malik in talks with anti-FRETILIN groups', *The Australian*, 2 December 1975, p.6. See also 'Indonesia warns envoys on Timor', *Canberra Times*, 6 December 1975, p.1.

⁴¹ Nancy Viviani, 'Australians and the Timor Issue: II', *Australian Outlook*, Volume 32, December 1978, p.241.

⁴² See, for example, 'Jakarta plans to invade East Timor', *The Australian*, 1 December 1975, p.1; 'Malik in talks with anti-FRETILIN groups', *The Australian*, 2 December 1975, p.6; 'Jakarta troops poised to invade Timor', *The Australian*, 3 December 1975, p.3; 'RAAF flies pout 15 from Timor', *The Australian*, 4 December 1975, p.4; and 'Call for UN peace move in Timor', *The Australian*, 5 December 1975, p.1.

over the pending invasion.⁴⁴ On 2 December the government ordered Australians attached to the Red Cross and on private visits to depart Dili as soon as possible. HMAS *Vampire* and *Vendetta* were already in the Timor Sea having been dispatched to the area, armed and ready for combat or to assist in personnel evacuation if needed. The ships remained on station for most of December and January.⁴⁵

Peacock's reaction to the second invasion was one of regret but also deficient of direct criticism of Indonesia; he denounced Portugal for its lack of action and FRETILIN for its political and military activities; and he disputed Ramos Horta's claim that Australia had betrayed the Timorese people.⁴⁶ He did, however, indicate that Woolcott was instructed on 5 December, before the second invasion, to advise the Indonesian government that Australia 'regrets' the military activity and supports a peaceful solution to Timor.⁴⁷ He called for United Nations intervention, an exploration of regional initiatives from ASEAN, and a resumption of aid when peace returned to East Timor. These demands differed little from those of the Opposition. Some Opposition members called for Australian military action; Whitlam remained aloof from public comment, more concerned with winning the coming election, while regretting the military intervention and reminding those who called for an Australian military reaction of Menzies' similar retort on West Irian that 'nobody will go to war over an invasion'. Like Peacock, he also looked to a regional initiative, brokered through ASEAN at the United Nations, to resume the appropriate decolonization

⁴³ 'Warships fire on FRETILIN defenders' and 'Funeral for newsmen', *The Sydney Morning Herald*, 6 December 1975, p.3.

⁴⁴ See, for example, Cablegram JA1615, Jakarta to Canberra, 3 September 1975, DFA file 801/13/11/1 Part 8, CRS A10463 and Cablegram JA3350, Jakarta to Canberra, 28 November 1975, DFA file 801/13/11/1 Part 14, CRS A10463, NAA.

⁴⁵ The ships were exercising in the Indian Ocean when ordered to Fremantle to take on war ammunition and provisions for an extended operation in the Timor Sea. Interview Brigadier K.B.J. Mellor, 22-23 May 2000; Ball and McDonald, *Death in Balibo Lies in Canberra*, pp.170-1.

⁴⁶ Editorial, 'Timor invaded', *The Sydney Morning Herald*, 27 November 1975, p.6. See also 'Indonesia warns envoys on Timor', *The Canberra Times*, 6 December 1975, p.1; Michael Richardson, 'Children are being shot in the streets', *The Age*, 8 December 1975, p.1; and 'No betrayal, says Peacock', *The Age*, 8 December 1975, p.10.

⁴⁷ See Editorial, 'Timor invaded', *The Sydney Morning Herald*, 27 November 1975, p.6. Other detail is in 'Indonesia warns envoys on Timor', *The Canberra Times*, 6 December 1975, pp.1, 5; and Michael Richardson, 'Indons invade Timor', *The Age*, 8 December 1975, pp.1, 10. The cablegram purportedly instructing Woolcott to deliver Peacock's message was not released as part of the Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy. Australia and the Indonesian Incorporation of Portuguese Timor 1974-1976*, Melbourne University Press, Carlton South, 2000.

process, which he insisted was not Australia's responsibility but the responsibility of the United Nations through the activities of the Fourth Committee of the General Assembly.⁴⁸

On 12 December 1975, five days after the capture of Dili, the General Assembly endorsed the resolution agreed by the Fourth Committee, which deplored Indonesia's military intervention in East Timor and called for the immediate withdrawal of all Indonesian armed forces. The resolution was carried 69 to 11, with 38 abstentions. The caretaker government had instructed the Australian representative to vote for the resolution; and ASEAN nations, with the exception of Singapore, voted against. The United States, Britain and most other western countries abstained.⁴⁹ The Australian vote reflected the protocol of a caretaker government and could only have disappointed the Indonesian government after Peacock's meeting at Bali, Fraser's secret communication to Suharto, and Peacock's lack of public criticism of the invasion.

The caretaker government had little choice. If Australia voted against, or abstained from voting for, the resolution, then the potential for strident domestic criticism was possible one day before the general election. The combination of Indonesia's undisputed violation of international law in invading East Timor and the consequent domestic pressure, particularly through the media's emphasis on the Indonesian killing of the five newsmen, probably cemented Peacock's instruction to vote for the resolution; after the election, the notion of an anti-communist government in East Timor generated a much stronger policy approach, invoking a diplomatic 'silence' on support for FRETILIN in accordance with Fraser's secret communiqué to Suharto.⁵⁰ There was widespread support for the caretaker government's votes in the General Assembly, and editorials supported the government's actions in achieving special participation in the Security Council discussions on the matter. The President of the ACTU called for a suspension of defence assistance to Indonesia, elements of the union movement placed bans on shipping to Indonesia and on Indonesian vessels, and agitated for a break in diplomatic relations but no concerted union campaign

⁴⁸ 'We won't meddle in Timor, says former PM', *The Sydney Morning Herald*, 5 December 1975, p.1; Editorial, 'Timor: the day freedom died', *The Age*, 8 December 1975, p.6.

⁴⁹ Viviani, 'Australians and East Timor: II', pp.241-51.

⁵⁰ *Ibid.*, p.243.

materialized during the lead-up to the general election.⁵¹ East Timor as an election issue became lost in the circumstances of the dismissal of the Whitlam government.⁵²

SELF-DETERMINATION FOR EAST TIMOR

The matter of self-determination had not altogether disappeared at officials' level, and Woolcott explained the vote at the United Nations in terms of Australia's unwillingness to 'condone the use of force', adding that there was 'no great difference in the position of Australia and Indonesia on the issue since Indonesia had said that self-determination would be carried out in East Timor as soon as peace was restored'.⁵³ The process of self-determination also carried with it the risk of further public disenchantment with Indonesia and, by association, with the Australian government. The 1969 act of free choice in West Irian was considered an act of political bribery, and an equally orchestrated expression of free choice in East Timor would be unacceptable. For Peacock, the major concern was the timing of an act of self-determination, which could only be conducted in conditions of peace; and there were two choices: to sanction an act of self-determination after a withdrawal of Indonesian forces, or after Indonesian forces had created 'peaceful' conditions in East Timor. In Peacock's view, it was unlikely that Indonesia would consider a withdrawal. The fighting was unlikely to stop before the Indonesia government felt it had overcome local resistance; continued fighting would be portrayed as suppression of opposition to Indonesian sovereignty, thus weakening international support for an Indonesian victory in any act of self-determination. In either case, the remote possibility of an UN-sponsored force, involving Australian personnel, to police East Timor or to prevent FRETILIN forces re-establishing control in the province in the absence of Indonesian forces, was an option worthy of exploration with the Indonesian government.⁵⁴

⁵¹ See, for example, Michael Richardson, 'Indonesia threatens to execute opponents', *The Age*, 10 December 1975, p.1; 'Fierce fighting in Dili, FRETILIN radio claim', *The Sydney Morning Herald*, 17 December 1975, p.2; and 'Malik alleges arms flown from Darwin', *The Canberra Times*, 20 December 1975, p.1.

⁵² Fraser did not mention foreign affairs or defence in his initial election campaign speech, 'Turn on the Lights' which he delivered on 27 November 1975. See 'The Liberal Party Statement', *The Australian*, 28 November 1975, p.11.

⁵³ 'Setback to Jakarta Ties', *The Age*, 11 December 1975, p.1.

⁵⁴ Document 373, Statement to Fourth Committee by the Australian Representative, 11 December 1975, and Document 379, Cablegram Canberra to New York, 16 December 1975, and Record of Conversation, Peacock and Editor, *Indonesian Times*, 17 December 1975, in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, p.623-4, 633-4 and 639 respectively. See also Notes on developments in the UN

What emerged from the newly elected Fraser government was a four-point policy:

A cessation of hostilities and an end to the bloodshed;

A genuine act of self-determination;

A resumption of humanitarian aid to the people of East Timor under the auspices of the International Red Cross once the fighting had stopped; and

The participation of the United Nations to achieve a peaceful settlement of the situation in East Timor.⁵⁵

The four-point policy was different from the United Nations resolution. Gone was any reference to the Fourth Committee's majority opinion, that the Indonesian armed intervention was illegal in international law and Indonesian armed forces were to withdraw before an act of self-determination could be carried out. Australia had abstained from supporting these two substantive clauses, and Peacock's partial explanation lacked credibility:

Not least we understand Indonesia's view that it is necessary to have peace and order in the territory to facilitate the expression of the views of the people of Timor of their own wishes for the future. Nevertheless we cannot accept that the use of force is an appropriate means of settling the problem of East Timor.⁵⁶

To investigate how an act of self-determination could be conducted in a territory under Indonesian military control, the Security Council approved the appointment of a Special Representative of the Secretary-General, Mr. Vittorio Winspeare Guicciardi, to assess the situation and make recommendations on 'practical measures for an early end to the fighting'.⁵⁷ The government's support of Guicciardi was conditional; Woolcott was instructed to discreetly 'discourage' Winspeare Guicciardi 'from coming to Australia at all. For Winspeare to come here ... would imply that, along with others, Australia was a party principal in the resolution of the problem of Timor' - an implication that the government wished to avoid.⁵⁸ When he eventually came to Australia, working accommodation was

General Assembly after the invasion, in particular descriptions of Cablegrams JA 3631 of 11 December 1975, in *Ibid.*, p.625

⁵⁵ Ministerial Statement, in *AFAR*, Volume 47, January 1976, pp.39-40.

⁵⁶ 'East Timor: UN resolution', *AFAR*, Volume 46, December 1975, p.713.

⁵⁷ Security Council Resolution 384, 'Thirtieth Session of the U.N. General Assembly', *AFAR*, Volume 47, February 1976, p.65.

⁵⁸ See Note 1 to Document 394, Letter, Feakes to Dan, 6 January 1976, in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, p.660.

provided in Darwin, yet he was refused assistance to travel from Darwin to FRETILIN-held areas because of the supposed risk to Australian pilots or their aircraft. Woolcott was also instructed to press Indonesia for Guiciardi to visit FRETILIN-held areas from Kupang.⁵⁹

PEACOCK'S FIRST OFFICIAL VISIT TO JAKARTA

In accordance with Fraser's promise of an early visit by the Foreign Minister, Peacock was able to stopover during 19-20 January 1976 for discussions with Suharto, Malik and General Panggabean after attending the funeral of Tun Adbul Razak in Kuala Lumpur.⁶⁰ With Suharto, he raised the timing of an act of self-determination, which he suggested could take place as early as August 1976; and he suggested the option of a policing force in East Timor before the act of self-determination consisting of personnel from friendly countries such as Malaysia and Australia. Suharto did not respond, preferring to emphasize that an act of self-determination 'should be held and that the act should be witnessed by other countries'. Malik offered a different timetable and informed Peacock that East Timor would be 'pacified within six months, enabling an act of self-determination to be held within one year'.⁶¹

Discussions with Malik lasted 'a number of hours' and covered issues of ASEAN, law of the sea, regional cooperation, and ZOPFAN.⁶² On East Timor, Peacock later briefed journalists:

It is natural that two independent countries of substance will have differences of attitude on issues from time to time. But such differences which have arisen recently between the two countries over East Timor should be seen in the context of the long term importance to both countries and to the region as a whole of close and co-operative relations between Australia and Indonesia.⁶³

⁵⁹ Document 409, Record of Conversation, Renouf and Woolcott, 30 January 1976, in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, pp.679-80. See also ministerial statements by the Minister for Foreign Affairs on 27, 28 and 29 January 1976, *AFAR*, Volume 47, January 1976, pp.42-3.

⁶⁰ Fraser also attended Razak's funeral and opted to stopover in Singapore for discussions with Lee Kuan Yew. See Notes 1 and 2 to Document 402, Minute, Parkinson to Feakes, 19 January 1976, in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, p.668. General Panggabean held the position of Minister for Defence and Security.

⁶¹ Document 404, Cablegram Peacock to selected posts, 23 January 1976, in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, pp.670-1

⁶² Document 404, Cablegram Peacock to selected posts, 23 January 1976, in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, pp.670-1

⁶³ 'Visit to Indonesia by the Minister for Foreign Affairs', *AFAR*, Volume 47, January 1976, pp.39-40.

He departed Jakarta with the impression that 'the only solution acceptable' to Suharto and Malik involved East Timor's 'full integration' with Indonesia.⁶⁴

At the time of Peacock's discussions in Jakarta, Fraser held a preliminary meeting with selected officials to canvass additional policy options.⁶⁵ He expressed concern that Indonesia 'may be in the process of a long drawn-out military failure in Timor', and questioned the stability of the government and the security of Suharto's position as president. He informed the meeting that Peacock would attempt to persuade 'the Indonesians to switch from a military to a political operation in Timor'. The Defence Committee was tasked to study 'the strategic importance of Timor to Australia ... [and] the strategic effects of a long drawn-out' struggle in East Timor; and a joint JIO/Foreign Affairs assessment was requested to review the military situation and prospects in Timor and on 'the internal position of the Soeharto regime'. Fraser expressed concern that Australia's ongoing defence cooperation program with Indonesia would be criticized once the Ford Administration's recent decision to suspend military aid to the Indonesia became public; therefore the future of the program was also to be reviewed. Fraser was mindful of Cabinet's decision in December 1975 to agree the gift of 'several unarmed Nomad aircraft' as part of the maritime surveillance project, conditional upon the secret transfer of the aircraft to 'avoid criticism in the press'.⁶⁶

The Foreign Affairs and Defence Committee of Cabinet met on 9 February 1976. Already the Defence Committee had agreed its paper on 4 February 1976, and the Foreign Affairs paper was lodged in the Cabinet Office on 5 February 1976.⁶⁷ The Defence Committee paper reflected the conclusions of the NIC paper, 'Assessment of the Timor Situation',

⁶⁴ Document 404, Cablegram Peacock to selected posts, 23 January 1976, in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, p.672.

⁶⁵ The meeting included departmental secretaries of Prime Minister and Cabinet, Defence, and senior officials in the Department of Foreign Affairs. Document 402, Minute, Parkinson to Feakes, 19 January 1976, in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, pp.668-9.

⁶⁶ 'Notes on Defence Cooperation: 1974-1976', in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, p.699; Document 402, Minute, Parkinson to Feakes, 19 January 1976, in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, pp.668-9. See also Note 3 to Document 402.

⁶⁷ See 'Notes on Cabinet Decisions on Timor' and Document 417, 'Australia's Relations with Indonesia and the Issue of East Timor', in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, pp.711-2 and 691-6 respectively.

which was under preparation when Fraser requested the additional assessments. The NIC paper was sufficiently pessimistic to preclude the adoption of new options:

Indonesian integrationist policy is 'firmly set' and that there is 'little scope for flexibility'. Any prospect for political negotiation with Fretilin is 'virtually unacceptable'. Indonesia is also unlikely to accept a UN role that would impede the achievement of Indonesian objectives or open the way for other countries to involve themselves ... Attempts to deny Indonesia its objective and to secure its co-operation in a military withdrawal from East Timor and in a genuine act of self-determination are therefore likely to meet intractable political and practical difficulties.⁶⁸

Under the circumstances painted by the NIC assessment, the Defence Committee paper recommended that Australia is left with 'an Indonesian *fait accompli*', and it is 'now too late' to change the circumstances in Timor. The paper concluded that 'it is not in Australia's strategic interests to support Fretilin ... and facilitate the involvement in East Timor of political forces unfriendly to Indonesia ... [or] for Timor to become a source of regional instability or prolonged strain'. The paper was in effect recommending the 'territory's early integration into Indonesia', but in the manner which permitted Australia 'to disengage and maintain a low profile'.⁶⁹

The submission from the Department of Foreign Affairs was more jesuitical, proclaiming three courses of action of which two were closely related:

to continue the existing policy of publicly and privately criticizing Indonesia's use of force, pressing for an Indonesian withdrawal, asking for a genuine act of self-determination and the resumption of humanitarian aid and admitting a willingness to consider a contribution to an international presence; the Whitlam or 'realpolitic' option of recognizing the overriding importance of the relationship with Indonesia and accepting incorporation; and strengthening the existing policy by taking 'anti-Indonesian' steps such as cutting off aid or withdrawing the Australian Ambassador from Jakarta.⁷⁰

The department recommended a continuation of the first option, which amounted to a continuation of the four-point policy with its inherent risk to the relationship while the situation in East Timor remained unresolved.

⁶⁸ Department of Defence, 'Australian Relations with Indonesia and the Issue of East Timor', undated (distributed to other departments on 4 February 1976), in DFA file 3038/10/13 Part 1, CRS A1838, NAA.

⁶⁹ *Ibid.*

⁷⁰ 'Notes on Cabinet Decisions on Timor', in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, pp.711-2.

Cabinet agreed the option and to its public restatement. The decision, however, was partly conditional; Cabinet accepted Defence's approach to disengage where possible and agreed to adopt a 'minimum as possible' general approach to issues arising from any future activities in Timor.⁷¹ As well, Cabinet endorsed a new three-year defence cooperation program of some \$A25 million, on the 'proviso that none of the aid be used in East Timor'. The decision continued the Whitlam government's policy on defence aid not being used 'for the purposes of internal oppression'.⁷² Cabinet also agreed 'not to take a decision' on possible Australian involvement in any act of self-determination in East Timor, and tasked the Foreign Minister to prepare a draft statement on the government's policy, including 'an appropriate reference to the nature of Fretilin and the nature of the support it is receiving'.⁷³

PEACOCK'S SECOND VISIT TO JAKARTA

Peacock visited Jakarta again in April 1976 for further discussions. Woolcott warned the Minister that a relative 'coolness' existed in the relationship, stemming from Indonesian 'disappointed expectations' that Australia, as friend and neighbour, continued to call for an Indonesian withdrawal from East Timor, which stimulated international 'difficulties' for the Indonesian government. The earlier idea of a UN peace-keeping force involving Australian personnel, the activities of FRETILIN spokespersons in Darwin, and Peacock's parliamentary statement of 4 March 1976, during which he reiterated the four-point policy in accordance with the Cabinet decision of 9 February 1976, were considered unfriendly messages that continued to test Indonesian patience.⁷⁴

⁷¹ *Ibid.*

⁷² Treasury initially suggested an allocation of \$A20 million, which was increased to \$A25 million after Killen and Peacock requested the increase. 'Notes on Defence Co-operation 1974-76', in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, p.699.

⁷³ The FAD Committee did not consider the additional paper, which was considered 'the vehicle whereby the Government might begin its "bucketing" of Fretilin'. 'Notes on Cabinet Decisions on Timor' and Document 429, Ministerial Submission, 24 February 1976, in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, pp.712 and 715-6 respectively.

⁷⁴ Document 440, Cablegram Woolcott to Canberra, 8 April 1976, and Document 441, Ministerial Brief for Visit, April 1976, in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, pp.735 and 738-40 respectively. The March speech was Peacock's first foreign policy speech to Parliament as minister, and occurred after the first summit meeting of ASEAN leaders in Bali. He welcomed the signing of the Declaration of Concord in which the five leaders agreed to the guidelines for further political and economic cooperation and the conclusion of the Treaty of Amity and Co-operation, which provided for a means for the peaceful settlement of regional disputes. Ministerial Statement, *CPD*, House of Representatives, Volume 98, 4 March 1976, pp.567-9.

For Indonesia, East Timor was the relationship, and Australian diplomatic activities were measured by their impact on East Timor. Peacock's second visit was a fresh opportunity to raise other issues in the relationship to introduce balance to East Timor. He was briefed to raise economic developments in ASEAN and the role that third parties might play; and he was ready to discuss ZOPFAN in conjunction with the regional role of the great powers. Fraser had continued to support the British and United States decision in May 1974 to upgrade the naval facilities at Diego Garcia to counter the Soviet naval presence in Somalia. The government's ongoing support for American naval activities in the Indian Ocean was an area of disagreement because, in the Indonesian perspective, Australia could not support an increased American naval presence and continue to support ZOPFAN. Peacock was also prepared to brief on the new bilateral aid arrangements and defence cooperation budget, which would be announced later; and he was given a letter to deliver to Suharto from Fraser, which indicated that Fraser would not be able to visit Jakarta until late 1976.⁷⁵

In spite of the preparations, the major issue was East Timor. Discussions ranged over the act of self-determination, access of the ICRC, the activities of the special representative to East Timor, the activities of FRETILIN in Darwin, and the recent Australian petition to the United Nations, which was signed by 55 parliamentarians.⁷⁶ Peacock cabled Fraser that he believed the visit went well; he reported that the Indonesians were 'worried about the growth of hostility in certain sections of the Australian community' and sought to secure 'if not our tacit support for their concerns in Timor, then at least our sympathetic understanding for their position'. Peacock noted that some of the exchanges were robust, which caused him to restate the 'cardinal principles' of Australia's position - the Timorese were to determine their future in a manner that permitted the involvement of an overwhelming majority of Timorese. 'How this should be done', Peacock added, 'was not

⁷⁵ Document 457, Record of Conversation Taylor and Tjan, 3 June 1976, in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, p.774.

⁷⁶ Senator Arthur Gietzelt, as president of the parliamentary group known as the Friends of Timor, announced that a petition was dispatched to the Security Council on 7 April 1976. *CPD*, Senate, Volume 67, 7 April 1976, p.116. 43 ALP members, ten members of the Liberal party and two Country party members signed the petition, '54 MPs [sic] sign Timor petition', *The Australian*, 8 April 1976, p.3.

for Australia to say'.⁷⁷ If the relationship with Australia was of value to the Indonesian government, then an acceptable method of voting, different from the 1969 act of free choice in West Irian, had to be found. If this was not done, the question remained: what then could the Australian government do? Peacock's visit had brought into question Australia's commitment to the relationship, and the public release of the discussion notes from Peacock's secretive briefings with Indonesian officials in September 1975 suggested a deepening Indonesian displeasure with both Peacock and the Australian government.⁷⁸

The Foreign Affairs and Defence Committee concluded that little could be achieved outside of attempts to influence the act of self-determination without becoming too involved and to offer humanitarian aid when the fighting had stopped.⁷⁹ The overriding importance of the relationship precluded retaliatory actions; the Fraser government, like the Menzies governments during the West New Guinea dispute and Confrontation, was able to offer sufficient public criticism for domestic consumption, while undertaking confidential diplomacy to sustain the relationship. The government was reluctant to punish Indonesia by announcing the postponement of the defence cooperation program; indeed, the opposite occurred. Defence cooperation funding was increased while fighting continued in East Timor.⁸⁰ Later, the Minister for Defence, James Killen, confirmed the Cabinet decision:

to assist the development of Indonesia's maritime surveillance capability, and with the surveying and mapping of Indonesia's territory, to mention two projects of both economic and defence significance to Indonesia. We expect to see Indonesian Servicemen still coming to Australia to attend a wide variety of courses at Australian service training schools. Short-term visits and exchanges, for example those between the cadet colleges of the two countries, will continue, as will port calls by RAN vessels to show the flag in Indonesian ports.⁸¹

As well, Peacock announced a new bilateral assistance program with an increase of \$A17 million to \$A86 million for three years to 1979, although, unlike previous three-year

⁷⁷ Cablegram 6059, Peacock to Fraser, 15 April 1976, DFA file 3038/13/10/1 Part 9, CRS A1838, NAA. See also Document 442, Record of Conversation, Peacock and Panggabean, 14 April 1976, in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, pp.741-5.

⁷⁸ Gay Davidson, 'Timor accusations', *The Canberra Times*, 30 April 1976, p.1.

⁷⁹ Document 438, Ministerial Submission, 2 April 1976, in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, pp.731-4.

⁸⁰ The new defence cooperation funding would be confirmed during Fraser's October visit to Indonesia. See Appendix 2.

⁸¹ D.J. Killen, 'Defence Policy', *Pacific Defence Reporter*, March 1976, p.8.

pledges, provision was made for a review of the commitment at its mid point, thus establishing an exit mechanism if political circumstances were to deteriorate further.⁸²

POLICY RETREAT

The poor relationship between the two countries was exacerbated in the period before Fraser's visit to Jakarta. In June the records of conversation of the two meetings between the Chinese Premier, Hua Kuo-feng, and Fraser were accidentally 'leaked' to Beijing-based correspondents of the major Western newspapers. The records detailed comments on other national leaders and governments, including Fraser's concerns 'that the Indonesian regime could not be effective'.⁸³ On 27 June the Indonesian government informed embassy officials in Jakarta that it would take 'a most serious view if reports of Fraser's statement proved to be true'. Embassy officials were further briefed that Suharto was 'greatly agitated, as much by the suggestion that his was a "regime" as by the suggestion that his government was "ineffective"'. By the end of the month, the Indonesian press were suggesting that if the remarks were true, then Australia should be viewed as an unfriendly neighbour.⁸⁴ In haste, Fraser wrote Suharto a short letter of denial, declaring that he was 'upset about the press reports, which imply that comments had been made reflecting on Indonesia and your distinguished leadership'; he indicated that Woolcott would clarify the context of his remarks. The letter was hand-delivered by Woolcott on 3 July 1976 and included a tentative date of October for a prime ministerial visit, which had now assumed a higher priority in Fraser's schedule.⁸⁵

Woolcott's explanation of the context of Fraser's comments did not matter as long as Suharto was sufficiently soothed in the diplomatic ambiguity of private discussion and

⁸² Address by the Minister for Foreign Affairs to the Indonesian Press Club, 14 April 1976, in *AFAR*, Volume 47, April 1976, pp.213-6.

⁸³ The cited words were accurate and also reflected Fraser's concerns in his meeting with departmental representatives in January 1976. In addition, Fraser was quoted as expressing doubts on the future security of Malaysia and Singapore, and his thoughts on a four-power alliance of Australia, China, Japan and the United States for the Pacific area were also revealed. See Warren Beeby, 'Secrets leak stuns Fraser', *The Australian*, 24 June 1976, pp.1, 11; and Yvonne Preston, 'Fraser tries to play down China', *The Australian Financial Review*, 24 June 1976, pp.1, 10.

⁸⁴ 'Notes on Fraser's Message to Soeharto: June 1976', in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, p.800.

formal press statements that publicly reinforced Australia's appreciation of Suharto's leadership, of what Suharto had done for Indonesia and the importance that Australia attributed to the bilateral relationship. The timing of the leak was unfortunate for East Timor because Suharto approved its integration at a Cabinet meeting on 29 June in spite of international concerns over the manner of self-determination; and he signed the parliamentary bill of conformation at a ceremony on 17 July 1976.⁸⁶ If Suharto had doubts in approving the integration, these would most likely have disappeared in the light of the press coverage which questioned the strength of Suharto's leadership; and any 'last minute' leverage that Australia could bring to bear was lost from the taint of Fraser's remarks and the diplomatic manoeuvres to compensate and neutralize them.⁸⁷ The 'cardinal principle' of Peacock's stated position - the Timorese were to determine their future in a manner that permitted the involvement of an overwhelming majority of Timorese - had been unconditionally rejected by Suharto.

To mark the beginnings of a policy withdrawal, Peacock issued a press statement which proclaimed the government's regret that the United Nations was not prepared to play a more decisive role in Timor. He declared that the consultative acts in East Timor on 31 May and 24 June had not addressed the uncertainty 'about how extensive and representative the exercise of self-determination had been', and concluded by stating that 'in the circumstances Australia cannot regard the broad requirements for a satisfactory process of decolonisation as having been met'. Peacock's statement was not considered strong enough by the Australian press, although the last sentence attempted a form of ambiguity on subsequent government actions and 'annoyed' some senior Indonesians for its unstated intent.⁸⁸

⁸⁵ Document 474, Cablegram Fraser to Woolcott, 'Message to the President from the Prime Minister', 30 June 1976, in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, p.801.

⁸⁶ The process involved a representative council meeting of the 13 districts of East Timor on 31 May and an Indonesian fact-finding mission on 24 June. For details of the process, which was different from the *musjawarah* process in West New Guinea, see Documents 446, 447, 454, 455 and 456, in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, pp.751-3, 754-5, 770-1, 771-2 and 772-3 respectively; see also 'East Timor', *AFAR*, Volume 47, July 1976, p.395.

⁸⁷ Document 484, Cablegram Jakarta to Canberra, 17 July 1976, in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, p.819.

⁸⁸ Ministerial Press Statement, 20 July 1976, in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, pp.824-5. See also 'Peacock criticises UN role in Timor takeover', *The*

Peacock recognized that little remained of the original four-point policy. Hostilities had not ceased and were unlikely to cease in the foreseeable future; gone was the opportunity for a genuine act of self-determination; humanitarian aid could not be instigated through the ICRC because agreement between the Indonesian government and the ICRC could not be reached on the conditions for entry to East Timor; and future participation of the United Nations was now unlikely because of recent decisions by the Secretary-General to scale down involvement.⁸⁹ In diplomatic terms, the four-point policy was now irrelevant, and changes had to be made. The government did not declare any change before Fraser's visit to Jakarta, which seemed an opportune time for 'stock-taking' since both Fraser and Peacock were advised by Indonesian officials that unless Australian policy 'is publicly modified, the prospects for a successful and meaningful visit do not look good'.⁹⁰

THE PRIME MINISTER'S VISIT TO INDONESIA

Prior to the visit further pressure was exerted to invalidate the four-point policy. The Department of Foreign Affairs was informed that some senior Indonesian officials wanted to postpone the visit because of the 'difficulties' over Timor; however, if Australia were to adopt an approach 'which the Indonesians considered more understandable of their position', most of the difficulties would disappear. The department assessed that public opinion in Australia 'will be the most difficult problem to overcome, should the Government decide to relax its attitude on Timor'; therefore:

if you share our view that our policy should be reviewed quickly, there are a number of other loose ends which would need to be examined. As well as the major question (of recognition of integration) and other associated tactical questions, there are the future of Fretilin activities in Australia, which Indonesia may now regard as seeking to undermine its national unity; the existence of the radio

Australian, 21 July 1976, p.4; and 'Indonesia attacked for Timor decolonisation', *The Sydney Morning Herald*, 21 July 1976, p.8.

⁸⁹ Document 476, Ministerial Submission, 30 June 1976, and Document 482, Cablegram, Canberra to New York, 13 July 1976, in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, pp. 802-5, 813-4 respectively.

⁹⁰ Prime Ministerial Submission, 'Relations with Indonesia: Timor', 6 August 1976, in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*, pp.825-7.

transmitter in Darwin; our intended attitude to UNGA and the possible channeling of assistance through the Indonesian Red Cross.⁹¹

One week before the Prime Minister's visit, officers of the Department of Posts and Telecommunications confiscated the FRETILIN radio transmitter in Darwin after Fraser and Peacock agreed to the seizure on 20 August 1976. The seizure was the next public indication that the government had changed policy, and a new approach was underway.⁹²

The Official Visit

Fraser arrived in Jakarta on 7 October to a 19-gun salute, a guard of honour and a smiling President Suharto. Indonesian press coverage before his arrival lampooned the government's seizure of the FRETILIN transmitter and revived Fraser's Beijing comments on the effectiveness of the Suharto regime. Some editorials anticipated an Australian diplomatic move to recognize Indonesia's takeover of East Timor.⁹³ The first discussion session between the leaders lasted more than two hours and was conducted, at Fraser's request, with only two interpreters present. Officials were unable to record the discussion.⁹⁴ In background briefings after the discussion session, Australian reporters were informed by Indonesian officials that a form of agreement was reached on East Timor; however, Australian embassy officials denied any 'hint of an agreement'. Differences of opinion were confirmed, however, over Soviet and United States naval activity in the Indian Ocean, and the remainder of the discussions was 'held in an atmosphere of friendly and mutual understanding'.⁹⁵

⁹¹ *Ibid.*, p.827.

⁹² Minute, Department of Prime Minister and Cabinet to selected Departments, 20 August 1976, DFA file 3038/10/1, CRS A1838, NAA; 'Sinclair denies Indonesian role in radio seizure', *The Australian*, 1 October 1976, p.4.

⁹³ The four-day visit included discussions with Suharto, an address to the Indonesian Parliament, a visit to a joint venture involving James Hardie Pty Ltd, near Jakarta and a private visit to Suharto's stud farm. Hamish McDonald, 'Soeharto rolls out uncertain welcome mat', *The Australian Financial Review*, 7 October 1976, pp.1, 15; and Warren Beeby, 'Timor high on Fraser, Suharto agenda', *The Australian*, 8 October 1976, p.1.

⁹⁴ The records of conversation were not released as part of the Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy*. Renouf, who was no ally of Fraser, noted that Fraser was briefed to acknowledge *de facto* incorporation of East Timor, which Fraser realised would cause domestic problems. Renouf suggests that a secret deal was concluded to overcome Australian domestic issues. Alan Renouf, *Malcolm Fraser and Australian Foreign Policy*, Australian Professional Publications, Sydney, 1986, p.167.

⁹⁵ Mike Steketee, 'Soeharto takes tough line', *The Sydney Morning Herald*, 9 October 1976, p.1; and Warren Beeby, 'Timor is part of us, and that is final – Suharto', *The Australian*, 9 October 1976, p.1.

If Fraser and Suharto reached an agreement on East Timor, its omission in the 21-point joint communiqué could only have reflected the imperatives of Australian domestic politics.⁹⁶ The communiqué did not mention Indonesian sovereignty or the defunct four-point plan but focused on the future by elevating the problems of human suffering in the new province through additional humanitarian grants via the Indonesian Red Cross. After Fraser departed Jakarta, senior Indonesian officials suggested that Fraser had accepted *de facto* recognition, a claim that Fraser vigorously denied.⁹⁷ Indeed, Fraser refused to confirm or deny the existence of any new agreement on East Timor; and, in the atmosphere of claim and counter-claim, it is difficult to conclude that some form of agreement was not attained. During later press conferences, Fraser refused to restate the original four-point policy in spite of the constant questioning from journalists and repeatedly declared that Peacock had stated the policy on many occasions, so 'there was no point in saying it again ... East Timor is now Mr. Peacock's problem'.⁹⁸ *The Australian* editorialized that a policy a prime minister refuses to restate could only be presumed to be a 'dead policy' that had run its idealistic course.⁹⁹ Indeed, pragmatism had won out; the government appeared to downplay old policy on East Timor, although the new, unstated policy did not satisfy a domestic constituency that was becoming more critical and insistent.

During background briefings, elements of the government's new position slowly emerged: Australia would not publicly restate its four-point policy nor would it criticize the Indonesian takeover of East Timor; FRETILIN radio transmitters will not be allowed to operate from Australian territory; and arms or equipment will not be allowed to be shipped from Australia to East Timor.¹⁰⁰ Journalists also noted a hurried set of official activities that confirmed Indonesian administrative control of East Timor: on the eve of the visit, embassy officials presented an aid cheque for \$A83 000 to the Indonesian Red Cross for East Timor; and, during his address to the Indonesian Parliament, Fraser announced an additional \$A250 000 in humanitarian aid to East Timor, which would also be channeled

⁹⁶ Joint Communiqué, 10 October 1976, in *AFAR*, Volume 47, Number 10, October 1976, pp.537-40.

⁹⁷ The comments were attributed to General Sudharmono, President Suharto's official spokesman. Warren Beeby, 'Fraser counts visit to Indonesia a success', *The Australian*, 11 October 1976, p.12.

⁹⁸ *Ibid.*

⁹⁹ Editorial, 'On being frank with Indonesia', *The Australian*, 12 October 1976, p.8.

through the Indonesian Red Cross.¹⁰¹ Journalists were also informed that officials' level negotiations had commenced on a seabed boundary between East Timor and Australia, which would permit Australian oil exploration and exploitation in the Timor Sea. Also, Fraser announced the new three-year defence cooperation arrangements of \$A25 million, which unambiguously acknowledged Australian satisfaction with bilateral relations.¹⁰²

In an act of friendship during the visit, Fraser accepted Suharto's invitation to visit his 750-hectare cross-breeding and experimental stud farm at Tapos. Most of the cattle were imported from Australia; and, perhaps unknown to Fraser, some had been transported to Indonesia by several military landing craft, which were used in the December amphibious operation in East Timor, having been re-routed to Townsville after the military operation to pick up the new live cargo.¹⁰³

THE 1976 WHITE PAPER

After Fraser's visit to Indonesia, the new White Paper on Defence was tabled in Parliament.¹⁰⁴ Fraser had rejected the draft 1975 Strategic Basis on the grounds of 'inadequate' assessments of the 'many world questions' which could affect Australia's security.¹⁰⁵ He was concerned over the growth of Soviet military strength in Europe as well as in the Indian Ocean and requested the Defence Committee to undertake more substantive analysis to inform defence planning.¹⁰⁶ The outcome was not noticeably different from the

¹⁰⁰ Hamish McDonald, 'Fraser - Soeharto rapprochement', *The Australian Financial Review*, 11 October 1976, pp.1, 4.

¹⁰¹ For example, Hamish McDonald, 'Indonesian will be seeking assurance', *The Sydney Morning Herald*, 7 October 1976, p.3; Warren Beeby, 'Fraser counts visit to Indonesia a success', *The Australian*, 11 October 1976, p.12; Anthony Hill, 'Repetition of East Timor policy can be harmful', *The Australian Financial Review*, 13 October 1976, p.4.

¹⁰² Hamish McDonald, 'Fraser encourages Jakarta on oil export', *The Sydney Morning Herald*, 9 October 1976, p.27; and 'Now for talks on seabed', *The Australian*, 9 October 1976, p.1.

¹⁰³ 'PM visits Suharto farm', *The Australian*, 11 October 1976, p.1; and Interview Brigadier K.B.J. Mellor, 22-23 May 2000. The selection of Townsville for the reciprocal informal discussions with Whitlam was at the suggestion of Suharto, who had requested tours to the local cattle industry during the three-day visit in April 1975.

¹⁰⁴ Ministerial Statement, CPD, House of Representatives, Volume , 4 November 1976, pp.2343-4.

¹⁰⁵ 'Morrison counter-attacks PM' and 'Previous defence study too narrow', *The Canberra Times*, 9 July 1976, p.2. See Chapter 4 for detail on the development of the draft assessment.

¹⁰⁶ Two substantive documents were eventually produced: an *International Strategic Outlook* (ISO), and *Australia's Strategic Analysis and Defence Policy Objectives* (ASADPO). The ISO was prepared by ONA and submitted to Fraser on 1 May 1976; the ASADPO became the basis for the 1976 White Paper. Fedor Mediansky, 'The New Strategic Assessment', *The Sydney Morning Herald*, 14 October 1976, p.6.

assessments undertaken during the period of the Whitlam governments, and concluded that Australia had been 'free from threat of military attack since the end of World War II'.¹⁰⁷ China was recognized to be in the process of becoming a responsible member of the international community; and ASEAN was viewed as 'of abiding importance' to Australia and the region. Australia's primary strategic area was defined to include all of Australia's adjacent maritime areas, and ongoing friendly relations with Indonesia were perceived to be in Australia's long-term interests:

The Indonesian archipelago, together with Papua New Guinea, would be an important factor in any offensive military strategy against Australia. This consideration alone gives Australia an enduring interest in the security and integrity of the Indonesian Republic from external influence.¹⁰⁸

An Indonesian Republic free 'from external influence' was a new acknowledgement in the Strategic Basis series of assessments. A cohesive and stable republic had always been an objective of successive governments; however, an 'enduring interest in the security and integrity' of the Republic 'from external forces' represented a new and discriminating nuance that acknowledged, and perhaps sought to justify, the major reason for the Indonesian invasion of East Timor and the ongoing deployment of Indonesian forces to counter uprisings in other areas of the Indonesian archipelago. Moreover, the White Paper confirmed that Australia's defence cooperation program with Indonesia would include activities to improve Indonesia's maritime surveillance, the training of service personnel, 'occasional' combined operations and regular 'consultations about strategic developments and defence matters of common interest'.¹⁰⁹ 'Consultations about strategic developments and defence matters' were also a new initiative in defence cooperation. The exchange of strategic perspectives was an attempt to go beyond the tactical and operational level of discussions that had gradually been undertaken since 1967.

The White Paper did not directly acknowledge the East Timor problem but declared that the relationship had 'weathered occasional sharp differences'.¹¹⁰ The White Paper had shifted

¹⁰⁷ The Commonwealth of Australia, 'Australian Defence', *Parliamentary Paper No 312/1976*, The Acting Commonwealth Government Printer, Canberra, November 1976, p.2.

¹⁰⁸ *Ibid.*, pp.7-8.

¹⁰⁹ *Ibid.*, p.8.

¹¹⁰ *Ibid.*, p.7.

the focus from Indonesia and East Timor to ASEAN and global threats, and re-introduced the spectre of hostile Soviet intentions as a more significant factor in Australia's security planning.¹¹¹ By placing more emphasis on ASEAN, the government was accepting a new focus for diplomatic attention, in effect elevating the importance of ASEAN as a regional stabilizing influence. Like Whitlam, Fraser acknowledged that Australian membership of ASEAN was unobtainable, and lack of membership did not mean that ASEAN should be treated as unimportant.¹¹² In the climate of normalizing relations with Indonesia after the invasion, an equivalent focus on ASEAN had several political advantages: a focus away from Indonesia in the lead-up to an announcement of *de jure* recognition of Indonesia's incorporation of East Timor cushioned the influence of domestic opposition to incorporation; assistance to ASEAN could strengthen Indonesia's leadership role in the organization; and a stronger, more politically active ASEAN had the potential to restrain objectionable Indonesian domestic activities since political and social instability in Indonesia meant political and social instability in ASEAN. Fraser, like Whitlam, recognized the potential benefits that ASEAN could generate in dealing with regional issues.

One such issue was the boat people from Vietnam. During the period 1976-1979, 51 vessels and 2011 boat people landed in Australia.¹¹³ Initially, boat people traveled to most parts of South East Asia, including Australia, accepting fuel and supplies at a variety of ports along the way. By 1979 boat people totaled nearly 300 000 which, left unchecked, had the potential to weaken the social order in most South East Asia countries and increase regional apprehension and instability. The government's negotiations with Indonesia and

¹¹¹ By February 1980 the political circumstances were deemed necessary for Fraser to announce that defence arrangements with ASEAN members were to be expanded. Cabinet agreed the move as part of the government's reaction to its concerns over Soviet expansion in the Pacific and Indian Oceans, and before Fraser met with Carter in Washington to discuss the Soviet moves. Report from the Joint Committee on Foreign Affairs and Defence, *Australia and ASEAN. Challenges and Opportunities*, Australian Government Printing Service, Canberra, 1984, p.58; and Russell Schneider, 'Fraser will block Russia in Pacific', *The Weekend Australian*, 2-3 February 1980, pp.1, 4.

¹¹² For a critical analysis of Australia's relations with ASEAN, see Carlyle A. Thayer, 'Australia and Southeast Asia', in F.A. Mediansky, (Editor), *Australia in a Changing World. New Foreign Policy Directions*, Maxwell Macmillan, Botany, 1992, pp.275-81; and Peter McCawley, 'Australia's Misconceptions of ASEAN', in Paul Dibb, (Editor), *Australia's External Relations in the 1980s. The Interaction of Economic, Political and Strategic Factors*, Croom Helm Australia, Canberra, 1983, pp.84-95.

¹¹³ Bruce Grant, *The Boat People: An 'Age' Investigation*, Penguin Books, Ringwood, 1980, p.180.

ASEAN were successful in alleviating Australia's immediate problems of large-scale landings in northern Australia and in bringing some order to the resettlement of the refugees. ASEAN member countries agreed to gather boat people into refugee collection camps in which processing were conducted in accordance with United Nations requirements. By the end of 1979, 200 000 were awaiting processing, and a total of 100 000 were settled elsewhere, with the Australian government accepting some 37 000 refugees during the period.¹¹⁴ Indonesian actions with ASEAN support had been reasonably successful in managing this regional social problem.

RECOGNITION OF INDONESIAN SOVEREIGNTY OF EAST TIMOR

On 19 January 1977, Peacock announced the establishment of a new high-level officials committee to monitor all aspects of Australia's relations with ASEAN.¹¹⁵ In 1974, under the Whitlam government, Australia became the first country to formalize relations with ASEAN through direct economic aid of some \$A5 million, which by 1977 was almost expended. Under Peacock, the bureaucratic mechanism between Australia and ASEAN expanded into several committees: the Standing Inter-Departmental Committee on ASEAN (IDC-ASEAN) which was formed in 1977, and the ASEAN-Australia Consultative Meeting (AACM) which was established in 1978 to provide a forum for regular contact and discussion between the IDC-ASEAN and the ASEAN Canberra Committee whose members comprised the heads of the ASEAN diplomatic missions in Canberra.¹¹⁶ By 1980 the economic program to ASEAN totaled \$A34.5 million and the complexity of cross-investment patterns required an additional mechanism, the ASEAN-Australia Business Council, to coordinate private and public sector activities.¹¹⁷

The new mechanisms provided extra opportunities for diplomacy and inclusion in regional matters; relations with ASEAN, however, could not be forged without the help of

¹¹⁴ *Ibid.*, pp.212-3.

¹¹⁵ Membership consisted of representatives from the Departments of Foreign Affairs, Defence, Prime Minister and Cabinet, the Treasury, Overseas Trade, Industry and Commerce, Business and Consumer Affairs.

¹¹⁶ 'Australia-ASEAN relations', *AFAR*, Volume 48, January 1977, p.50.

¹¹⁷ Its first meeting was held in June 1981. 'ASEAN and Australia', *AFAR*, Volume 52, September 1980, pp.451-4.

Indonesia, and in the climate of faint support for Indonesian activities in East Timor, further involvement with ASEAN after 1976 was in doubt.¹¹⁸ During his January 1976 stopover in Jakarta, Peacock was unable to gather Indonesian support for Fraser to visit Bali and meet with ASEAN leaders after the first ASEAN summit in February 1976. Fraser's visit was unacceptable to the Indonesians because of Australia's vote in the General Assembly in December 1975 demanding Indonesian withdrawal from East Timor and for other more officious reasons. Indonesia's suspicions of Singapore had 'hardened' since Razak's death, and Indonesian officials were aware of the friendship between Lee Kuan Yew and Fraser, which was confirmed through Fraser's decision to stopover in Singapore rather than in Jakarta after Razak's funeral.¹¹⁹ By the second summit meeting in Kuala Lumpur in August 1977, circumstances had changed; Australia's new, yet publicly unstated policy on East Timor did not inhibit Indonesian assistance for post-summit discussions to which Fraser, along with the Prime Ministers of Japan and New Zealand, was invited.¹²⁰ After the discussions, Fraser announced a further \$A10 million grant under the ASEAN-Australia economic co-operation program and an increase of \$A90 million to Australia's bilateral development assistance to ASEAN members, which now totalled some \$A250 million.¹²¹ In comparison, Japanese aid totalled some \$US1000 million on conditional terms.¹²²

Access to ASEAN became a diplomatic success, but it was achieved at the expense of East Timor through incremental announcements on the new unstated policy. In December 1976, when the General Assembly voted 68 to 20, with 49 abstentions, for a resolution calling for an Indonesian withdrawal from East Timor, Australia abstained from voting.¹²³ In

¹¹⁸ General Moerdani warned Woolcott in March 1976 that Australia would not succeed with ASEAN without Indonesian help. Letter, Woolcott to Renouf, 10 March 1976, DFA file 3038/13/10/1 Part 3, CRS A1838, NAA.

¹¹⁹ Cablegram 4537, Woolcott to Selected Posts, 30 January 1976, DFA file 3038/13/10/1 Part 3, CRS A1838, NAA.

¹²⁰ 'ASEAN', *AFAR*, Volume 48, August 1977, p.402; and Ministerial Statement, *CPD*, House of Representatives, Volume 106, 17 August 1977, pp.351-5.

¹²¹ 'ASEAN: The Kuala Lumpur summit meeting and post-summit talks', *AFAR*, Volume 48, August 1977, pp.402-3.

¹²² Japan-ASEAN: Fruits of the post-ASEAN summit talks', *AFAR*, Volume 48, August 1977, pp.465-6.

¹²³ 'The Australian representative abstained, noting in explanation of vote that the resolution contained points of principle fundamental to Australian policy although they were not expressed as the Australian government would have preferred. The representative stated that Australia did not regard the resolution as a whole as realistic or constructive and would therefore abstain'. 'Thirty-first Session of the U.N. General Assembly', *AFAR*, Volume 48, February 1977, p.67.

November 1977, Australia abstained from voting on the General Assembly resolution to reject 'the claim that East Timor had been integrated into Indonesia'.¹²⁴

On 20 January 1978, Peacock announced *de facto* recognition of East Timor's integration into Indonesia.¹²⁵ The government's decision was tactically timed for late release on Friday, and only the larger weekend dailies carried the announcement.¹²⁶ Accusations of betrayal and hypocrisy followed the announcement, with criticism emanating from the Labor Opposition, the East Timorese freedom movement, the Australian Council for Overseas Aid and a smattering of letters of protest to the editors of the daily newspapers.¹²⁷ Peacock declared that 'it would be unrealistic to continue to refuse recognition that East Timor was part of Indonesia'; Indonesian control of East Timor 'was effective and complete and covered all major administrative centres'; and since the government wanted to progress its program of reuniting East Timorese families and rehabilitating the country, 'it would have to deal directly with Indonesia as the authority in control'. Peacock also apologetically indicated that the government remained 'critical of the means by which East Timor was integrated into Indonesia' and regretted the events that led 'to the humanitarian issues arising from the conflict'. The government had in effect accepted Indonesian administrative control during Fraser's visit in October 1976, so the formal announcement of *de facto* recognition, some two years after the invasion and 16 months after Fraser's visit to Indonesia, had other reasons for its timing.¹²⁸

The Indonesian response to the announcement was stifled because it coincided with the Indonesian government's crackdown on student riots and newspapers in Jakarta and with media reports of the death of some 2000 East Timorese killed in fighting in the southern

¹²⁴ The voting resulted in 67 in favour, 26 against and 47 abstentions. *AFAR*, Volume 49, February 1978, p.70.

¹²⁵ Ministerial Press Release, 20 January 1978, DFA file 3038/10/1, CRS A1838, NAA.

¹²⁶ Hugh Smith noted that the decision was taken during the Christmas break when most members of Parliament were absent from Canberra and were unable to use the party apparatus to alter or delay the announcement. Hugh Smith, 'Internal Politics and Foreign Policy', in Mediansky, *Australia in a Changing World*, p.27; see also J. Knight and W.J. Hudson, *Parliament and Foreign Policy*, Canberra Studies in World Affairs, Number 13, The Australian National University and the Australian Institute of International Affairs, Canberra, 1983, pp.40-1.

¹²⁷ 'Timor decision reversed', *The Australian*, 24 January 1978, p.2.

¹²⁸ Warren Beeby, 'Betrayal claim over E. Timor', *The Weekend Australian*, 21-22 January 1978, p.1.

border area of Timor during the previous two months.¹²⁹ The order to arrest students 'suspected of subversive acts' was aimed at preventing the publishing of a 'whitebook', a product of the student council of the Bandung Institute of Technology, which allegedly contained a critical evaluation of the achievements of the Suharto government. Initial student reaction to the clampdown was swift with simultaneous demonstrations occurring at the major universities, and army troops were deployed to key points surrounding Suharto's residence. The arrests coincided with the closure of seven newspapers which were to publish excerpts of the 'whitebook'. *The Australian* mused that the timing of the Australian government's announcement of recognition 'must give the impression of some sort of tacit approval of what the Indonesian government is doing in Jakarta and in other centres', adding that 'it would be morally indefensible for us to condone oppression or disregard' for human rights. 'Censorship, to the extent of closing down newspapers, is an intrusion on liberty, which we cannot tolerate'.¹³⁰ *The Australian* seemed less concerned with the Suharto government's actions in East Timor:

There is reason in Australia's decision to recognize the existence of Indonesia's sovereignty over East Timor. It is an established fact and to ignore it would be no more sensible than was our long period of refusing to recognize China. And, as our defence writer pointed out yesterday, we are greatly advantaged strategically by having an Indonesian presence in Timor rather than a communist presence, as we might have had.¹³¹

Foreign policy based on pragmatism rather than principle seemed more acceptable for some. *The Australian Financial Review* noted that the test of Australia's foreign policy should be an assessment of where:

our national interest lies. Such an exercise does not exclude moral considerations – it must give such considerations a heavy weighting. Any government which failed to be sensitive to this would suffer domestic condemnation and would suffer electorally for that. Even in persisting with the official policy for so long as it did, the Fraser government was guilty of calculated hypocrisy. To have continued would have been to leave a diplomatic sore unattended.¹³²

¹²⁹ The presidential election was to be held in February 1978 and the students were protesting against the probable re-election of Suharto. 'Timor decision reversed', *The Australian*, 24 January 1978, p.2.

¹³⁰ Editorial, 'Jakarta crackdown', *The Australian*, 24 January 1978, p.6; 'Troops arrest more Suharto demonstrators', *The Australian*, 25 January 1978, p.4.

¹³¹ Peter Young, 'We have lost all round on Timor', *The Australian*, 23 January 1978, p.7.

¹³² Editorial, 'Indonesia and Timor', *The Australian Financial Review*, 23 January 1978, p.2.

The Sydney Morning Herald reminded its readers that it was the Coalition in opposition that criticized the Whitlam government for recognizing the Soviet Union's sovereignty over the Baltic states of Lithuania, Estonia and Latvia after 30 years of control over the states; in the case of East Timor, the Fraser government was relying on some three years of alleged administrative control. *The Sydney Morning Herald* concluded that it was 'better, perhaps, simply to recognize that in a conflict between what cannot be done and what can be done, realism has to prevail'.¹³³

A month later the principal reason for the timing of Peacock's announcement emerged. Australia's recognition of sovereignty enabled more detailed negotiations to progress on mineral and oil exploration and exploitation rights in the maritime area between Timor and north-west Australia, now commonly referred to as the Timor Gap area.¹³⁴

CONSOLIDATION 1978-1982

After Peacock's *de facto* announcement, official contact between the two countries had almost normalized. On 11 November 1978, the first consignment of direct Australian food aid arrived in East Timor and distributed through the Indonesian Red Cross.¹³⁵ Peacock announced further relief aid in August 1979 worth \$A200 000, which comprised some 90 tonnes of vegetable oil and 25 tonnes of protein biscuits. On 14 September 1979, he announced an additional contribution of 2500 tonnes of corn, valued at \$A625 000. Importantly, the Indonesian government agreed for the first time to a joint operation of distribution of the corn between the Indonesian Red Cross and the International Committee of the Red Cross (ICRC); the agreement reflected Indonesian approval for ICRC access to East Timor.¹³⁶

Humanitarian problems of food scarcity and medical care continued because the fighting had not stopped; the war had caused social dislocation of many East Timorese who fled

¹³³ Andrew Krugger, 'Timor takeover accepted', *The Sydney Morning Herald*, 21 January 1978, pp.1, 10; Hamish MacDonald, 'Indonesia army cracks down on dissidents', *The Sydney Morning Herald*, 23 January 1978, p.1

¹³⁴ See, for example, 'Way Opens for Timor Gap oil hunt', *The Australian*, 21 February 1978, p.1.

¹³⁵ 'Humanitarian Assistance to East Timor', *AFAR*, Volume 49, October 1978, pp.546-7.

¹³⁶ 'Aid to East Timor', *AFAR*, Volume 50, September 1979, p.536-7.

from the battle areas by various means to Darwin. During the period 1975 to 1978, deaths from warfare and starvation were estimated to total between 100 000 to 200 000.¹³⁷ By the end of 1979, Australian relief aid reached \$A3.9 million with the announcement of additional assistance to fund the operation of helicopters to disperse food aid collected by the United States-based Catholic Relief Service and the ICRC.¹³⁸

After Peacock's announcement, other interconnecting points in the relationship were publicised to supplant the perceptions that East Timor was the relationship. Bilateral assistance expenditure increased from some \$A22 million in 1976-77 to \$A38 million for fiscal year 1980-81.¹³⁹ In 1980 the Fraser government introduced the Development Import Finance Facility (DIFF) to lower the cost to developing countries of importing Australian development-related capital goods and services. The facility combined grant aid funds with loans provided by the EFIC, which more effectively constructed a financial package with 'mixed credits' to enable Australian exporters to compete with aggressive 'mixed credit' schemes of other countries. Indonesia was seen as one country, which would benefit through the new scheme.¹⁴⁰ In 1979 defence cooperation was reviewed during the visit of senior military officers from the Indonesian Ministry of Defence.¹⁴¹ The review confirmed the level and direction of the defence cooperation program, which had gradually increased from \$A6.25 million in 1976-77 to \$A11.93 in 1980-81. The increase covered the costs of additional individual training in Australia and the cost of an expanded maritime surveillance project.¹⁴² Maritime surveillance was an agreed priority objective between the two countries, in part to satisfy the Australian requirement to help Indonesia monitor Soviet naval activities via the Malacca Straits to and from the Indian Ocean, and also to fulfil Indonesia's objective for improved naval policing arrangements in the archipelago. Both

¹³⁷ Accurate figures will never be known, although calculations were provided to the Senate Foreign Affairs, Defence and Trade References Committee in 2000. See Senate Foreign Affairs, Defence and Trade References Committee, *East Timor*, in particular pp.84-5.

¹³⁸ In December 1979 an extra \$A330 000 was donated to address famine in East Timor. The conditions in East Timor were far from satisfactory, and to encourage public donations the Australian government declared that donations over \$A2 would be tax deductible. The situation in East Timor did not improve and an additional \$A1 million for was announced on 23 May 1980. 'East Timor: Humanitarian Problem', *AFAR*, Volume 50, November 1979, p.604.

¹³⁹ 'Australian Development Assistance 1977-78', *AFAR*, Volume 48, August 1977, p.431.

¹⁴⁰ Press Release, 7 April 1987, *AFAR*, Volume 58, April 1987, pp.223-4.

¹⁴¹ *AFAR*, Volume 50, March 1979, p.190.

¹⁴² See Appendices 2, 3 and 4.

objectives were partially satisfied through the provision of 14 Nomads, with the later models equipped with a more efficient 'searchmaster' capacity for use in the protection of fishing rights, search and rescue, detection of smuggling and illegal entry.¹⁴³ Additional training for Indonesian naval officers was also undertaken, and joint maritime exercises were held in the Coral and Java Seas in 1977, 1980 and 1982.¹⁴⁴

Individual army training activities also increased, with over 600 Indonesians receiving training in Australia between 1975 and 1982. The military effectiveness of the Indonesian forces during the invasion of East Timor had exposed basic training deficiencies, which the Indonesian authorities attempted to remedy through additional requests for defence assistance. By 1982 these were only partially satisfied through an unwillingness to offer skills training that could be used in internal security operations.¹⁴⁵ This reluctance generated tensions over the conditional nature of the assistance program; an Australian unwillingness implied an Indonesian position of subservience in the defence relationship, which contradicted sentiments of equality and mutual confidence; and, as the existence of a formalised defence cooperation program became more widely known in Indonesia, resentment increased, and the program's cessation was only averted through a hurried set of officials' meetings in 1982. The additional requests for training, however, were never satisfied.¹⁴⁶

DE JURE RECOGNITION

Government to government contact continued albeit at a lower rate than during the Whitlam period. Officials' discussions were held in 1977, 1978 and 1980 at which the major discussion centred on the proposed Exclusive Economic Zone (EEZ).¹⁴⁷ Ministerial visits were rare, and the visit of the new Indonesian Foreign Minister, Professor Mochtar Kusumaatmadja, to Canberra during 14-17 December 1978 was the first since Malik's 1971

¹⁴³ 'Nomads for Indonesia', *AFAR*, Volume 50, April 1979, p.236. See also Press Release, *AFAR*, Volume 52, December 1981, p.100.

¹⁴⁴ See Appendix 4.

¹⁴⁵ Interview Brigadier K.B.J. Mellor, 22-23 May 2000.

¹⁴⁶ Interview Air Marshal R.G. Funnell, 3 July 2001.

¹⁴⁷ At the fourth Officials' Talks in Jakarta in April 1977 and the fifth Talks in Canberra in February 1978, seabed delineation dominated proceedings. *AFAR*, Volume 49, February 1978, p.90.

visit. After their discussions, Peacock announced that Australia 'has agreed to formal acceptance' of Indonesian sovereignty over East Timor. Recognition was couched in terms that suggested a linkage with the new round of negotiations on the seabed boundary between Timor and Australia. Peacock also announced that Indonesia had agreed to an Australian immigration team to visit East Timor to process applications under the family reunion plan.¹⁴⁸

The announcement signaled more than *de jure* recognition of East Timor; it attempted to bring to a close the East Timor issue by recanting past policies and welcoming new opportunities through Mochtar's agreement to co-ordinate Australian participation 'to a greater extent' with ASEAN member states; it had weathered the domestic storm in the aftermath of the 1975 invasion; it had deliberately balanced relations with Indonesia with its domestic imperatives over a three-year period; and it had finally won Indonesian support for more participation in ASEAN dialogue. Peacock was indeed content with the outcome; Fraser had passed him the East Timor/Indonesia problem in October 1976, and now his expectations were effusive: Australia could look forward to an 'expansion of relations with Indonesia after the acceptance of East Timor as part of Indonesia'.¹⁴⁹

THE FRASER PERIOD IN RETROSPECT

After Fraser's visit to Bali during 11-12 May 1979, he reported to Parliament that his discussions with Suharto were 'very relaxed and forward looking'. Suharto had also rewarded Fraser with an informal visit in the manner that Whitlam experienced in 1975. No journalists traveled with the Prime Minister's party, and press coverage of the visit was minimal.¹⁵⁰ In Parliament, Fraser reiterated the importance of the relationship as a 'fundamental foreign policy objective' and noted that 'there have been in the past some

¹⁴⁸ Doug Holden, 'Peacock accepts Indonesian takeover of East Timor', *The Weekend Australian*, 16-17 December 1978, p.2. See also Peter Rodgers, 'Aust Govt criticised over Timor family talks', *The Sydney Morning Herald*, 12 December 1978, p.12; 'Indonesian pressing Aust over E. Timor', *The Sydney Morning Herald*, 15 December 1978, p.2; 'Move to recognise Timor takeover', *The Sydney Morning Herald*, 16 December 1978, p.3; 'Govt MP lashes Timor "sell-out" as indefensible', *The Australian*, 19 December 1978, p.2.

¹⁴⁹ Grahame Morris, 'Russia under fire', *The Australian*, 10 May 1978, p.5.

¹⁵⁰ 'PM's visit to Indonesia', *AFAR*, Volume 50, May 1979, p.276; and Question without Notice, *CPD*, House of Representatives, Volume 114, 22 May 1979, p.2153.

strains ... which are now firmly behind us'. He confirmed that the seabed negotiations were progressing well, and the Indonesian government had accepted the family reunion plan for the East Timorese, who had escaped to Darwin after the tumultuous times in 1975. Fraser also acknowledged Indonesian cooperation 'in forestalling unheralded arrivals of refugees from Indo-China, and confirmed that he had discussed the possibility of President Suharto visiting Australia.¹⁵¹ His report to Parliament was otherwise unexceptional. Within government and the bureaucracy, the institutional memory of the political crises of 1975 and 1976 had influenced policy initiatives; and, in outcomes, there was little difference in approach between the Whitlam and Fraser governments. Fraser had inherited the circumstances of an ongoing Indonesian invasion of East Timor, and he had the opportunity to oppose the invasion. Like Whitlam, he was faced with circumstances that limited Australian responses; and he decided to support the incorporation of East Timor and manage domestic criticism through the gradualism of the announcements of *de facto* and *de jure* recognition. The invasion of East Timor did not evince a review of economic aid, nor did the continued war cancel or reduce defence cooperation. The opposite occurred; over the period of the Fraser governments, economic aid doubled to some \$A38 million, and defence cooperation increased almost twice-fold, although the increases were never announced with the usual government fanfare.¹⁵² The practices of the Fraser governments reflected the realist appraisal of a potential break in the relationship because of the invasion of East Timor and the leaking of Fraser's indiscrete remarks with Hua Kuo-feng. Like their predecessors, Fraser and Peacock both worked at re-establishing confidence and trust with Suharto through a focus on non-provocative defence and military confidence-building measures, while emphasising the importance of sound working relations with ASEAN. Thus elements of common security practices permeated government activities.

The element of secrecy in the Fraser government's activities cannot be ignored. Secrecy in policy implementation enabled the government to deliver on its commitments to Suharto. Detail of the Peacock briefings by Indonesian officials prior to the 1975 invasion is still not available for public scrutiny, nor is it known whether the discussions were linked to the

¹⁵¹ Ministerial Statement, *CPD*, House of Representatives, Volume 114, 22 May 1979, pp.2188-91.

¹⁵² See Appendices 1 and 2.

necessity for Fraser to communicate an oral but confidential message of faint support to Suharto during the period of the caretaker government. Fraser's political behaviour during his 1976 official visit to Indonesia was equally eccentric, and his rejection of the normal diplomatic practice of having an Australian official present to record discussions with Suharto fuelled suspicion that confidential agreements were discussed, although later he refused to confirm that any agreement was reached. During and after the formal visit, he refused to reiterate his government's original four-point policy, preferring to allocate the responsibility for the East Timor issue to Peacock. Gradualism and secrecy had succeeded in masking the inevitable recognition of East Timor's incorporation, and new regional circumstances also generated opportunities for the Fraser government to focus the public's attention elsewhere. Soviet naval activity in the Indian Ocean, the Vietnamese invasion of Cambodia, the Chinese invasion of Vietnam, the subsequent boat people, and the Soviet invasion of Afghanistan, all contributed to the necessity of regional stability and a successful working relationship with Indonesia and ASEAN towards a common security outlook. By 1982, the Fraser government had succeeded in its policy objectives: East Timor as an issue for a majority of Australians was lost in the broader pattern of government activities and regional concerns; and the bilateral relationship had been resurrected.

Policy machinations based on gradualism and secrecy have consequent disadvantages, and when finally exposed result in a diminution of confidence in governments. The secrecy surrounding the actions of the Whitlam and Fraser governments is no exception. The unusual circumstances in the lead-up and during the Indonesian invasions of East Timor were characterized by ample and timely information, which alerted Australian governments to Indonesian intentions; indeed, Indonesian acceptance of a trusting relationship with Australia encouraged the sharing of political and military intentions on East Timor. Both the Whitlam and Fraser governments accepted that Australian military operations were not viable in the circumstances; and political actions to generate wide-ranging opposition were never canvassed once the decision was taken not to admit that an Indonesian invasion was underway. Hence, government decisions not to oppose the invasion were deliberate decisions taken in the context of the overriding importance of the bilateral relationship at

the expense of the East Timorese. The secrecy surrounding the deliberate nature of these decisions would eventually taint future governments, poison domestic support, and feature in the eventual break-down in the relationship with Indonesia, which was the outcome that secret decision-making on East Timor had attempted to prevent. This was the regrettable legacy that Whitlam and Fraser left for future Australian governments.

CHAPTER 6

‘ADDING BALLAST TO THE RELATIONSHIP’: THE HAWKE GOVERNMENT AND INDONESIA 1983-1991

PERCEPTIONS OF THE INDONESIAN THREAT

At a meeting of Australia's Joint Committee on Foreign Affairs and Defence in February 1980, directions were given to its Sub-Committee on Defence Matters to monitor 'the implementation of the Government's announced defence programs'. The first report canvassed the threat to Australia's security as a forerunner to further reports, and concluded that 'most Australians have no framework or set of criteria to judge the adequacy of Australia's defence'. The final report was designed to provide a roadmap of statements to assist the understanding of the nature of the security threat, promote frank discussion 'of such matters [which] will dispel unnecessary fears, lead to an informed and balanced appreciation of Australia's regional neighbours, and improve the climate of understanding'.¹ Public suspicions existed over Indonesia's capacity to threaten Australia's security; and Indonesian military expansionism in West New Guinea, during Confrontation and in East Timor had fueled community perceptions of Indonesian hostility. The inquiry reflected an institutional response to the community's expectations on Indonesia.²

¹ Joint Committee on Foreign Affairs and Defence, *Threats to Australia's Security-Their Nature and Probability*, Commonwealth Government Printer, Canberra, 1981, pp.vi-vii. Australia's security had until recently been the dominant ingredient of Australian foreign policy, and Australian public opinion has mostly been shaped by the extent of the threat and Australia's capacity to engage alliances to counter the threat. For many Australians, the trend towards a more independent security policy accentuated perceptions of an apparent incapacity to manage regional tensions. These issues are discussed in David Horner, 'The Security Dimension of Australian Foreign Policy', in Mediansky, *Australia in a Changing World*, pp.83-101.

² For example, the public evidence of Captain T.A. Dadswell and Mr. M.R. Finger, in Joint Committee on Foreign Affairs and Defence, *Threats to Australia's Security-Their Nature and Probability*, pp.209-52, 1029-1104.

The report noted that regional powers, such as China, Japan, India, Vietnam and Indonesia, had large defence forces, but ‘do not have the capacity to mount a credible conventional attack on Australian territory as they do not have the air, sea and logistic capabilities to support an offensive’. In the case of Indonesia, the report observed that:

Indonesia has sometimes been mooted as a possible aggressor, particularly by part of the Australian media which contemplates a drastic change of direction in Indonesia’s Government, or Indonesia acting in concert with another great power against Australia. There are serious limitations on the strategic military capabilities of Indonesia. Although Indonesia has relatively large armed forces they suffer major deficiencies which would make the risk of external operations prohibitive. As indicated by Indonesia’s operations against Malaysia during ‘Confrontation’, and by Indonesia’s East Timor experience, the Indonesians would need to improve their capacity for external operations before attempting such undertakings against larger neighbours.³

Indonesia was also assessed to be in an equipment acquisition phase for new ships and aircraft, but limitations persisted in naval and air support, weak logistic backing and operational planning, and execution of operations above battalion level’. Other limitations were noted: a preparation period of at least ten years was needed before Indonesia could mount a large conventional attack against Australian territories; Indonesia currently lacked a motive for invading Australia, and:

given Indonesia’s current strategic situation, its internal security commitments, and the policy orientation of President Soeharto’s Government to economic and social development, Indonesian national policy is likely to avoid external commitments which could involve it in large-scale, and open-ended military operations ... In fact, Indonesia wants a stable eastern and southern flank, so that it can devote full attention to the latent external threat to its security it sees coming from communist countries to its north.⁴

The report declared, ‘there is little likelihood of Indonesia adopting a policy towards Papua New Guinea similar to that which she adopted towards East Timor’; however, concern was expressed that the unsettled security and political situation in West Irian ‘cannot be ignored within the context of examining potential sources of conflict’. Indonesia was therefore assessed as unprepared for conventional operations against Australia in the foreseeable

³ *Ibid.*, p.35.

⁴ *Ibid.*, p.37.

future, although low-level contingencies with Indonesia were possible but only after a period of tension, greater 'than exists now'. The report acknowledged the advice from the Department of Defence that low-level contingencies could be 'dealt with within the peacetime organization and structure of the ADF', and 'active diplomacy, trade, aid and defence co-operation with regional states' should moderate if not avert a build-up of tension between Australia and Indonesia.⁵

These were not unusual findings. Successive strategic assessments had concluded much the same, and successive governments from the time of Spender's statement on foreign and defence policy had identified the role that active diplomacy, economic assistance and defence cooperation brings to regional security and to Indonesian cohesion and stability.⁶ The latter period of the Fraser government was one of consolidation in which the East Timor issue became less important in government to government diplomacy. Bilateral aid had continued to grow, as did the range of defence cooperation activities; the relationship now seemed more comfortable. For some, however, the benefits of defence cooperation remained questionable; the activities of the Indonesian armed forces in East Timor and Irian Jaya had demonstrated a less than satisfactory concern for humanitarian ideals, and Australian training of Indonesian personnel appeared not to have imparted responsibilities or respect for human rights.⁷ The years 1981 and 1982 saw concerted efforts by the Indonesian military to defeat FRETILIN forces, and one 'pacification' campaign, the controversial Operation *Keamanan* in September 1981, failed to neutralize FRETILIN forces through a 'starving-out' tactic.⁸ The campaign only increased the extent of famine in the province, undermined the Australian food aid program, and generated criticism and anger in Labor Opposition ranks and with those supporters of East Timorese

⁵ Joint Committee on Foreign Affairs and Defence, *Threats to Australia's Security-Their Nature and Probability*, pp.50-1.

⁶ Ministerial Statement, CPD, House of Representatives, Volume 206, 9 March 1950, pp.621-41.

⁷ In November 1979, Mochtar admitted that over 120 000 Timorese had died from famine, the civil war and occupation. Such figures are difficult to confirm. Cited in the Final Report of the Senate Foreign Affairs, Defence and Trade References Committee, *East Timor*, Senate Printing Unit, Canberra, December 2000, p.80.

⁸ See Robin Osborne, 'Timor torture, murder detailed in shock report', *The Australian*, 9 October 1981, p.1; Editorial, 'The need for quick action on East Timor', *The Weekend Australian*, 10-11 October 1981, p.14; 'Street calls for Timor report', *The Australian*, 14 October 1981, p.1; and Wio Joustra, 'Street urged to protest on East Timor atrocities', *The Australian*, 15 October 1981, p.9.

independence.⁹ International and domestic support for independence had not disappeared; on the contrary, a disparity between political and institutional frameworks appeared to be widening against a backdrop of diminishing common ground of political values; and Labor's Left Wing successfully agitated for a range of parliamentary inquiries in which discussion of the nexus of human rights issues in East Timor and Australia's defence cooperation program with Indonesia featured prominently.

PARLIAMENTARY INQUIRIES

The first of the parliamentary inquiries commenced in October 1981 on Australia's defence cooperation program. Progress ceased through the priority of work given to the Committee's new inquiry into the 'Human Rights and Conditions of the People of East Timor', which was completed and tabled in the Senate on 8 September 1983.¹⁰ Indonesian officials did not participate in the latter inquiry nor did the Indonesian government give permission for Committee members to visit East Timor; and the report's statistical information suffered from the dearth of official information from Indonesian sources. The report was not unanimously accepted; the three non-Labor members dissented on the basis that the Committee embarked on a 'political investigation of the rights and wrongs of the past', and that its conclusions were prejudicial and unhelpful to relations with Indonesia. The report did emphasize that the act of self-determination had failed 'to meet international legal criteria', and the 'fundamental human right [of self-determination] had been denied'. Labor members of the Committee were strident in their opposition to any recognition of sovereignty, recommending that Australia should oppose Indonesia in the United Nations and agitate for a more acceptable form of self-determination for the East Timorese.¹¹ The new Labor government had not accepted the legality of the Indonesian invasion and, unlike

⁹ See, for example, Lorraine Elliott, 'Social Justice in Labor's Foreign Policy: "Falls the Shadow"', in David Lee and Christopher Waters, *Evatt to Evans: The Labor Tradition in Australian Foreign Policy*, Allen & Unwin in association with the Department of International Relations, The Australian National University, St Leonards, 1997, pp.188-90; Hayden, *Hayden*, pp.397-9

¹⁰ The Committee received 218 submissions, took evidence from 42 witnesses at public hearings and 50 witnesses in camera. Most of the evidence related to the events prior to 1982. Report by the Standing Committee on Foreign Affairs and Defence, *Human Rights and the Conditions of the People of East Timor*, Chairman's Report, CPD, Senate, Volume 99, 8 September 1983, pp.566-7.

¹¹ *Ibid.*, p.567.

the Fraser government, had not committed itself to either *de facto* or *de jure* recognition of Indonesian sovereignty before winning government.

The inquiry into Australia's defence cooperation program re-commenced in 1983, and the Committee recorded that it was necessary for the public to be informed on the extent of the ongoing program as well as providing an opportunity for Commonwealth departments to record their contribution. Public hearings lasted three days, and evidence was presented by the Departments of Foreign Affairs, Defence and Defence Support, from church organizations, defence associations, and a small number of individuals. 42 written submissions were received, and the report was finally submitted to the Senate in October 1984, covering all defence activities with nations in Australia's area of strategic interest.¹² The tabling of the report was nearly two years into the period of the first Hawke government and did not draw wide public comment or criticism. The Committee concluded by supporting the concept of defence cooperation 'where the emphasis is on support and training' and where 'the aim is to transfer appropriate levels of technology to assist in the development of self-sufficiency'. Reservations were expressed over the apparent failure of the major departments to 'spell out clearly the objectives, purposes and criteria of the program [which raised] concerns about the clarity of those objectives and the effectiveness of the program in achieving them'.¹³ The report noted that decisions to offer military assistance were mostly based on Australia's strategic interests. Implicit in these decisions was support for recipient governments and their human rights record, which only generated political concerns through:

the degree of uncertainty and confusion that exists within and between departments on what may be the long-term implications of a co-operation program with a particular country, both for Australia and the recipient.¹⁴

If the objectives were to assist recipient nations develop their own defence capacity, or to contribute to regional security and to foster better bilateral relations, then the report argued

¹² The report covered defence cooperation with Malaysia, Singapore, Thailand, the Philippines, Indonesia and the Pacific Island nations. Report from the Senate Standing Committee on Foreign Affairs and Trade, *Australia's Defence Co-operation with its Neighbours in the Asian-Pacific Region*, Australian Government Printing Service, Canberra, October 1984.

¹³ *Ibid.*, p.34.

that it was 'incumbent' on the Australian government to consider whether a particular activity is achieving those objectives at the expense of human rights. The continued provision of assistance to a regime which was engaged in suppression by force of internal opposition could only be regarded as a failure of the defence cooperation program. Thus Indonesia's alarming human rights record in East Timor had brought into question Australia's ongoing defence assistance. Even before the tabling of the report, through Conference resolutions, Labor was publicly committed to the suspension of defence cooperation with Indonesia on the grounds of human rights abuses in and military occupation of East Timor.¹⁵

THE FIRST HAWKE GOVERNMENT

Foreign and defence issues did not generated wide public debate in the March federal election. The Hawke government's imperatives centred on stability and conflict resolution through consultation and consensus. The domestic climate had changed, which required a stronger focus on the Australian economy and more discipline in government expenditure.¹⁶ At the time, it seemed that words were only mechanically offered on security issues. For example, the Governor-General announced the intentions of the new Hawke government 'to develop close working relations with our neighbours in South-East Asia and the South Pacific to contribute to the stability and security of our region'.¹⁷ Importantly, Labor's foreign policy platform stated that Labor:

recognizes the inalienable right of the East Timorese to self-determination and independence and condemns and rejects the Australian Government's recognition of the Indonesian annexation of East Timor.¹⁸

Labor policy caused Hayden concern in the early months of the new government; and, in May 1983, he was asked in Parliament 'to ensure that funds that were normally allocated

¹⁴ *Ibid.*, p.56.

¹⁵ *Ibid.*, pp.57-9.

¹⁶ Nancy Viviani, 'Foreign Economic Policy', in Christine Jennett and Randal G. Stewart, (Editors), *Hawke and Australian Public Policy. Consensus and Restructuring*, Macmillan, South Melbourne, 1990, pp.393-4, 396-8.

¹⁷ Governor-General's Opening of Parliament Address, 21 April 1983, *CPD*, House of Representatives, Volume 131, 21 April 1983, p.19.

¹⁸ Cited in 'Twists and Turns on East Timor', *The Sydney Morning Herald*, 13 January 1999, p.6.

for military aid were not given to Indonesia while it maintained its military role in East Timor; rather, they should be used to fund language and cultural studies of Indonesia'. Hayden fudged his response by asserting 'that existing programs would be maintained while further examination on East Timor took place'.¹⁹ His response hinted that changes to Labor policy were in the offing. To be sure, changes to policy on East Timor had been agreed between Hayden and Hawke before Hawke's first prime ministerial overseas visit, without reference to the usual Labor policy-making mechanisms and the normal policy digestion period and angst. For the new prime minister, his first overseas visit had to be successful, and issues of difference with Indonesia required some form of resolution. Fraser's 1976 visit to Indonesia had attracted extensive and critical media coverage of what was agreed between the two leaders and left unstated, and Hawke intended no repetition of Fraser's experiences.

Hawke's visit included discussions with Suharto and selected cabinet ministers during 5-6 June 1983, after which he announced that he had guaranteed to Suharto that defence cooperation would continue 'unaffected by the East Timor issue'. He affirmed that the East Timor issue should not 'hamper' Australia-Indonesia relations, although he explained to Suharto that domestic political difficulties 'made it impossible' for Australia to announce its attitude to forthcoming UN resolutions on Indonesia's take-over. Hawke also acknowledged that East Timor 'had marked a set-down ... in relations', and declared his confidence to resolve differences 'so that they present no obstacle in the future development of our important relationship'. When questioned on the differences between official party policy and his announcements, Hawke suggested that 'Labor, when in power, had the right to make decisions in the light of circumstances which might run contrary to official party policy'.²⁰ His announcements had publicly defined the government's intentions and inferred that at some future stage the government would declare *de jure*

¹⁹ As Opposition spokesperson on foreign affairs matters, Lionel Bowen accepted the resolution without amendment on the basis that he would be able to dilute its meaning after the election. Hayden, *Hayden*, p.396. Question on Notice, Number 169, CPD, House of Representatives, Volume 132, 23 August 1983, p.105.

²⁰ Russell Schneider, 'Hawke faces ALP clash on Timor', *The Australian*, 6 June 1983, p.1. For detail on the tensions in the Labor party after Hawke's announcement, see for example Gregory Haywood, 'Hawke Crash-Through Tactics on Indonesia and Vietnam', *The Australian Financial Review*, 6 June 1983, pp.1, 4.

recognition of East Timor's incorporation. All that was now required was to secure party agreement to change Conference resolutions.

The parliamentary delegation's visit to Indonesia and East Timor in July-August 1983 did help Hawke and Hayden. The delegation's visit report was perceived to be a critical element in the development of the Senate Standing Committee on Foreign Affairs and Trade report on *Australia's Defence Co-operation*. The report furnished support for Indonesian activities in East Timor and a continuation of bilateral and defence assistance to Indonesia. The findings were, however, contrary to the recommendations of the Senate Standing Committee, which examined human rights issues and conditions in East Timor a year earlier in 1982.²¹ At the 1984 National Conference, Hayden spent an uncomfortable debating period of some eight hours in successfully 'deconstructing' the 1982 resolution in order to maintain the Labor government's new *modus vivendi* with Indonesia. Later, Hayden recalled the confrontationist tone of the resolution, and the 'embarrassingly empty ... threat' of suspending defence assistance, which amounted to a 'minuscule' 0.32 per cent of Indonesia's official defence spending. Defence spending on Indonesia has always been small in comparative terms to Australia's bilateral aid, and its value lay in its symbolism and confidence in a neighbour and the practical access to Indonesian defence planning. In Hayden's view, its suspension would only have debilitated the relationship and 'weakened' Australia's capacity to attend to humanitarian concerns in East Timor.²²

On 22 August 1985, Hawke formerly announced the Labor government's *de jure* recognition of Indonesian incorporation of East Timor, his announcement reinvigorating the East Timor debate at the 1985 National Conference. The tabling of several amendments to toughen the party's stance on an Indonesian withdrawal directly challenged Hawke's leadership. Hayden was successful in the debate with a compromise amendment, which

²¹ The Indonesian government refused to allow a delegation from the Senate Standing Committee on Foreign Affairs and Defence to visit East Timor in 1982 as part of its inquiries into human rights and local conditions. Not all delegation members supported the report; one Labor member, Senator G.D. McIntosh submitted a dissenting opinion. Senator McIntosh was also chairman of the 1982 Senate inquiry into human rights and the conditions of the East Timorese. See 'Report of the Australian Parliamentary Delegation to Indonesia July-August 1983', in *Parliamentary Papers*, Volume 12, Australian Government Publishing Service, Canberra, 1983.

²² Hayden, *Hayden*, pp.395-6.

called for improved access by international agencies to the province. Improved access could only be satisfied through the approval of the Indonesian government because East Timor remained a closed province under martial law.²³ The agreed changes, however, did little to mask the extent of opposing views, and although Hawke and Hayden had won the Conference debate, the moral issues of an unlawful occupation of East Timor did not fade away.

To demonstrate improved access to East Timor, the government negotiated additional visits to East Timor. Two parliamentary delegations and several parties of media representatives visited the province; and, through further representations, the Indonesian government agreed to ICRC and the United Nations Children's Fund (UNICEF) operations in the closed province. Hawke argued that more access offered the potential for increased international scrutiny of human rights. He also accepted 'the legal fact that Australia has since February 1979 recognized Indonesian sovereignty over East Timor'; and, through the declaration, 'negotiations between Australia and Indonesia over the unresolved seabed boundary adjacent to East Timor have continued ... [which] can in practice be concluded only with the Indonesian government'.²⁴ Concentrating on human rights issues through increased scrutiny rendered Hawke and Hayden some respite from dissenting voices, but only if abuses decreased or corrective actions taken when human rights abuses were revealed. The government's response also carried with it the odour of economic gain from the untapped riches of the Timor Sea. The Hawke government, like previous governments, had crafted a political response for domestic consumption, which belied 'the degree of uncertainty of Indonesian conduct in the longer term'.

Hawke and Hayden attempted to consolidate the approach through new confidence-building measures which flowed from a novel range of activities to improve the level of understanding between Australian and Indonesian communities.²⁵ Direct funding now

²³ 'Australia-Indonesia Relations', Speech by J.S. Holloway, Sydney University, 7 August 1986, quoted in *AFAR*, Volume 57, September 1986, pp.789-92.

²⁴ Question without Notice, *CPD*, House of Representatives, Volume 143, 22 August 1985, pp.222-3. See also 'East Timor: International Access', *AFAR*, Volume 57, February 1986, p.81.

²⁵ Cabinet Submission 306, 'The Strategic Basis of Australian Defence Policy – 1968', CS file C306, CRS A5868/2, NAA.

included an additional \$A150 000 per year to permit cultural exchanges under the auspices of the Department of Foreign Affairs. The activities involved an Australian Language Centre in Jakarta in 1983, which provided English language training for post-graduates fellows before commencing their studies in Australia. A program of Australian studies was established at the University of Indonesia, as well as the provision of \$A112 000 per year to fund the Indonesia Project at the Australian National University. The role of the Australian Cultural Centre in Jakarta was expanded to offer access to social, political, economic and cultural activities in Australia. Youth interchanges were introduced in 1985 for the exchange of four youth leaders and ten youth delegates from each country at a cost of \$A100 000 per year. An additional \$A42 000 per year was allocated by the Department of Foreign Affairs to sponsor three important Indonesians to Australia each year as part of the Special Overseas Visitors Fund.²⁶ East Timor was not forgotten; Hayden announced an additional \$A1.2 million for humanitarian programs in East Timor, through the ICRC and UNICEF, once their new working arrangements were in place.²⁷ The value of such contacts to build lasting good relations is difficult to measure; however, an improved level of understanding generally requires far more than the expenditure of additional money.

THE JENKINS ARTICLES

On 10 April 1986, *The Sydney Morning Herald* published two articles linking the Suharto family with corruption. Titled, 'After Marcos now for the Soeharto Billions', and 'The quiet, bald moneymaker of Jakarta's elite', the articles described the financial dealings of the Suharto family and its business associates and drew comparisons with the ongoing Philippine investigations into the hidden wealth of the Marcos family. David Jenkins was careful to write that the president's name did not appear on any stock holdings or land deeds. 'His sons and daughters and assorted other relatives and business associates are listed predominately on the share register of some of Indonesia's most profitable companies'; and his wife, Jenkins wrote, 'has participated in so many questionable business

²⁶ Question on Notice Number 2907, *CPD*, House of Representatives, Volume 146, 11 February 1986, pp.109-10.

²⁷ 'Australian aid for international agencies in East Timor', *AFAR*, Volume 57, June 1986, p.559.

activities that she has long been known as “Madame Tien Per Cent””.²⁸ This was not a new exposé for many Australians; *The Bulletin* had published the cognomen in 1971 after Suharto’s first visit to Australia.²⁹ The revelations were more impertinent now by suggesting that some Indonesians, ‘despairingly of what they see as her increasingly acquisitive tendencies, have dubbed her “Fifi”—short for Madame Fifty Per Cent’. Jenkins admitted that there was little new in the articles, ‘or needing urgent disclosure’; his editor thought that as Marcos had been brought down by the revelation of his speculation in the Philippines, and perhaps a similar article on the Suharto family might initiate ‘something similar in Indonesia’. His editor also wanted to scoop the launch of Richard Robison’s imminent publication on the Indonesian economy, which contained detail critical of the Suharto family’s economic activities.³⁰

The Indonesian government reacted angrily to the articles, lodging a formal protest and declaring that the Jenkins’ information ‘infuriated’ the leadership, was untrue and insulting to Indonesia; the articles had ‘undermined the bilateral relationship’, and an apology was demanded from the Australian government.³¹ The reaction was not surprising; in Indonesia, critical reporting of Indonesia’s national leaders, or of the role of the armed forces and the state ideology, *Pancasila*, were not tolerated.³² Indonesian reprisals were swift, initially directed at inconveniencing the Australian government and implementing new procedures to limit reporting activities of Australian journalists in Indonesia. In anger, Indonesia’s Research and Technology minister, Dr. Habibie, postponed his visit to Australia indefinitely.³³ Bilateral officials’ talks on the Joint Development Zone (JDZ),

²⁸ David Jenkins, ‘After Marcos, now for the Soeharto billions’, and ‘The quiet, bald moneymaker of Jakarta’s elite’, *The Sydney Morning Herald*, 10 April 1986, pp.1, and 7-8 respectively.

²⁹ ‘Suharto – Achieving Everything by Doing Nothing’, *The Bulletin*, 12 February 1972, pp.30-1.

³⁰ In the article, Jenkins repeated the joke, then in circulation in Indonesia, about the First Lady’s mining interests - ‘That’s mine, that’s mine’. Quoted in Jenkins, ‘After Marcos, now for the Soeharto billions’, *The Sydney Morning Herald*, 10 April 1986, p.1. Hayden recalled that Jenkins visited him, ‘concerned that the articles had caused a political firestorm in Australia’. He informed Hayden that his editor had instructed him to write the articles to scoop the publication of Richard Robison, *Indonesia – The Rise of Capital*, Asian Studies Association of Australia, Allen & Unwin, North Sydney, 1986. The editor had rewritten the headlines and the articles to ‘harden up’ the story. Hayden, *Hayden*, p.398.

³¹ Patrick Walters, ‘Article not true, says Indonesia’, *The Sydney Morning Herald*, 12 April 1986, p.6; Editorial, *The Sydney Morning Herald*, 14 April 1986, pp.1, 12; *Kompas*, 13 April 1986, p.1.

³² John Milne, ‘Different views of press freedom’, *The Monthly Record*, Volume 60, August 1989, pp.446-9.

³³ Question without Notice, *CPD*, House of Representatives, Volume 148, 14 April 1986, pp.2179-80.

scheduled for the following week, were also deferred indefinitely.³⁴ On 22 April 1986, the Indonesian government cancelled visa-free entry for Australians entering Indonesia, which was dramatically implemented when Australian tourists arrived by jet in Bali and were forced to return to Australia. The visa decision was reversed the following day after Hayden protested to the Indonesian ambassador in Canberra, representations were made by the Australian ambassador in Jakarta, and after the timely intervention of Mochtar who argued for a more 'moderate' reaction to the Jenkins' articles.³⁵ Indonesian anger, however, did not subside; demonstrators protested outside the Australian embassy in Jakarta; a series of anti-Australian articles was published in the armed forces newspaper, *Umum Angkatan Bersenjata*; General Murdani, Commander-in-Chief of the Indonesian armed forces, declared Australian defence assistance was 'chicken feed' and that he would reject future defence cooperation.³⁶ The Jenkins articles had delivered a sharp reminder of the cultural differences between the two countries and a reminder of the importance of the Australian media as an influential and special ingredient in the bilateral relationship. For many, the relationship, rather than its content, seemed to have become the preoccupation.³⁷

The Opposition leader criticised the government for not having 'spent more time improving the relationship'. John Howard visited Indonesia for the first time in 1985 and formed the opinion through discussions with Suharto and Murdani that senior Indonesian leaders were disturbed over the apparent anti-Indonesian attitude of the government, which, Howard argued, resulted from 'the Left's preoccupation with the military occupation of East Timor,

³⁴ 'Australia-Indonesia: Joint Development Zone', *AFAR*, Volume 57, April 1986, p.327, June 1986, p.566; Michael Byrnes, 'Jakarta freezes border talks', *The Australian Financial Review*, 17 April 1986, pp.1, 4.

³⁵ Four Australian tourists were refused entry in Medan, having flown from Kuala Lumpur, and John Martin, flying a new aircraft from Sri Lanka to Medan to refuel, was initially refused landing rights. Press Statement, 23 April 1986, *AFAR*, Volume 57, April 1986, p.361; Michael Byrnes, 'Tourists: Jakarta's latest target', *The Australian Financial Review*, 23 April 1986, p.1; Patrick Walters, 'Indonesia visa back down', *The Sydney Morning Herald*, 24 April 1986, p.1; for Mochtar's comment see *Tempo*, 3 May 1986, p.2.

³⁶ Michael Byrnes, 'Indonesia dumps Australia's military deals', *The Australian Financial Review*, 22 April 1986, p.4. The series of articles attacked the White Australia policy and racism in Australia, the treatment of aborigines, the Australian 'culture of gossip' and Australia's feeling of isolation. *Angkatan Bersenjata*, 21, pp.1, 3 and 22 April 1986, pp.1, 3.

³⁷ Gareth Evans and Bruce Grant, *Australia's Foreign Relations – in the world of the 1990s*, Melbourne University Press, Collingwood, 1995, pp.200-1.

when this is only one aspect of relations with Jakarta'; and Howard maintained that 'if our relations were better they would survive temporary hiccups caused by newspaper stories'.³⁸

Media coverage of Indonesian affairs has always been controversial, particularly after the killing of the five Australian-based journalists in October 1975. Indonesian criticism of Australian media centred on two strands of reporting behaviour. Firstly, Radio Australia broadcasts into Indonesia were regarded, even by Department of Foreign Affairs officials, as sometimes 'inaccurate, provocative and indiscrete'.³⁹ The concept of a government-funded radio station broadcasting in the national language, items critical of the central government, occasioned difficulties in distinguishing between Radio Australia's reporting and official policies of the Australian government. Secondly, radio broadcasts on political disturbances in parts of Indonesia, which had not been reported by the Indonesia media, were also an enduring source of irritation to the ruling elite, which viewed such broadcasts as attempts to initiate and agitate domestic political debate. Protestations that Radio Australia was a wholly independent institution and not a propaganda instrument of the government had failed to satisfy Indonesian concerns.⁴⁰ In 1980, for example, a series of broadcasts on East Timor led Indonesian authorities to refuse to renew the visa of Warwick Beutler, Radio Australia's Jakarta correspondent. The incident led to the closure of the ABC office in Jakarta but did not stop the Indonesian-language broadcasts or reporting efforts of Beutler who moved to Singapore and continued for a short time to file stories by telephone.⁴¹ Indonesia's treatment of other Australian journalists was no less severe; in

³⁸ 'Australia has neglected Indonesia, Howard says', *The Sydney Morning Herald*, 24 April 1986, p.4.

³⁹ Hayden, *Hayden*, p.399.

⁴⁰ Regional acceptance of Radio Australia has not always been wholesome. Lee Kuan Yew warned the Australian government in 1986 that Australia's national interests would suffer if the media remained unconstrained: 'When Australian journalists censure Third World leaders, especially very close neighbours, they arouse intense enmity, resentment, and antagonism not only against Australian media men but I fear against Australians generally'. Ross Peake, 'Australia could be hurt by offensive media: Lee', *The Australian*, 17 April 1986, p.4.

⁴¹ P.J. Boyce and J.R. Angel, (Editors), *Diplomacy in the Marketplace. Australia in World Affairs 1981-90*, in association with the Australian Institute of International Affairs, Longman Cheshire, Melbourne, 1992, pp.59-60. Hodge discovered that Indonesia applied pressure on Singapore to stop Beutler reporting from Singapore. The Singaporean government refused to approve an employment pass for Beutler in September 1980, and Beutler was forced to leave. See Hodge, *Radio Wars*, pp.192-7. Other commentary is contained in 'Indonesian censorship is "cool and calculated"', *The Australian*, 19 October 1981, p.3; and Editorial, 'The Media's duty is a free flow of ideas', *The Australian*, 19 October 1981, p.6.

1981, after a series of critical articles, *The Age*'s correspondent in Jakarta failed to have his visa extended.⁴²

In 1986, Jenkins' criticism provoked a more serious reaction; bans were placed on all Australian journalists attempting to enter Indonesia, and the first to suffer included two Washington-based Australian journalists, who were accompanying President Reagan to Bali. In addition, visas for those journalists currently in Indonesia were not extended, with the last journalist, Michael Byrnes of *The Australian Financial Review*, ordered to depart Jakarta by 11 November 1986. Hayden's response remained measured, although clearly supportive of the right of the Australian media to express 'themselves freely and independently, even if it causes us discomfort.'⁴³ He opined:

We can't interfere with what you write, nor would we want to, anyway, but the article has been provocative, and there have been clear consequences, and no one can deny that. I leave to the media to determine whether it is always wise to write those articles and to ask themselves what was achieved by it. In the meantime this country's national interest has been seriously disadvantaged and Australians have been seriously disadvantaged.⁴⁴

While Hawke described the bans as 'capricious', Hayden focused on the relationship, declaring 'we are further behind than we have been at any stage in the last decade and a half'.⁴⁵ The more comfortable nature of the relationship under the previous government had suddenly changed to one of recriminations, and Hawke's comments seemed to provoke the Australian media even further. Headlines such as 'Hawke Warns Indonesia: no more grovelling', 'Hawke says his government will not have a grovelling relationship with Indonesia', and 'Talking straight about Indonesia' only fuelled the rift.⁴⁶ Hayden later confirmed that the relationship was discussed in Cabinet on 30 April and again on 1 May when Cabinet endorsed the actions and statements of Hawke and Hayden, an unusual

⁴² Catley and Dugis, *Australian Indonesian Relations Since 1945*, p.159.

⁴³ 'Hayden backs press', *The Sydney Morning Herald*, 14 April 1986, p.1.

⁴⁴ Patrick Walters, 'Indonesia visa back-off', *The Sydney Morning Herald*, 24 April 1986, p.1.

⁴⁵ Michelle Grattan, 'ABC pair to test Indon media ban', *The Age*, 28 April 1986, p.1; Press Release from Minister for Foreign Affairs, 1 May 1986, *AFAR*, Volume 57, May 1986, p.451.

⁴⁶ Jim Dunn, 'Talking straight about Indonesia', *The Canberra Times*, 22 April 1986, p.6; John Short, 'Hawke signals Suharto that the gloves are off', *The Australian*, 25 April 1986, p.2; Peter Bowles, 'We can do very well without you', *The Sydney Morning Herald*, 3 May 1986, p.12; Greg Hywood, 'PM warns Indonesia: no

happening in Australian politics but the endorsement carried with it notions of unity and steadiness and hinted at a reassessment of the situation and a new tone to government statements.⁴⁷

THE HAYDEN APPROACH

On winning government in 1983, Hayden 'opted to become Minister for Foreign Affairs', choosing 'exile', which is normally associated with the duties of a foreign minister, to avoid the potential of 'easily misunderstood conflict' with Hawke; the memories of the leadership battle in 1982-3 were still fresh, and Hayden did not want perceptions of policy disagreements with Hawke to be seen as a continuation of the leadership battle.⁴⁸ During the election campaign, Hawke did commit to closer relations with Indonesia in an 'attempt to close the rifts of the past'. He declared: 'You can never erase the memories of the killing of the five journalists at Balibo, but you cannot live on the hatreds, differences and divergences of the past'.⁴⁹ These were optimistic words, and they resonated with the emotional theme of reconciliation of Labor's campaign for the federal election.

Like previous prime ministers, Hawke perceived his responsibility to 'manage national security policies' and occasionally to focus on emerging security crises. During the first term of government, Hawke was more concerned with Australia's relationship with the United States; later, other international issues of China, the Gulf War and East Timor would emerge.⁵⁰ His awareness of Hayden's 'left-wing' attitude to American international activities resulted in their agreement that Hayden would concentrate on relations with Asia Pacific nations, with a particular focus on ending the conflict in Kampuchea, while Hawke would manage the United States relationship and ANZUS.⁵¹ Hayden therefore took the

more grovelling', *The Australian Financial Review*, 5 May 1986, p.1; and Michelle Grattan, 'Hawke says his government will not have a grovelling relationship with Indonesia', *The Age*, 5 May 1986, p.1.

⁴⁷ *Ibid.*

⁴⁸ Hayden, *Hayden*, pp.379-84. For a contemporary account of the leadership battle between Hawke and Hayden, see Paul Kelly, *The Hawke Ascendancy. A Definitive Account of its Origins and Climax 1975-1983*, Angus & Robertson, Melbourne, 1984, particularly pp.395-432.

⁴⁹ Wio Joustra, 'ANZUS could be changed - Hawke', *The Australian*, 10 February 1983, p.2.

⁵⁰ Interview Kim Beazley, 21 March 2002. See also 'The Labor Party's Election Speech', *The Australian*, 17 February 1983, pp.6, 8.

⁵¹ See Bob Hawke, *The Hawke Memoirs*, William Heinemann, Melbourne, 1994, pp.223-6; and Stephen Mills, *The Hawke Years. The Story from the Inside*, Penguin, Ringwood, 1993, pp.158-9.

lead on all matters involving Indonesia.⁵² When questioned on Indonesia, particularly in Parliament, Hawke's responses invariably identified Hayden's leading role:

I should say *on behalf of Mr. Hayden* that the record of the Suharto government in maintaining political stability and promoting economic growth in Indonesia has been an impressive one. But, just as Australia has done in relation to other countries, we have made clear to the Indonesian government our views on certain aspects of developments in Indonesia which have been of concern to Australia, and we will continue to do so.

and,

Under the guidance of our foreign minister this government has sought from day one to pursue a position from which we would be able to have positive, friendly and constructive relations [with Indonesia] ... But I want to make it clear that we regard recent decisions and actions as peremptory and we make representations accordingly.⁵³

In the period directly after the Jenkins articles, Hawke's comments, in comparison to Hayden's, offered little reconciliation, and were easily manipulated by the media to fuel criticism of Indonesia. After the May Cabinet meeting, Hawke proffered more temperate comments to affirm the importance of the relationship, insisting that Indonesian authorities should accept that Australian society, with all its imperfections, supported freedom of the press; and he stressed that the Indonesian government had to accept cultural differences between the two countries in which the media's function and its relationship to government were noticeably different.⁵⁴

These were not easy times, and commentators reflected on the cultural differences between the two countries. Some argued that the divergence between Australia's 'thinking culture' and the group solidarity 'feeling culture' prevalent in Indonesia was bound to create differences.⁵⁵ Others noted that the shake-up in the relationship had partially buried the

⁵² Hawke made only one reference to Indonesia in his personal account of the Hawke period of government. 'I first went to Papua New Guinea and Indonesia, to establish in the public mind the priority my Government attached to the Asia-Pacific region'. Hawke, *The Hawke Memoirs*, p.209. For Hayden's recollections of his responsibilities as the Minister for Foreign Affairs, see Hayden, *Hayden*, pp.379-84.

⁵³ 'Indonesia: political situation', *AFAR*, Volume 57, March 1986, p.191; Question without Notice, *CPD*, House of Representatives, Volume 148, 29 April 1986, pp.2627-8. Emphasis added).

⁵⁴ See, for example, Questions without Notice to the Prime Minister, *CPD*, House of Representatives, Volume 148, 1986, pp.2627-8 and Volume 149, 1986, p.4550.

⁵⁵ Budiono Kusumohamidjojo, 'The Indonesia-Australia Relationship: Problems between Unfamiliar Neighbours', *Australian Outlook*, Volume 40, Number 3, December 1986, pp.143-7. See also Blanche d'Alpuget, 'To only see through their eyes', *The Sydney Morning Herald*, 28 April 1986, p.1; and Peter Hastings, 'Who feels culturally sensitive?' *The Sydney Morning Herald*, 28 April 1986, p.12.

romantic notion of a special relationship, which had always discretely shaped comment on the relationship. The theme of a special relationship reflected the concept of 'mateship' in Australia:

of looking after your mates, creating a sentimental relationship with other countries which sits along side the non-sentimental, rationalizing side of the Australian make-up. It is not shared by Indonesians who generally take a more calculating approach to bilateral relationships. Perhaps [Australians] should have respected the Indonesian expression that 'good fences make good neighbours', and refrained from taking palings off the fence to 'get to know each other better'.⁵⁶

Indeed, inequality, or lack of scale, in the relationship invited generalizations and oversimplifications, which sometimes masked important differences and manifestly added to the cultural divide. Economically, Australia and Indonesia seemed far from being complementary, and financial year 1984/85 demonstrated the lack of scale. Total value of bilateral trade in 1984/85 amounted to \$A790 million, which represented slightly more than one per cent of Indonesia's total overseas trade; the value of Australian tourism was approximately \$A100 million per year; and Indonesia ranked 20th among purchasers of Australian exports and 17th as a source of imports to Australia. \$A790 million worth of bilateral trade was significantly small, in comparison with \$A14.8 billion with Japan, \$1.6 billion with Singapore, or \$A1.4 billion with China. Moreover, Australian private investment in Indonesia amounted to \$A70 million per year, the eighth largest recipient of investment while Indonesian investment in Australia amounted to \$A13 million, which was small when compared with Singapore (\$A235 million and \$A5.9 billion respectively). Australian bilateral aid to Indonesian in 1985 totalled \$A40.4 million, and defence cooperation expenditure totaled \$A8.3 million, a small amount in comparison with the public figure of \$A2.8 billion that Indonesia allocated to defence and security expenditure.⁵⁷ Proximity had not facilitated major changes to trade patterns.

Political and cultural differences had also affected the manner in which each saw the other; many Australians believed 'that good governance emerges from political and public debate, while Indonesians generally prefer to leave contentious issues unstated, electing to trust,

⁵⁶ Speech by J.S. Holloway, University of Sydney, 7 August 1986, *AFAR*, Volume 57, September 1986, pp.789-92.

and demand respect for, authority'. A substantive basis 'for "mutual ignorance" and Indonesian indifference' was nurtured through political, cultural and economic differences.⁵⁸ To be sure, the question of cultural differences obscured the content of Jenkins' articles; however, they reminded policy-makers that cultural differences are important in any security relationship. The thrust of the articles centred on the role of Suharto family members in monopolies, joint ventures, and the pervasive protection and preference that those members had in their business dealings. For many Indonesians, the success of the New Order in the post-coup period was based on its promise to rid Indonesian society of corruption that was rife during the period of Sukarno's Guided Democracy. When questions or comments were made on Indonesian corruption, for example during the student riots in 1970-71, 1973-74 and in 1978, the legitimacy of the Suharto government came into question. Legitimacy underpins authority, and if legitimacy and authority are tarnished, even diminished, then the attendant power of the president was threatened.⁵⁹

In undermining the integrity of the Australian media, the ruling elite was deflecting public scrutiny from the activities of the Suharto family, and making the Australian media the issue was easier to digest. The history of Australian media comment on Indonesia had been punctuated by the PKI massacres after the attempted coup in September 1965, the ongoing treatment of prisoners and trade unionists, the invasion of East Timor and the killing of the five Australian-based reporters. Human rights abuses in Irian Jaya were intermittently covered, and OPM uprisings in 1977 and 1984 resulted in military repression, which generated large scale refugee movement into Papua New Guinea, the scale of which had not be seen before.⁶⁰ The history of media comment on the New Order government gave the appearance of constant criticism on all things Indonesian, which, for Whitlam, bordered on a crusade, even a tragic 'vendetta' by elements of the Australian media to avenge the

⁵⁷ *Ibid.*

⁵⁸ Professor Heinz Arndt, The Edward Shann Memorial Lecture, University of Western Australia, Perth, 8 September 1986.

⁵⁹ Richard Robison, 'Explaining Indonesia's Response to the Jenkins' Article: Implications for Australian-Indonesian Relations', *Australian Outlook*, Volume 40, Number 3, December 1986, pp.132-8.

⁶⁰ Estimates vary, although the figure of 11 000 refugees is widely used.

killings in Balibo.⁶¹ The Jenkins' articles and the reaction of sections of the Australian media to the attempted muzzling of commentary had only exacerbated the tension.⁶² Ironically, the Jenkins' articles were published during the fourth annual Australia-Indonesia conference in Jakarta when one of the most passionately debated topics was the role of the media in the relationship. A week later, similar articles on corruption were published in the *Washington Post* and the *New York Times*, causing little diplomatic tension but raising questions about power differentials in the Asia Pacific region - elements in the Indonesian government assumed that Australia could more easily be confronted.⁶³

For the Australian government, reaction to the Jenkins' articles did contain some gold: there was general agreement that new ways had to be found to manage cultural sensitivities and to manage future divisive issues in a manner which did not always lead to a breakdown in the security relationship.

REVIEW OF AUSTRALIA'S DEFENCE CAPABILITIES

Security concerns added to the uncertain political environment of the times. The Dibb Review was completed and presented to the Minister for Defence in March 1986 with an edited version released to the public.⁶⁴ The Review declared that priority should be given to Indonesia, which 'is the most important' of Australia's neighbours:

The Indonesian archipelago forms a protective barrier to Australia's northern approaches, and Australia is a non-threatening country on Indonesia's southern flank. These shared strategic interests and our common concerns for regional security, free from interference by potentially hostile external

⁶¹ E.G. Whitlam, 'Indonesia and Australia: Political Aspects', in J.J. Fox, R.G. Garnaut, P.T. McCawley, J.A.C. Mackie, (Editors), *Indonesia: Australian Perspectives*, the 1979 Research School of Pacific Studies Seminar, The Australian National University, 1980, p.765.

⁶² David Jenkins, 'Indonesia: Government Attitudes towards the Domestic and Foreign Media', *Australian Outlook*, Volume 40, Number 3, December 1986, pp.153-4.

⁶³ The conference delegates included politicians, scientists, academics, journalists, diplomats and business representatives from both countries. 'Australia as a neighbour', *The Jakarta Post*, 14 April 1986, pp.4-5. For detail on the American articles, see Catley and Dugis, *Australia Indonesia Relations since 1945*, p.166.

⁶⁴ Paul Dibb, *Review of Australia's Defence Capabilities*, Report to the Minister for Defence, Australian Government Publishing Service, Canberra, March 1986. For critiques of the Review, see Grahame Cheeseman, *The Search for Self-Reliance. Australian Defence Since Vietnam*, Longman Cheshire, Melbourne, 1993, pp.12-6; Alan Dupont, *Australia's Threat Perceptions: A Search for Security*, Canberra Papers on Strategy and Defence, Number 82, The Australian National University, Canberra, 1991, pp.86-9; and Andrew Mack, 'Defence versus Offence: The Dibb Review and its critics', *Australian Outlook*, Volume 41, Number 1, April 1987, pp.3-9.

powers, support a co-operative bilateral relationship. But we must also recognize that, because of its proximity, the *archipelago to our north is the area from or through which a military threat to Australia* could most easily be posed. This would require a fundamental change in present political circumstances, which are characterized by a stable government in Indonesia.⁶⁵

And Indonesia:

has neither the motive nor the capability to threaten Australia with substantial military assault. Its principal security concerns are internal security and potential threats from its north. Were these attitudes to change it would take time for any disputes to develop into major military confrontation. Leaving aside the question of motivation, Indonesia simply does not have the military capabilities that would allow it to consider a sustained level of intensive joint operations against Australia.⁶⁶

For the first time in a government-endorsed public document, Indonesia was acknowledged not to be a direct threat to Australia; the Review recognized that it would ‘take at least 10 years and massive external support for the development of a regional capacity to threaten’ Australia.⁶⁷ Such statements should have reassured regional countries, particularly Indonesia, about Australia’s projected security environment, but doubts remained over the public version of the review which did not include 24 pages that were deemed too sensitive for general release.⁶⁸ Also, the Review’s recommendations on a future force structure for the ADF contained propositions that seemed to be aimed directly at Indonesia.⁶⁹ In the absence of a direct threat to Australia, the Review recommended a force structure based on a strategy of denial and to have available in the defence force sufficient equipment, support and trained personnel to respond to military situations ‘that are credible on the basis of current regional capacity’.⁷⁰ For Indonesian defence officials, the notion of ‘current regional capacity’ could only refer to the Indonesian armed forces because of the geo-

⁶⁵ Dibb, *Review of Australia’s Defence Capabilities*, p.48. Emphasis added.

⁶⁶ *Ibid.*, p.33.

⁶⁷ *Ibid.*

⁶⁸ *Ibid.*, p.iii

⁶⁹ See, for example, Michael Byrnes, ‘Beazley hints at ‘misunderstandings’’, *The Australian Financial Review*, 7 April 1986, p.10; and Paul Kelly, ‘Indonesians soothed ahead of Dibb report’, *The Australian*, 9 April 1986, p.1. In the Foreword to the Review, Dibb asserted that the ‘deletions do not affect the conclusions ... and all significant recommendations are discussed in full’. This apparently failed to reassure many Indonesian officials.

⁷⁰ Dibb, *Review of Australia’s Defence Capabilities*, p.5.

strategic factors that Dobb identified as central to his recommended defence strategy of denial.⁷¹

It was also well known in the Indonesian defence community, through student attendance at Australian staff colleges, that Australian military exercises practised ADF commanders and staff against an imaginary enemy from Musoria, a fictitious country whose defence force contained organizations that were the same size, characteristics and equipment of existing units in the Indonesian armed forces. The use of a fictitious enemy added a degree of realism in testing staff planning during training exercises without incurring undue diplomatic problems, and the Australian army regularly used the technique after the end of the Vietnam War.⁷² Therefore Indonesian perceptions on Australian military intent were understandably ambivalent because some Indonesian military officers understood the Dobb approach to force structure against regional capacity as an extension of the concept of Musoria. The written word of the Dobb Review had not generated Indonesian confidence, nor had statements by senior military improved bilateral friendship. The words of the Commander of the 3rd Brigade echoed from 1982, when he declared to a visiting group of foreign military attachés, which included the Indonesian military attaché, that his brigade was ready to 'deal with' the Indonesians.⁷³ Under the circumstances, the Australian government's initial response to the Jenkins' articles could only have corroborated the public perception that the Australian government viewed Indonesia as the enemy.⁷⁴

These were the Indonesian perceptions that Kim Beazley confronted in his first official visit to Jakarta as the Minister for Defence in April 1986, just before the publication of the Jenkins' articles, to explain Australia's security position. Not all of the discussions were successful. Beazley later recalled that General Murdani accepted the strategic underpinnings of the Dobb Review, including the principle of basing Australian defence force structures on 'current regional capability'. He briefed Beazley that his views were not

⁷¹ Savitri Scherer, 'The Tyranny of Cohabitation: Australian-Indonesian Relations', *Australian Outlook*, Volume 40, Number 3, December 1986, pp.149-50.

⁷² See Australian Army, *The Musorian Armed Forces*, Manual of Land Warfare, Part Three, Training, Volume 2, Canberra, 1980.

⁷³ For his indiscretion, Brigadier J.P.A. Deighton was removed from command of 3rd Brigade a year short of the normal posting period of two years. Interview General P.C. Gratton, 10 October 2000.

shared by many peers and subordinates, who harboured suspicions on Australian intentions.⁷⁵

The Opposition were quick to link the Dibb Review with Hawke's reaction to the Jenkins' articles, and Howard raised the matter in parliament on 4 June 1986, requesting Hawke's assurance that in the light of the Dibb Review's conclusions 'from now on repairing and strengthening Australia's relationship with Indonesia will become a major foreign policy goal of his government'.⁷⁶ It did not matter what the government said or did; Indonesia saw little advantage in reciprocating messages of reconciliation so early after the publication of the articles. In May, Chris Hurford, the Minister for Immigration and Ethnic Affairs visited Jakarta for discussions on the Indo-China boat people problem, family reunion arrangements for East Timorese in Darwin, and the unauthorized entry of Irian Jayans into Australia and Papua New Guinea.⁷⁷ The exchange of views achieved little, but the diplomatic door remained open. Indeed, statements by Mochtar in May indicated internal dissent in the ruling elite where uncompromising views existed in the Indonesian military while more moderate views were emanating from the Ministry of Foreign Affairs.⁷⁸ In June Hayden met with Mochtar in Manila during the Post-Ministerial ASEAN meeting. The meeting introduced a measure of calm in the relationship to offset reported intemperate remarks from the previous Foreign Minister, Adam Malik, that 'Australia is an appendix in the abdominal cavity of South East Asia, and you only know it is there when it hurts'.⁷⁹ On 4 September 1986, Indonesia suddenly withdrew landing rights for RAAF aircraft, an action which might have been a 'spontaneous reaction' from within the Indonesian air force in retaliation to the release of the Robison book, which continued the criticism of the First Family and its business interests.⁸⁰ The ban was withdrawn five days later after

⁷⁴ Interview Allan Behm, 9 October 2000.

⁷⁵ Interview Kim Beazley, 21 March 2002.

⁷⁶ Question without Notice, *CPD*, House of Representatives, Volume 149, 4 June 1986, pp.4550-1.

⁷⁷ Michael Byrnes, 'Hurford visit aims to rebuild relations', *The Australian Financial Review*, 19 May 1986, p.12; Anthony Nagy, 'Hurford receives invitation to visit East Timor', *The Age*, 22 May 1986, p.6.

⁷⁸ Catley and Dugis, *Australia Indonesia Relations since 1945*, p.206; 'Let's end the squabbling, Mochtar tells Australia', *The Age*, 19 May 1986, p.13.

⁷⁹ Peter Hastings, 'To Indonesia, Australia isn't even in view', *The Sydney Morning Herald*, 19 July 1986, p.29.

⁸⁰ Ross Peake, 'Indonesia slaps ban on air force', *The Australian*, 5 September 1986, p.1. See also Mark Barker, 'Jakarta ban on RAAF signals fresh row', *The Age*, 5 September 1986, p.1; and Catley and Dugis, *Australia Indonesia Relations since 1945*, p.205.

representations were made to General Murdani.⁸¹ In October, the Indonesian military formally confirmed the suspension of defence cooperation by announcing that Indonesian students would not attend the four Australian staff colleges in 1987.⁸²

The government continued the political and economic relationship as best it could. In the 1987-88 Budget, the government announced a three per cent increase in overseas aid to \$A1008 million, of which Indonesia received \$A44 million; and the Indonesian government was sufficiently pragmatic to accept the grant without discourse or complaint.⁸³ The government contributed an additional \$A900 000 through the United Nations High Commissioner for Refugees (UNHCR) program of care for border-crossers from Irian Jaya into Papua New Guinea. By 1987 some 9500 border-crossers were still in Papua New Guinea, awaiting relocation under the direction of UNHCR and the PNG government. Australia had now contributed over \$A4 million to the program.⁸⁴ Defence cooperation activities had now stopped, and private sector investment levelled out with no new joint projects announced. Public perceptions on Indonesia were changing; the media ban, statements on cultural differences, the ongoing media coverage of the Suharto family, and personal observations through ongoing tourism between the two countries, had only added to the 'concern' over the increasing gap between the rich and the poor in Indonesia, cultural differences, and the stability of the Suharto regime.⁸⁵

In October 1986, the Indonesian government announced that a number of prisoners were to be executed at the same time that the Australian public were made aware of Operation *Kikis*, the latest attempt by the Indonesian armed forces to defeat FRETILIN forces in the mountain regions of East Timor.⁸⁶ Senator Gareth Evans responded on behalf of the Foreign Minister that Australia:

⁸¹ Peter Logue and Paul Austen, 'Jakarta backs down over RAAF landings', *The Australian*, 9 September 1986, p.1; and Michael Byrnes, 'Confusion reigns in Indonesian dispute', *The Australian Financial Review*, 12 September 1986, p.2.

⁸² Catley and Dugis, *Australia Indonesia Relations since 1945*, p.206.

⁸³ Press Release, 15 September 1987, *AFAR*, Volume 58, September 1987, p.538.

⁸⁴ Press Release, 20 September 1987, *AFAR*, Volume 58, September 1987, p.548.

⁸⁵ *Ibid.*

⁸⁶ Question without Notice, *CPD*, the Senate, Volume 116, 8 October 1986, p.998.

simply does not wish to be drawn into detailed comment on the security situation in East Timor, including comment on the disposition and activities of the Indonesian and pro-Fretilin forces. All I can say on behalf of the Minister for Foreign Affairs is that the Australian government has consistently maintained the position that the military conflict in East Timor should be brought to an early, peaceful resolution ... I would also hope that the leadership of Fretilin would take note of it.⁸⁷

Indonesian military activity, however, had provoked Australian public suspicions of the Indonesian armed forces. In 1986 polling indicated that 25 per cent of Australians thought Indonesia a military threat, an increase from the 1983 result of 15 per cent; by July 1988, the number had increased to 40 per cent; and more Australians supported a reduction in government development aid to Indonesia.⁸⁸ When the government's White Paper on defence was released in March 1987, its conclusions did not reflect the perceptions of many Australians.⁸⁹

THE 1987 WHITE PAPER

The White Paper was a continuation of the detailed assessment undertaken in the Dibb Review and provided guidance for a decade of development towards defence self-reliance, within the framework of alliances and regional engagement. It stated that 'no neighbouring country harbours aggressive designs on Australia, and no country has embarked on the development of the extensive capabilities [necessary] to project maritime power' against Australia. The White Paper concluded that a 'stable' Indonesia was an important factor in Australia's security, forming:

a protective barrier to Australia's northern approaches. It possesses the largest military capability among the ASEAN nations, but this capability has been designed primarily to ensure internal security and to protect its very large and geographically diverse island chain.⁹⁰

⁸⁷ Question without Notice, *CPD*, the Senate, Volume 117, 22 October 1986, p.1728.

⁸⁸ Statistics were compiled from Jonathan Kelley & Clive Bean, (Editors), *Australian Attitudes. Social and Political Analyses from the National Social Science Survey*, Studies in Society, Allen & Unwin, North Sydney, 1988, pp.41-4; David Campbell, Australian Public Opinion on National Security Issues, *Working Paper Number 1*, Peace Research Centre, The Australian National University, Canberra, 1986, pp.9, 27; and Alistair Marshall, Australian Public Opinion and Defence; Towards a New Perspective, *Working Paper Number 92*, Peace Research Centre, The Australian National University, Canberra, 1990, pp.10-11.

⁸⁹ Department of Defence, *The Defence of Australia 1987*, Australian Government Publishing Service, Canberra, March 1987.

⁹⁰ *Ibid.*, pp.15, 20.

A 'sound and constructive defence relationship with Indonesia' was required, tempered with the proviso that the government 'considers that such a relationship should recognize fundamental features of our respective political and social systems' - a polite but meaningful reference to differences that led to the rift in the relationship from the Jenkins' articles and Indonesian military activities in East Timor.⁹¹

Like the Dibb Review, the White Paper identified that force structure planning should give priority to meeting 'credible levels of threat in Australia's area of direct military interest'. The new phraseology was a less threatening way to describe the requirement in the Dibb Review - to meet military situations 'that are credible on the basis of current regional capacity' - and which would be conducted from the archipelago to our north, 'the area from or through which a military threat to Australia could most easily be posed'.⁹² The White Paper continued the methodology of warning time, and added further detail to the range of credible low-level conflicts that were based on Indonesian capabilities and first developed in 1971. As well, the White Paper emphasized the importance of continuing effective defence cooperation programs to 'promote strategic stability and security in our region'.⁹³

From the Indonesian perspective, there was little change in the new assessment from the Dibb Review, although the White Paper emphasized more strongly the move of defence units into Northern Australia and the objective of a more self-reliant defence force, which was now tasked to promote a 'sense of strategic community between Australia and its neighbours'.⁹⁴ It was a reasonable observation that the White Paper was more sensitive in its treatment of Indonesia, having addressed Indonesian concerns on the Dibb Review; while the meaning had not dramatically changed, the manner of its communication had, and the Indonesian reaction to the White Paper was generally more supportive. At least a more

⁹¹ *Ibid.*, p.16.

⁹² *Ibid.* The definition of Australia's area of direct military interest had slightly changed from the Dibb Review to now include the Australian continent, territories and maritime approaches, Indonesia, Papua New Guinea and New Zealand, and countries of the South Pacific.

⁹³ *Ibid.*, p.10.

⁹⁴ The White Paper defined eight 'national defence interests' of which the task of 'promotion' was one. *Ibid.*, p.22.

convenient environment existed in which diplomacy could remedy the political and military rift.⁹⁵

THE THAW

In May 1987 Hayden took advantage of a stopover in Jakarta to raise the issue of the journalists' ban. It was Cabinet's view that the relationship would not improve until the ban was lifted. Hayden was fortunate to have the opportunity to discuss the state of the relationship with both Mochtar and Suharto after which he was able to intimate to journalists that the ban might soon be lifted. If this were the case, then a lifting of the ban, in the absence of an Australian government apology, would be a diplomatic success. Hayden also indicated that Suharto was prepared to accept that differences did exist between government and media, that they carried out different roles, which should not be permitted to affect the overall relationship.⁹⁶ The stopover followed an earlier visit to Jakarta by David Hill, managing director of the ABC, who also attempted to have the ban lifted on ABC representation in Jakarta. He held several discussions with senior officials, including a final call on Suharto, and departed Jakarta 'with some optimism' that the ABC might be allowed to return sometime in 1988. In June 1991 Indonesia's Foreign Affairs Department finally granted approval for the ABC to re-establish a correspondent in Indonesia, and Ian Macintosh took up the position on 8 October 1991.⁹⁷ Hill's exposure to Indonesian sensitivity on Radio Australia's reporting of domestic news caused him to question the current policy.⁹⁸ He raised the matter with Hayden who emphasized the government's position:

Radio Australia should not become a mouthpiece for any government of the day, its independence and ethical standards should be preserved, the latter of a high order, that its responsibility, inter alia, is that its broadcasting must be factually correct, and that in my view it was pointless having a Radio Australia broadcasting to countries in the region but not broadcasting domestic matters of interest.⁹⁹

⁹⁵ Interview Allan Behm, 9 October 2000.

⁹⁶ 'Hayden mends fences in Jakarta', *The Sydney Morning Herald*, 5 May 1987, p.4. See also Michael Byrnes, 'Hayden working to heal rift between Canberra-Jakarta', *The Australian Financial Review*, 5 May 1987, p.2; and Ross Peake, 'Indonesia may soon lift ban on journalists', *The Australian*, 5 May 1987, p.1.

⁹⁷ In the preceding 15 months, Philip Flood, the Australian Ambassador to Jakarta, reported that he had received no complaints from the Indonesian government, and Radio Australia seemed to be 'in good odour'. Hodge, *Radio Wars*, p.206.

⁹⁸ For detail on Radio Australia and the Indonesian government in the 1980s, see *Ibid.*, Chapter 10.

⁹⁹ *Ibid.*, pp.203-4.

While Hayden used idealistic rhetoric to justify his reasoning, he was cognizant that if Radio Australia's role was now changed it would be seen as a diplomatic win for the Indonesian government and set a dangerous precedent in permitting an Indonesian role in Australia's domestic affairs. Nonetheless, Hill's optimism over a possible ABC presence did alert Hayden that the time might be ripe for a stopover in Jakarta.

POLITICAL REBIRTH

The year, 1988, signaled the ending of the thaw. In January 1988 the Indonesian government approved the Australian Associated Press to re-establish a bureau in Jakarta.¹⁰⁰ Soesilo Soedarman, the Minister for Tourism, Post and Telecommunications, attended Australia's bicentennial celebrations and visited Canberra in August 1988 for discussions with a range of federal ministers, and Senator Gareth Evans visited Jakarta for preliminary talks on assuming the appointment of the Minister for Foreign Affairs and Trade.¹⁰¹ Fresh possibilities were signalled in Evans' first ministerial speech:

May I say frankly that I look forward to the day when interests of Australia and Indonesia are so varied and so important that we no longer talk of 'the relationship' as though it were a patient of precarious health, sometimes sick, sometimes healthy, but always needing a worried supervision of diplomatic doctors.¹⁰²

With the appointment of Ali Alatas as Indonesia's new Foreign minister, circumstances prevailed in which the political relationship could only improve. Mochtar and Hayden had stabilized the relationship, now Alatas and Evans were positioned to broaden areas of cooperation through shared interests.

When Alatas visited Australia in March 1989 both Evans and he agreed to a new government to government framework:

The two Foreign Ministers affirmed the common desire of their two Governments for good-neighbourly, mutually beneficial relations, and agreed to a new framework for the future conduct of the relationship.

¹⁰⁰ The bureau was established in February 1987, some 15 months after Michael Byrnes departed in November 1986. Catley and Dugis, *Australian Indonesian Relations Since 1945*, p.209.

¹⁰¹ Roy Eccleston, 'Indonesia signals a thaw', *The Weekend Australian*, 27-28 August 1988, p.2. The Department of Trade was incorporated into the Department of Foreign Affairs in 1987.

¹⁰² Address by Senator Evans, Minister for Foreign Affairs and Trade to the Australia-Indonesia Business Cooperative Council, Bali, 24 October 1988, cited in *Monthly Record*, Volume 59, October 1988, pp.399-401.

Regular Ministerial level discussions will be held to provide a forum for frequent consultation and co-operation in the management of relations between the two nations, and annual officials' talks will be reinstituted.

The Australia Indonesia Ministerial Meeting (AIMM), to be constituted by the Foreign Ministers of the two countries (and other ministers as and when appropriate), will be convened at least every 18 months, or more frequently if circumstances so require.

The purpose of the AIMM will be:

- to review developments in Australia-Indonesia relations with the objective of cooperative management of the relationship between the two countries.
- to consult on regional and global political and economic issues of concern to Australia and Indonesia.¹⁰³

Agreement was also reached to increase the number of contact areas by establishing an Australia-Indonesia Institute to assist both governments in broadening the areas so far untouched by the relationship and to encourage personnel exchanges in areas of cultural language, business, media and academe.¹⁰⁴

Some noted that Evans was a believer in process and the rule of law; he despised 'ad hocery' in the conduct of international affairs, partly because of his legal training and certainly because of his nature, and his preference for conceptual frameworks featured in the reconstruction of the bilateral relationship.¹⁰⁵ Evans was later described as a person unable to find 'contentment in a wilderness of single instances. He longs for order, predictability, and certitude. His mind craves structures'.¹⁰⁶ Alatas and Evans had agreed to relationship structures that would widen contact across a broader range of professions, while cementing the relationship through more regular government to government meetings

¹⁰³ Reinstitution of the senior officials meeting was agreed with the new title of the Australia-Indonesia Senior Officials Meeting (AISOM), to meet annually or as required, and act as an intermediary to ensure that the AIMM considered the more important issues. Joint Communiqué is quoted in full in *Monthly Record*, Volume 60, March 1989, pp.86-7.

¹⁰⁴ Bruce Grant was appointed the first chairman of the Institute, and its first conference was held in December 1989 in Canberra on 'Indonesia's New Order: Past, Present and Future'. Press Release, 12 May 1989, *Monthly Record*, Volume 60, May 1989, pp.237, 553. Alatas and Evans agreed to implement 'more hotline channels' to manage issues in the relationship. For an analysis of the meeting, see Mark Bruer, 'Evans and Alatas reestablish a close relationship', *The Age*, 4 March 1989, p.4.

¹⁰⁵ Scott, *Gareth Evans*, pp.217-8.

¹⁰⁶ David Jenkins, 'Biggles Evans', *The Sydney Morning Herald*, 7 April 1990, pp.73, 75.

to address issues as they arose.¹⁰⁷ Evans acknowledged the current difficulties but remained optimistic that the way forward under the new arrangements should be more successful:

We have actively sought, with the cooperation of the Indonesian government, and with good results, to reinvigorate our relations with an approach focused not on constantly taking the temperature of the 'relationship', but rather on getting on with the task of building it, layer by layer. Adding some ballast to the relationship.¹⁰⁸

On the recommendations of an Australian Parliamentary delegation, further measures were introduced by widening contact through regular exchanges of young parliamentarians, business people, bureaucrats, administrators and journalists.¹⁰⁹ It seemed that the political and cultural aspects of the bilateral relationship had undergone an agreeable rebirth through a range of new structures.

The resumption of officials' talks in February 1989 on the Timor Gap proved to be successful. Held in Canberra, agreement was reached on a draft text that covered the establishment of a zone of cooperation in the designated area in accordance with the conditions laid down during Evans' visit to Jakarta in October 1988. The talks completed ten years of negotiations, which now permitted exploration and exploitation of significant gas and oil reserves. During discussions, the geographic definition of the zone of cooperation and the mechanism to determine the share of profits were agreed, with the final draft to be presented to both governments within one year.¹¹⁰ The timeframe was achieved, and both governments accepted the draft treaty on 25 October 1989, enabling the treaty to be signed by the Foreign Ministers flying over the Timor Gap, celebrating with champagne.¹¹¹

¹⁰⁷ Perhaps the most outstanding achievement of Alatas and Evans was their use of ASEAN to broker a peace plan for Cambodia. For an overview, see Graeme Dobell, *Australia Finds Home. The choices and chances of an Asia Pacific journey*, ABC Books, Sydney, 2000, pp.80-9.

¹⁰⁸ Gareth Evans, The Roy Milne Memorial Lecture 1989, to the Institute of International Affairs, Melbourne, 27 April 1989, cited in *Monthly Record*, Volume 61, April 1989, pp.139-49.

¹⁰⁹ 'Report of the Parliamentary Delegation to Vietnam and Indonesia', *CPD*, House of Representatives, Volume 167, 25 May 1989, pp.2920-1.

¹¹⁰ The meeting was held over the period 9-11 February 1989. Press Release, 12 February 1989, *Monthly Record*, Volume 61, February 1989, p.42.

¹¹¹ Joint Press Statement, 27 October 1989, *Monthly Record*, Volume 60, October 1989, p.615.

In April 1989 both governments endorsed new arrangements to overcome problems of Indonesian fishing vessels in Australian waters. The new arrangements gave more effect to the 1974 Memorandum of Understanding on traditional fishing activities by defining differences between commercial and traditional fishing.¹¹² Water projects were initiated to provide clean, safe water and sewerage services to towns and villages in East and West Tengarra. The project was an extension of a similar project in Lombok and was estimated to cost some \$A10 million over a five year period.¹¹³ In August both governments signed a memorandum of understanding which defined a new framework of consultation on energy and mineral resources technology to explore cooperative and joint development opportunities.¹¹⁴

In all, a sounder relationship seemed to have emerged from the dark period of the Jenkins' articles, and the dividends were realised in October 1991 when the political settlement for Cambodia was agreed in Paris. The settlement was mostly the work of Evans and Alatas 'in concert', and demonstrated the advantages of Australia having a collective regional interest with Indonesia.¹¹⁵

DEFENCE COOPERATION

General Peter Gration, the newly appointed Chief of the Defence Force, decided that a visit to Indonesia might ameliorate military to military relations. The visit was not part of a complex government plan to re-establish contact across the range of Commonwealth departments; it was at the initiative of Gration, who represented the vanguard of a new generation of senior defence officials who analyzed the regional environment in terms of common security imperatives.¹¹⁶ He appreciated that the Indonesian armed forces were focused on maintaining internal security and the cohesion of the Republic, and if the focus

¹¹² Press Release, 1 May 1989, *Monthly Record*, Volume 60, May 1989, p.237.

¹¹³ Press Statement, 10 October 1989, *Monthly Record*, Volume 60, October 1989, p.617.

¹¹⁴ Press Statement, 6 August 1989, *Monthly Record*, Volume 60, August 1989, p.472.

¹¹⁵ Watson, *Recollections of a Bleeding Heart*, p.173; and Sabam Siagian, 'The Kampuchean Endgame', in Ball & Wilson, *Strange Neighbours*, pp.118-24. See also Lieutenant General J.M. Sanderson, 'Preparation for Deployment and Conduct of Peacekeeping operations: A Cambodian Snapshot', in Kevin Clements and Christine Wilson, (Editors), *UN Peacekeeping at the Crossroads*, Peace Research Centre, The Australian National University, Canberra, 1994, pp.102-15.

was directed outside Indonesia, it was north towards China with which diplomatic relations had still not been resumed.¹¹⁷ In Gration's view, an unstable Indonesia would only complicate regional security and add to Australia's security burden; he believed that he could contribute to building 'a sound and constructive defence relationship' in accordance with the 1987 White Paper.¹¹⁸ An invitation to visit was not automatic; the culture of diplomacy included an informal approach to indicate a willingness to visit, reasons for the visit, possible dates and to ascertain host country agreement, including, in due course, the formal invitation from the host country. Circumstances were far from conducive for a visit because the Indonesian military had suspended defence cooperation activities and hampered RAAF navigation access into and across Indonesia for a short period, and dialogue between the two defence forces had ceased.

An invitation was extended, and Gration visited Indonesia a month after Evans, in November 1988. He decided to develop personal relationships in the Javanese manner, to build confidence slowly in order to allay suspicion and to construct foundations for the future. Little substantive discussion was undertaken; this would come later. The visit included tours of historical sites, formal entertainment and an introductory call with Suharto. Most of the time was spent in the company of General Tri Sutrisno, Commander in Chief of the Indonesian armed forces; and, matching the personal relationship that was developing between Alatas and Evans, Sutrisno and Gration found much in common, and Sutrisno agreed to a reciprocal visit to Australia in July 1989.¹¹⁹ Incidents before Sutrisno's visit had the potential to sabotage the visit: the Australian Chief of the General Staff publicly declared that Australia 'would not stand by in the event of conflict between Indonesia and PNG'; *The Sydney Morning Herald* published a critical item on Suharto one week prior to the visit; and criticism of recently published strategic documents and Australia's apparent new militarism dominated a regional security conference in

¹¹⁶ Interview Air Marshal R.G. Funnell, 3 August 2001. Funnell recalled that not all senior officers agreed with Gration's approach.

¹¹⁷ Indonesia and China agreed to resume diplomatic relations on 3 July 1990 after Indonesia agreed to repay \$US84 million in debt in 30 installments. 'Indonesia seals China breach by paying old debt', *The Australian Financial Review*, 5 July 1990, p.12.

¹¹⁸ Interview General P.C. Gration, 10 October 2000.

¹¹⁹ Dates of the visit were 9-16 July 1989 and included visits to military bases in Canberra, Sydney, Tindal and Darwin.

Canberra.¹²⁰ Sutrisno's visit included a tour of major military units, and in Darwin he was briefed on Kangaroo 89, then Australia's largest peacetime exercise, which had just commenced.¹²¹ Kangaroo 89 exercised ADF units against a new, fictitious enemy, Kamaria, a three-island nation near the Indonesian archipelago, which projected military low scale operations against Australia and its territories.¹²²

At the completion of Sutrisno's visit, a joint communiqué was released, which was an unusual practice for a senior military officer's visit. The communiqué confirmed that change in the military relationship was underway, with both generals having:

Agreed on the importance of the mutually beneficial relations between the two countries in the defence field.

Noted that Australia and Indonesia shared with other regional countries a primary concern for the maintenance of peace, stability and security in the region.

Agreed that the peace and stability objective could be effectively promoted by the concepts of Australian national defence self-reliance and by the development of co-operative defence activities between regional countries on an informal basis.

Expressed the desire to improve the current level of bilateral defence activities, including senior level visits, military exercises, staff college exchanges and defence industry exchanges.

Valued greater communication and contacts between defence personnel in Indonesia and Australia to establish a better understanding and overcome any misconceptions on both sides, and agreed to work towards that end.

Agreed that the future defence relationship should be based on the recognition of common strategic interests in the security and stability of the region.¹²³

¹²⁰ In May 1989 at an Australia-Indonesia conference in Canberra, retired Lieutenant-General Hasnan Habib, former Indonesian Ambassador to Washington, stated that Australia's recent defence build-up 'was causing concern among its northern neighbours', *Pacific Defence Reporter*, Volume XVI, Number 1, July 1989, p.54.

¹²¹ 'Shaping up for Kangaroo '89', *Pacific Defence Reporter*, Volume XVI, Number 1, July 1989, pp.47-8.

¹²² Bronwyn Young, 'Indonesian General's visit to improve neighbour relations', *The Australian Financial Review*, p.8. The new enemy, Kamaria, was developed in 1988-9 for the *Kangaroo* series of exercises. Kamaria was a Maoist-styled enemy from three islands slightly to the north of Indonesia, which could field low-level operations, sometimes simultaneously, across the north of the Australian mainland. Organizations had not noticeably changed; they mostly reflected unit structures of the Indonesian armed forces. The main island had the inverted shape of Tasmania. Australian Army, *Kamarian Armed Forces*, Manual of Land Warfare, Part Three, Training, Volume 2, Pamphlet Number 3, Canberra, 1993.

¹²³ Joint Communiqué, 14 July 1989, in *Pacific Defence Reporter*, Volume XVI, Number 2, September 1989, p.54.

NEW STRATEGIC PLANNING DOCUMENTS

The Gration/Sutrisno agreement initiated a fresh beginning to defence cooperation through a formal framework in much the same fashion that Evans and Malik intended to manage the relationship. Both frameworks enhanced developments in the new strategic planning documents: *Australia's Regional Security*, which detailed the government's approach to the broader concept of security planning; and *Australia's Strategic Planning in the 1990s*, a key defence planning document.¹²⁴ Like previous documents in the strategic basis series, *Australia's Strategic Planning in the 1990s*, emphasized Indonesia's significance to Australia's security. The unclassified document continued the theme that Indonesia lacked a motive to threaten Australia and its 'primary' concern was on internal security.¹²⁵ Australia's and Indonesia's challenge was perceived to be two-fold: to 'increase mutual tolerance of the fact that our strategic perspectives differ but are not incompatible'; and to 'develop practical cooperation in areas of shared strategic interest'.¹²⁶ These were obvious developments; in *The Defence of Australia 1987*, the government endorsed the notion of 'promoting strategic stability and security in our regional'; and defence cooperation seemed an acceptable manner in which to satisfy those objectives with Indonesia.¹²⁷ Several new areas were suggested: the development of substantive regional intelligence cooperation; development of regional maritime surveillance arrangements; and, a move towards more substantive combined exercises and training.¹²⁸

The extent of future defence cooperation was not formally stated, and increases were anticipated at a pace comfortable to both sides. Beazley was not wedded to a program of automatic increases; he had observed the checkered history of defence cooperation with

¹²⁴ Cabinet considered both documents on 27 November 1989. Ministerial Statement, *Australia's Regional Security*, Department of Foreign Affairs and Trade, Canberra, December 1989 and Department of Defence, *Australia's Strategic Planning in the 1990s*, Directorate of Publications, Canberra, 27 November 1989, which was released in an unclassified form in September 1992. Interview Allan Behm, 9 October 2000.

¹²⁵ Warning, as an integral part of defence planning, remained the most important element in determining and evaluating within an uncertain strategic environment. *Australia's Strategic Planning in the 1990s* defined warning to involve three factors: motive, intent and capability. Intent and motive could change relatively quickly and are sometimes difficult to assess. *Australia's Strategic Planning in the 1990s*, p.24.

¹²⁶ *Australia's Strategic Planning in the 1990s*, p.43.

¹²⁷ The Department of Defence, *The Defence of Australia 1987*, p.10.

¹²⁸ *Australia's Strategic Planning in the 1990s*, pp.43-4.

Indonesia since 1980, and reached agreement with Murdani in 1986 that the size and scale of defence cooperation before the Jenkins' articles was 'about right'. Then, both agreed that defence cooperation offered selective advantages to each country; senior officer visits, individual officer training and exchanges of views had all been relatively successful and should continue; however, defence cooperation had easily been used as a political weapon in times of tension. Beazley concluded that future programs should be 'sufficiently low-key not to become a pressure point in the relationship for any particular reason'.¹²⁹ A resumption of defence cooperation in the first instance would therefore be targeted and measured.

Australia's Regional Security

Australia's Regional Security did not exclusively devote a chapter or section to Indonesia; the document was regionally focused to give weight to the notion of comprehensiveness in the conduct of international affairs through the rule of international law.¹³⁰ In confirmation of previous strategic documents, Indonesia and Papua New Guinea were identified in geo-strategic terms as the protective barrier from or through which a 'military threat would almost certainly be posed'.¹³¹ The concept of security, however, had at its centre the multi-dimensional nature of policy responses that could thwart the circumstances of a major attack from or through that protective barrier - traditional diplomacy, politico-military capabilities, economic and trade relations and development assistance, extending also to:

immigration, education and training, cultural relations, information activities, and a number of other less obvious areas of government activity. The relative importance of this large variety of policy instruments will vary from situation to situation, but none exists in isolation, and all should be regarded as mutually reinforcing contributions to our security.¹³²

Evans had advocated a more encompassing but similar approach to that of his predecessors. Whereas previous assessments had sometimes perceived the relevance of South East Asia in largely military terms, *Australia's Regional Security* offered a more comprehensive

¹²⁹ Interview Kim Beazley, 21 March 2002.

¹³⁰ For example, the use of military force should be considered within a cumulative criteria involving: the agreement of the recognized domestic authorities ...; a manifestly direct threat to major Australian interests; a finite time frame for the military operation; a clear and achievable objective; and consultation with, if possible the cooperation and participation of, other states in the region. *Australia's Regional Security*, p.22.

¹³¹ *Ibid.*, p.12.

approach to security policy-making in which regional organizations such as ASEAN, FPDA and APEC were important.¹³³ To be sure, Indonesian opposition to organizations other than ASEAN had punctuated the recent history of the region, yet Indonesia's support was essential to the success of establishing much wider organizations and gaining acceptance of Australia's newly announced multi-dimensional approach to the region.¹³⁴

Australia's Regional Security had, in effect, confirmed a new template of non-military aspects of security for regional security cooperation, and defined the path for the promotion of a mixture of comprehensive and common security measures for the Asia Pacific region. The late 1980s had confirmed a momentum of regional security dialogues, perhaps best epitomised by a growing acceptance within ASEAN of new regional security ideas, which fashioned a resolve in Evans to ensure that Australia was not left behind by these developments as it once was during the earlier deliberations in establishing ASEAN. It was true that change, complexity and uncertainty characterised the current strategic environment, and the region was afloat with new ideas to manage regional cooperation. Concepts such as a Conference on Security Cooperation in Asia (CSCA), new machinery to oversee regional maritime surveillance and safety, air space surveillance and control, technology monitoring and environmental security had all been suggested to balance the uncertainty of the United States' regional intentions now that the Soviet Union had collapsed.¹³⁵ There were, however, two distinct issues for Australian policy-makers: the first identified the tension between Australia's policy of maintaining a technological edge in military capability over neighbouring states and the common security concept of partnership with them in an enhanced security network; and the second noted the problem in determining how transparent Australia's defence planning and force deployment patterns

¹³² *Ibid.*, p.2.

¹³³ Alatas was not initially in favour of APEC; he believed: 'There were benefits from greater co-operation, but there were also impediments and constraints in turning lofty vision into reality. ASEAN would have to be central to any trade development'. Roy Eccleston, 'ASEAN Cool on Hawke's trade forum', *The Australian*, 4 July 1989, p.3.

¹³⁴ The comprehensive nature to regional security was emphasized through the adoption of the term, *comprehensive engagement*, for Australia's security inter-relationships with the region. *Ibid.*, p.44.

¹³⁵ Department of Foreign Affairs and Trade, *Ministerial Seminar- Regional Security*, Canberra, 1 March 1991, pp.4-6.

should be.¹³⁶ Both issues reflected the unease in promoting a common security framework for the region. What was new in *Australia's Regional Security* was the concept that Australia could not guarantee its security through military means alone, and that some form of overarching framework was needed to guide the extent of practical measures, such as defence cooperation and security-related dialogue, to nurture improved 'conceptual compatibility' with non-Australian initiatives, particularly within ASEAN. Evans recognised the difficulties in implementing a balanced multi-dimensional security policy in which the weighting, for example, of the value of a cultural relations program against the benefits of defence cooperation could not easily be calculated in satisfying regional security objectives.¹³⁷ Nonetheless, he directed that the only way to advance the regional security initiative was to give impetus to non-military aspects of security cooperation.

The practical application of the Evans' multi-dimensional approach is aptly illustrated by the initiatives with Indonesia since the imposed freeze in the relationship in 1986. At the end of 1989, two way trade with Indonesia reached some \$A1.2 billion with Australia the sixth largest supplier to Indonesia markets and with Australian investment at some \$A650 million.¹³⁸ 5500 students were studying in Australia, which accounted for 20 per cent of the total of overseas students in Australia; 150 000 Australian tourists visited Indonesia, and some 30 000 Indonesians had holidayed in Australia.¹³⁹ The government had announced a new \$A64 million five-year education and training program, using Northern Territory Department of Education expertise, to establish a network and cluster of schools for technical and vocational training in the major eastern Indonesian provincial areas of Ujung Padang, Mataram, Kupang, Ambon and Jayapura. Only Kupang on the island of Timor was included in the scheme because no town in East Timor was acceptable to the Indonesian

¹³⁶ *Ibid.*, p.9.

¹³⁷ *Ibid.*, p.10.

¹³⁸ Australia's main exports to Indonesia were wheat, crude petroleum oils, zinc and zinc alloys and cotton, and Indonesian imports were woven man-made fibres, crude petroleum products and coffee. Report on Australia-Indonesia Business Conference, Bali, 4 June 1990, cited in *Monthly Record*, Volume 61, June 1990, pp.356-359.

¹³⁹ Speech by J.S. Holloway, University of Sydney, 7 August 1986, *AFAR*, Volume 57, September 1986, p.790.

authorities.¹⁴⁰ These were small initiatives in the overall framework of non-defence assistance but they evoked a new ambience that would assist Keating's proposal for a bilateral security agreement.

REVIEW OF THE HAWKE PERIOD 1983 - 1991

When East Timor was declared an open province for the Pope's visit in October 1989, a number of commentators optimistically suggested that the political circumstances had changed and were ripe for negotiations to end the fighting.¹⁴¹ Mass arrests of East Timorese, however, accompanied pro-independence protests; only 15 were subsequently released, and the number of missing was never disclosed.¹⁴² The Pope's visit had revived human rights concerns and once again underscored the illegality of the Indonesian invasion. Australia's *de jure* recognition of East Timor's incorporation came with an agreement of improved access by media and international agencies to the closed province, which, Hawke argued, increased international scrutiny of human rights issues. The Pope's visit, however, demonstrated the fragility of human rights in East Timor. Evans had earlier proclaimed that human rights:

involves an extension into our foreign relations of the basic values of the Australian community; values which are at the core of our sense of self and which a democratic community expects its government to pursue. A moral obligation is its own justification. The objective of aid policy and human rights policy is to improve the situation on the ground for the ordinary citizen.¹⁴³

The want for improvements in the 'situation on the ground for the ordinary citizen' had not decreased; in the aftermath of the Pope's visit, differences existed between theory and practice in the government's rhetoric. When the Hawke government won office in 1983, Hawke and Hayden worked quickly first to announce *de jure* recognition and then to modify party policy at subsequent National Labor Party Conferences. The government's

¹⁴⁰ Press Release, 2 March 1990, *Monthly Record*, Volume 61, March 1990, pp.175-6; Press Release, 5 November 1990, *Monthly Record*, Volume 61, November 1990, p.815.

¹⁴¹ Ramos Horta had indicated for the first time that FRETILIN was willing to discuss the interim status of an autonomous region of Indonesia for East Timor. David Feith, 'Time is ripe for peace in East Timor', *The Age*, 7 December 1989, p.13.

¹⁴² Question without Notice, *CPD*, Senate, Volume 142, 13 December 1990, pp.5632-3 and 18 December 1990, pp.5864-5. For detail on the Pope's visit, see Dobell, *Australia Finds Home*, pp.71-2.

¹⁴³ Keynote Address by the Minister for Foreign Affairs and Trade to the annual meeting of Amnesty International, Sydney, 19 May 1989.

determination to build constructive relations around the East Timor issue was confirmed by these actions and Hawke's one and only visit to Indonesia. There was little difference between the Fraser and Hawke governments' approach to the relationship; economic assistance had continued to grow, doubling during the decade to \$A80 million; and more expansive cultural, social and business activities were initiated to broaden the relationship.¹⁴⁴

All these modifications failed to arrest the decline of the political relationship once the Jenkins' articles were published. The robustness of the relationship seemed to rest on the New Order's perceptions of the Australian government's willingness to place a higher priority on the maintenance of the relationship above all other political and domestic concerns. These perceptions were erroneous. The Australian government reacted to the political fall-out in a cautious and deliberate fashion; and the Australian media were never criticized, nor action taken to limit their reporting of Indonesian affairs. Hayden's response had been tactfully forthright: Indonesian authorities should accept that Australian society, with all its imperfections, supported freedom of the press; and the Indonesian government had to accept that cultural differences existed between the two countries in which the media's function and its relationship to government were noticeably different. Indonesian reactions to the Jenkins' articles were peremptory in nature. There was no formal apology although government activities were unrolled in an attempt to re-establish working relationships: publicly released strategic assessments stressed that Indonesia was a partner in regional security matters, and not Australia's foe; Australian ministerial visits continued albeit at a reduced rate; economic assistance was not postponed; and a resumption of defence cooperation was politely encouraged. When diplomatic contact resumed after two years, both governments accepted the need to develop fresh structures to institutionalize the relationship so that the impact of unsavoury incidents could more readily be absorbed. By 1991, the efficacy of the new structures had not been tested, and the Labor government had yet to contend with the Dili massacre.

¹⁴⁴ See Appendix 1.

CHAPTER 7

THE KEATING LEGACY 1991-1996

A NEW APPROACH

On 19 December 1991, Paul Keating was elected leader of the Australian Labor Party and Prime Minister of Australia some five weeks after the Dili massacre and 11 days before President Bush was scheduled to visit Australia.¹ Keating was beset with domestic issues but in the turmoil of the leadership change, he made two decisions: the United States embassy was informed that the Bush itinerary would not be changed; and Keating postponed a decision on whether to visit Indonesia, currently under preparation for Hawke to visit in February 1992.² Keating was aware of the strengths and weaknesses in being a Labor prime minister; the position 'gave him some influence over all his ministers but control over none'; he understood that prime ministers were there:

to win elections, to organize the membership of Cabinet, to chair it and control the agenda, to give a general tone to government, to assist or to frustrate ministers in the execution of their responsibilities, to defend the government in Parliament and with the media and the public generally, to represent the Australian Government to foreign leaders ... [and] the most important field of independent action available to a prime minister was his monopoly over relationships with leaders in other countries.³

Successful relationships with foreign leaders permit foreign policy to be crafted at the highest level, on a broader scale, with the best opportunities for success, which are not

¹ The first Keating government was sworn in on 27 December 1991. For detail see Peter Hartcher, 'PM awards backers', *The Sydney Morning Herald*, 28 December 199, pp.1, 5.

² Evans was dispatched to Jakarta to discuss the Dili massacre with Indonesian officials and phoned the Keating office after the leadership vote to seek Keating's agreement to continue the Hawke visit. John Edwards, *Keating. The Inside Story*, Penguin Books, Ringwood, 1996, p.446. The proposed Hawke visit had created its own tensions; several changes in dates, some quite close together, 'annoyed' the Indonesian government. Greg Sheridan, 'Indonesia keen to meet to meet new leader', *The Weekend Australian*, 21-22 December 1991, p.8.

³ Edwards, *Keating. The Inside Story*, pp.445-6, 450-1. His perspectives on the limitations of a Labor prime minister are not unique. See, for example, Patrick Weller, 'The Cabinet', in Christine Jennett and Randal G. Stewart, (Editors), *Hawke and Australian Public Policy*, Macmillan, South Melbourne, 1990, pp.16-26; and

always available to other ministers. Some believed Keating was not ‘fluent’ with foreign affairs issues; and Hawke and others had wondered if Keating was ‘wide’ enough to be prime minister; the opposite was true: Keating was ‘very keen on foreign affairs’, particularly the ‘big picture’ issues facing Australia.⁴ In April 1991 he publicly signalled his intentions to ‘integrate Australia more fully into the region’.⁵ In the following month, he indicated that when he became prime minister his foreign policy priorities would include relations with Indonesia, improving APEC and relations with New Zealand.⁶ Through necessity, Keating had spent his recent parliamentary time on the backbench, attentive to the domestic economic issues that would dominate the 1993 federal election⁷; his responses, however, to the Bush visit and the proposed Indonesian visit were new opportunities because the visits offered the potential for convergence on political and economic issues that could benefit Australia’s security and economic well being.⁸

He ignored departmental briefs for the Bush visit; his preference to concentrate on one or two major issues, rather than cover the range of political, economic and military interaction with the United States, meant that a broader, more strategic approach needed to be crafted in the remaining time before the visit.⁹ With the end of the Cold War, United States strategic planning had embarked on change; and, with the decision of the Bush administration to withdraw forces from Subic Bay, the future shape and intent of the United States engagement in the Asia Pacific region was less clear. The Bush administration had viewed regional security arrangements as a set of defence bilateral alliances, which terminated in the United States like spokes of a wheel.¹⁰ Keating would suggest to Bush

Patrick Weller, *First among Equals: Prime Ministers in Westminster Systems*, Allen & Unwin, Sydney, pp.21-4, 111-4, 138-40.

⁴ Watson, *Recollections of a Bleeding Heart*, p.74.

⁵ Speech, ‘Australia and Asia: Knowing Who We Are’, given to the Asia-Australia Institute, cited in Watson, *Recollections of a Bleeding Heart*, p.170; for Hawke’s comment see p.28.

⁶ Edwards, *Keating. The Inside Story*, Endnote 3 to Chapter 15, p.563.

⁷ The domestic Coalition economic program of ‘Fightback’ would dominate the election; the Keating response was ‘One Nation’, which Neal Blewett dubbed ‘a counter-cyclical succouring of the economy’. Neal Blewett, *A Cabinet Diary. A personal record of the first Keating government*, Wakefield Press, Kent Town, 1999, pp.15, 38-59.

⁸ Edwards, *Keating. The Inside Story*, p.446. Hayden noted that ‘As with everything Keating had done in his life, once buckled into the task he mastered it with extraordinary talent’. Hayden, *Hayden*, p.490.

⁹ Edwards, *Keating. The Inside Story*, pp.445-6.

¹⁰ For an overview on United States policy throughout the 1980s and early 1990s, see Ross Babbage, ‘The Australian-United States Alliance: The Stresses of Change’, in Coral Bell, (Editor), *Agenda for the Nineties*.

the need for the United States to look beyond bilateral defence arrangements, to mirror 'the Atlantic arrangements' by creating an Asia Pacific framework based on practical political and economic structures that would in due course accommodate more substantive security dialogue.¹¹ An outward-looking United States would provide political and economic linkages between the Atlantic and Pacific communities and improve economic arrangements through APEC. Under the Hawke government, the economy was progressively opened to international competition; now, Keating argued, it was time to press neighbouring countries to open their markets to Australian exports. Through increased economic interactions, political and security benefits would ensue.¹²

Keating accepted APEC to be the 'natural forum', which could be developed beyond its current 'ministerial talk shop' arrangement; an APEC leaders' meeting would give momentum and substance to the APEC framework.¹³ If Keating could secure American cooperation for an APEC leaders' meeting, then the proposed visit to Indonesia offered an opportunity to raise the proposal with Suharto.¹⁴ Indonesian foreign policy was also undergoing debate due to growing internal criticism that ASEAN was Indonesia's only

Studies of the Contexts for Australian Choices in Foreign and Defence Policy, Longman Cheshire, Melbourne, 1991, pp.266-88; Roger Bell, 'Reassessed: Australia's relationship with the United States', in James Cotton and John Ravenhill, (Editors), *Seeking Asian Engagement. Australia in World Affairs, 1991-95*, in association with the Australian Institute of International Affairs, Oxford University Press, Melbourne, 1997, pp.207-29.

¹¹ For detail on the content of Keating's discussions with Bush, see Blewett's diary entry, 7 January 1992, Blewett, *A Cabinet Diary*, pp.21-2, and Keating, *Engagement*, pp.81-3. See also Watson, *Recollections of a Bleeding Heart*, p.77.

¹² There were two strands to Keating's argument. Firstly, Australian export trade would increase through access to a new Asia Pacific structure uninhibited by trade restrictions either from limitations unresolved from the Uruguay Round of global trade negotiations or from European trade restrictions. Since the Asia Pacific region contained the fastest growing economies, Australia would be poised to take advantage of the new market opportunities. Secondly, improved dialogue through a new institutionalized political and economic framework in the Asia Pacific region would only benefit regional security in the longer term. Both reasons would benefit Indonesia's and Australia's future. See Keating, *Engagement*, pp.76-83.

¹³ Edwards wrote that Keating 'developed rather than acquired' the themes of APEC, Indonesia and New Zealand. For example, the idea of an APEC leaders' meeting came from Alan Gynge, then head of International Division, Department of Prime Minister and Cabinet, through Ashton Calvert, then senior foreign affairs adviser to the new Prime Minister; the idea was not new and had been considered and rejected earlier. During the Hawke government, Cabinet infrequently discussed APEC matters; middle-level officials of the Department of Foreign Affairs and Trade managed APEC issues 'with little involvement by senior officials'. Edwards, *Keating. The Inside Story*, p.563.

¹⁴ Only sufficient detail on APEC is covered to indicate the convergent nature of Keating's security outlook. Detail on the development of APEC is well covered in Mark Beeson, 'APEC: nice theory, shame about the practice', *Australian Quarterly*, Volume 68, Number 2, Winter 1996, pp.35-48. For Keating's approach, see Keating, *Engagement*, pp.76-83.

‘golden cage’; for some Indonesians, the republic needed to engage more widely through new political and economic opportunities.¹⁵ ASEAN acceptance was critical to the Keating proposal, in much the same way that ASEAN agreement was essential to Whitlam’s 1973 proposal for an expanded regionalism. Such was the convergence that the two visits offered.

While there were good reasons for Keating to visit Indonesia, there were reasons not to undertake a visit so early in the first Keating government. In diplomatic terms, a visit by the Australian prime minister was long overdue; Hawke had not visited Indonesia since 1983. This was not deliberate policy; circumstances during most of the period of Hawke’s prime ministership manifested different international priorities; the Gulf War, relations with the United States, the end of the Cold War and a fragmenting Soviet Union, and China, all at some stage accommodated Hawke’s energy.¹⁶ It was the view of some of his staff that Hawke considered himself better than Evans at foreign policy, which enabled him to delegate while overseeing policy initiatives and monitoring the domestic reception of what Evans said or did.¹⁷ The initial government reaction to the Dili massacre illustrated this point. First indications of the massacre reached the Prime Minister’s office in the afternoon of 12 November 1991 when secret reporting became available; additional information arrived overnight.¹⁸ Little time was left to formulate a policy response before Hawke faced Question Time in the House of Representatives at 2pm on 13 November.¹⁹ Hawke’s response detailed four issues: to request from the Indonesian government ‘urgent information about what exactly happened in Dili’; to urge the Indonesian government to conduct a ‘thorough investigation’ and publish a ‘full and factual account of what happened

¹⁵ The concept that all Indonesia had in its foreign policy ‘basket’ was ASEAN, was for some too narrow and restricting in formulating new political and economic options. Dewi Fortuna Anwar, ‘Indonesia’s Foreign Policy after the Cold War’, *Southeast Asian Affairs 1994*, Institute of Southeast Asian Studies, Singapore, 1994, pp.150-55.

¹⁶ Interview Hugh White, 2 November 2000.

¹⁷ For detail on Hawke’s relationship with Evans, see Scott, *Gareth Evans*, pp.282-4, 310-2, 316-7; Interview Hugh White, 2 November 2000.

¹⁸ For example, Murdani’s reaction to the news was one of ‘shock and disbelief’. Murdani, Robert Ray (Minister for Defence and Security) and Air Marshal Ray Funnell (Chief of the Air Staff) were dining together at the air show in Langkawi, Malaysia, when an Australian official (Brigadier Mellor) briefed them on the first reports of the massacre. Interview Air Marshal R.G. Funnell, 3 July 2001; and Interview Brigadier K.B.J. Mellor, 22-23 May 2000.

and why'; to communicate to the Indonesian authorities the Australian government's expectation that 'those responsible for breaches of human rights should be appropriately dealt with'; and to widen the brief of the Australian embassy official, who was already travelling to Dili to investigate another matter, to gather as much information as possible on the massacre.²⁰

For Hawke's senior advisers, the government's response represented 'good public policy'.²¹ An appropriate response by necessity had to take into account Australian domestic reaction and party politics. There was a recognition that the issue of human rights would generate further anti-Indonesian passion in Australian society; inside the Labor party, the reaction from Left-wing elements would also be intense and, according to the Indonesian government's management of the massacre, vary from calls for suspension of diplomatic relations to a less severe cancellation of defence contact. Union bans on trade activities could also be anticipated. For Hawke, the additional possibility of the loss of support in the ongoing leadership battle with Keating was ever present in the discussions; it was accepted that Keating would take advantage of any 'unseemly' response to the situation in the hunt for precious leadership votes.²² Hawke, however, decided on the four-point response on the basis of the importance of the long-term relationship with Indonesia; he refused to centralize the totality of the relationship on the events in East Timor, or to punish ABRI by suspending defence assistance as long as the Indonesian government satisfied the Australian four-point response. He also proposed negotiations between Indonesian authorities and East Timorese leaders to find some sort of reconciliation on East Timor's status. The response was delivered in Parliament, and the battles to win public and party support were mostly left to Evans.²³

¹⁹ At the time of the massacre, Evans was attending the APEC ministerial meeting in Seoul. Scott, *Gareth Evans*, p.260.

²⁰ In response to the killing of two East Timorese activists by Indonesian troops on 10 November 1991, the Australian embassy was instructed to dispatch an official to investigate the circumstances of the deaths. Question without Notice, *CPD*, House of Representatives, Volume 181, 13 November 1991, pp.2951-2.

²¹ Discussion of a suitable response absorbed the morning of 13 November. Interview Hugh White, 2 November 2000.

²² The leadership vote was 56 to 51 in favour of Keating, and the absence of Evans in Jakarta denied Hawke one vote. Brett Evans, 'Citizen Keating: still in the public arena', *The Canberra Times*, 24 June 2000, p.4.

²³ Interview Hugh White, 2 November 2000.

The Dili massacre initially soured relations but did not result in a suspension of bilateral diplomacy; Evans' efforts since 1988 to add ballast to the relationship seemed to have worked. Vice President Sutrisno's remarks in the immediate aftermath of the massacre, suggesting that the armed forces were entitled 'to shoot agitators' and 'would continue to do so', inflamed Australian public comment.²⁴ Try Sutrisno was previously regarded as a moderate by Australian policy-makers, typical of the new generation of academy-trained officers, affable and charming, and one of Suharto's dependable confidantes. Indeed, in 1991, he was the favourite to ascend to the presidency if Suharto departed.²⁵ If Sutrisno's response represented the ruling elite's attitude on the massacre, a prime ministerial visit would only intensify the importance of East Timor as a domestic issue through the attendant media coverage. Hawke had already indicated publicly that his planned trip in February 'could prove difficult' if the inquiry into the massacre was not conducted in a fair and open manner; and he conceded that Sutrisno's remarks were difficult to comprehend and had 'thrown not only Indonesia's relations with the rest of the world in some sort of confusion' but had also 'created some internal tensions and new dynamics in regard to possible succession'.²⁶

In addition, meetings with East Timorese leaders failed to reach agreement on the Australian government's proposal of reconciliation between the two sides. Ramos Horta rejected any discussion aimed at establishing a formula that would allow the province greater autonomy, yet keep it within the republic; any approach that did not include independence was unacceptable:

There is no other way but an act of self-determination ... Any talk of a special regional status, or reconciliation is either naivete, ignorance, or it is stubbornness in insisting by other means a failed policy.²⁷

For Evans, the political argument had always been how to combine the thirst for East Timorese independence with Indonesian sovereignty. Redefining the process towards self-

²⁴ Hawke described Sutrisno's remarks as 'repugnant in the extreme'. Interview Hugh White, 2 November 2000.

²⁵ Tony Parkinson, 'Secret War of Succession', *The Weekend Australian*, 30 November-1 December 1991, p.27; Interview General P.C. Gration, 10 October 2000.

²⁶ Sally Hopman, 'PM says Dili visit could prove hard', *The Australian*, 2 December 1991, p.2; 'Jakarta general vows to purge opposition', *The Australian*, 10 December 1991, p.8.

²⁷ Tony Parkinson, 'Timor rebels spurn Hawke', *The Australian*, 4 December 1991, p.1.

determination through a period of autonomy created better circumstances in which to manage intra-state tensions.²⁸ But the approach did not have the support of the East Timorese. Their explicit rejection of reconciliation talks added to the impact of Sutrisno's public remarks, and made the possibility of a prime ministerial visit less certain. While many Australians indulged in moral indignation of what was a tragedy, there was little political leverage that the government commanded. The threat to punish Indonesia through the suspension of diplomatic, military or economic assistance was considered 'self-defeating'; diplomatic reporting continued to confirm that the Indonesian government appeared 'to have been taken totally unawares' by the massacre.²⁹ For Hawke, what was now critical was how the Indonesian government reacted to the inquiry.³⁰ For Evans, the debate over the response to the Dili massacre 'had become a discussion on the future course of Indonesian society' and, by extension, the future relationship with Australia.³¹

Evans used this argument to justify the impotency of sanctions; if the Indonesian government authorized an open and independent inquiry under the auspices of the United Nations and reacted appropriately to the inquiry's conclusions, then the Indonesian government had put in place all measures that could reasonably be expected. Evans intended to elicit Indonesian intent and inform them of the government's concerns through a short visit to Jakarta. The government's argument, however, lacked support within Labor ranks. Within Caucus, Evans was able to neutralize human rights concerns on the basis of an open inquiry into the massacre.³² In the wider Labor community, human rights dominated debate; the NSW Labor Conference, for example, resolved that Australia should suspend all military aid and arms sales to Indonesia and defer signing further agreements on oil exploration in the Timor Gap until the Indonesian government agreed to an open inquiry

²⁸ He would later write in more precise terms that the beginning of:

contemporary wisdom about a great many claims for self-determination by ethnic, national, or religious groups is to characterise them as claims for the recognition or protection of group rights within states, rather than necessarily as a challenge to state sovereignty.

Gareth Evans, 'Cooperative and Intra-state Conflict', *Foreign Policy*, Volume 96, 1994, p.10.

²⁹ Interview Hugh White, 2 November 2000.

³⁰ Some critics suggested that if sanctions were imposed, this would be much the same as ASEAN placing sanctions on Australia for aboriginal deaths in custody. H.W. Arndt, 'Dili a tragedy, but hold fire on Indonesia', *The Australian*, 6 December 1991, p.11.

³¹ Greg Sheridan, 'Jakarta's future turns on report: Evans', *The Weekend Australian*, 21-22 December 1991, p.11.

³² Interview Hugh White, 2 November 2000.

under the auspices of the United Nations. The resolution was passed the day after a day of national mourning for East Timor when memorial services were held around Australia.³³ The Australian Council of Trade Unions (ACTU) moved to stop the nation-wide bans and boycotts on Indonesian interests, while Evans refused to delay or suspend the introduction of, or cancel, the Timor Gap treaty.³⁴ The political climate in Australia was slowly manifesting nation-wide support for the East Timorese and fuelling criticism over the apparent inaction of the federal government. Nonetheless, Hawke remained determined to exercise 'good public policy' in the national interest.

The Evans visit to Jakarta was doomed from the start; it was difficult enough for Evans to press the government's concerns in sufficient strength to satisfy Australian domestic criticism and accomplish this in such a way that did not threaten Australia's overall relations with Indonesia. The leadership battle between Hawke and Keating had clearly weakened the efficacy of the visit; and with the change in leadership during the visit, only a short period of time passed before Evans rang Keating to ascertain the new prime minister's requirements.³⁵ Keating took the decision to postpone the prime ministerial visit to a new date in April; the decision was kept confidential while the inquiry into the Dili massacre was sitting; however, Evans was authorized to make known that Keating intended to make an early visit to the region.³⁶ The Evans visit did disclose new indicators on the future relationship. Evans was able to discuss East Timor issues with Alatas, Murdiono and Rudini, but he was denied meetings with Sutrisno, Murdani, the Security Minister, Admiral Sudhomo, the Governor of East Timor, Mr. Carrascalao, and the head of the inquiry into the Dili massacre, Justice Djaelani, even though these meetings were arranged by Australian embassy staff before Evans arrived in Jakarta.³⁷ The apparent lack of unity in the Indonesian ruling elite was not uncommon in Jakarta politics where subordinates

³³ 'Arms sale to Indonesia must stop', *The Australian*, 9 December 1991, p.9; 'Whitlam blasts Hawke over Dili', *The Australian*, 10 December 1991, pp.1, 4.

³⁴ 'Fast bans on Indonesia too risky: Button', *The Australian*, 12 December 1991, p.2.

³⁵ Greg Sheridan, 'Senator struggles with a delicate balancing act', *The Australian*, 20 December 1991, p.4.

³⁶ Greg Sheridan, 'Indonesia keen to meet new leader', *The Weekend Australian*, 21-22 December 1991, p.8.

³⁷ Greg Sheridan, 'Jakarta snubs Evans – politely', *The Australian*, 23 December 1991, p.3. Major General Murdiono held the position of State Secretary.

undertook activities in anticipation of what was expected.³⁸ Actions of this sort are not generally formulated through a deliberate institutional process. The President, or someone close to him, signals disapproval, and government actions follow in the absence of formal instructions.³⁹

These circumstances did not prevent Evans exploring new options with those officials he met even though most of the options were not acceptable to Ramos Horta. The range of options was broad and detailed and included greater autonomy for the province, a wider role for the Catholic church, changes to the system of land ownership, more prominent involvement of the East Timorese in the administration of the province and the possibility of talks with East Timorese guerillas. Evans also raised a lesser role for the Indonesian military in the province, to be replaced with a larger presence of international aid groups. He suggested the establishment of an Australian consulate in Dili; the response was '*belum*', 'not yet' in *Bahasa Indonesia*; Alatas responded unconvincingly that there were insufficient trade, commerce and other interests to justify a consulate. All the suggestions were politely discussed, and Evans observed the appearance of an 'internal struggle' in Jakarta on how to respond to the massacre:

Those many people within the Indonesian system who want the issue handled in a way that will be seen by the international community as sensitive and responsive ... are essentially those who are unequivocally committed to Indonesia continuing to go down the path of modernization ... Those who are giving weight to other things, more defensive values, anxieties about scrutiny, worries about precedence elsewhere within the archipelago, are less concerned about international opinion.⁴⁰

In reply, Alatas warned Evans about the increased number of Australian journalists travelling to East Timor on tourist visas, the number of incidents involving the burning of the Indonesian flag in Darwin, Canberra and Sydney, and Indonesian concern over the

³⁸ For an Australian Ambassador's perspective on the inner workings of the Suharto regime, see Ministerial Brief, 13 December 1974, DFA file 3034/10/6/9 Part 1, CRS A1838, NAA.

³⁹ Other examples include the RAAF landing rights incident and the short-lived veto on Australian tourist visas in 1986, which resulted from subordinates initiating prohibition in anticipation of what they believed the ruling elite wanted. 'Cooler Heads in Jakarta', *The Sydney Morning Herald*, 24 April 1986, p.14; and Interview Hugh White, 2 November 2000.

⁴⁰ Scott, *Gareth Evans*, p.261. See also Terry Friel, 'Evans says his piece despite Jakarta rebuff', *The Age*, 21 December 1991, p.7.

strength of anti-Indonesian sentiment in Australia. The talks were diplomatically reported as 'friendly and valuable'; only time would demonstrate their lack of success.⁴¹

On 27 February 1992, the Army Chief of Staff, General Sudradjat, outlined disciplinary action against six officers and the court-martial of a further eight officers and soldiers involved in the Dili massacre. He indicated that an additional three officers were discharged from military service, two would 'no longer be assigned positions with the armed forces structure', and five officers were to be 'investigated to establish whether they balked at taking action which might have prevented the massacre'. Sudradjat's statement was the first indication that the Indonesian government was prepared to accept some of the responsibility for the killings and indicated, in Sudradjat's words, 'an internal correction' within the armed forces. He believed: 'What these corrective steps represent is a reflection of the feeling of responsibility by the army ... for everything that occurred'.⁴² The disciplinary actions were in accordance with the report of the Military Honour Council, a special investigative tribunal, which was established to inquire into the military's conduct in Dili at the time of the massacre.⁴³

The report was cautiously welcomed by the government; Evans noted that the Council's report was submitted to Sutrisno and to the President before the disciplinary actions were publicly announced - an indication that Suharto endorsed the report and its disciplinary recommendations. Evans also suggested the statement amounted to 'an appropriate recognition that the military's behaviour was excessive and that those responsible should be penalized'.⁴⁴ At the same time newspaper reports from Jakarta revealed that 17 of the East Timorese students detained from the demonstrations during the Pope's visit were to be

⁴¹ Greg Sheridan, 'Jakarta's future turns on report: Evans', *The Weekend Australian*, 21-22 December 1991, p.11.

⁴² Tony Parkinson, 'Jakarta accepts soldiers at fault', *The Weekend Australian*, 29 February-1 March 1992, p.3.

⁴³ The chair of the Council was Major General Faisal Tanjung.

⁴⁴ Tony Parkinson, 'Jakarta accepts soldiers at fault', *The Weekend Australian*, 29 February-1 March 1992, p.3.

released, and 13 would go to trial.⁴⁵ The announcement of disciplinary action of the 13 added to the intensity of the media coverage of events in East Timor.

LUSITANIA EXPRESSO

During February 1992, information became available on plans to sail a Portuguese protest ship, *Lusitania Expresso*, from Darwin to Dili to lay wreaths at the Santa Cruz cemetery to commemorate those who died in the massacre. The voyage intended to embarrass the Indonesian government through concentrated international publicity. The *Lusitania Expresso* was a converted 1600-ton car ferry, which had sailed to Australia from Portugal; the protestors numbered over 120 from 20 different countries, and included the former president of Portugal, General Antonio Ramalho Eanes. A large media contingent, nearly equaling the number of protesters, had gathered to accompany the protestors.⁴⁶

The Indonesian government declared that the voyage was a politically motivated stunt to incite disturbances in Dili; the situation in Dili was far from serene, perhaps testier, due to the expectations of the ship's arrival. During the period prior to the massacre, expectations heightened from the proposed visit by a Portuguese parliamentary delegation; the ship's visit offered a similar circumstance when some East Timorese might demonstrate to publicize self-determination.⁴⁷ It was, therefore, not unexpected that the Indonesian government declared that the ship would not be allowed to enter Indonesian waters and would be turned away.⁴⁸ Indonesian contingency plans included a temporary immigration centre on Atauro Island, some 30 kilometres from Dili, to detain the protestors if the ship evaded Indonesian maritime surveillance and was captured in territorial waters. *Antara* reported that six Indonesian naval vessels, including a frigate and a destroyer, were deployed to the Timor Sea to prevent the *Lusitania Expresso* entering Indonesian waters.⁴⁹

⁴⁵ The number of East Timorese to be tried are cited in Tony Parkinson, 'Indonesian navy turns back Dili protest ship', *The Australian*, 12 March 1992, pp.1-2.

⁴⁶ Shirley Shackleton, widow of Greg Shackleton who was killed at Balibo, was one Australian protestor. David Nason, 'Indonesian plane tails peace ship', *The Australian*, 9 March 1992, p.3.

⁴⁷ Editorial, 'The voyage of Lusitania', *The Sydney Morning Herald*, 10 March 1992, p.14.

⁴⁸ Tony Parkinson, 'E Timor protest ship in turmoil', *The Australian*, 2 March 1992, p.3.

⁴⁹ Cited in Lenore Taylor, 'Indonesian warships await peace boat', *The Australian*, 10 March 1992, p.1.

In Darwin, the Campaign for an Independent East Timor organization managed the administrative arrangements for the ship, the protesters and the media. The Australian government was reluctant to intervene, and Evans reminded Australians ‘to think carefully before participating’ in the protest, adding:

I would expect the Indonesian response to be moderate and graduated within standard maritime procedures but nevertheless there is an element of risk about the situation.⁵⁰

Most of the protestors flew from Portugal circuitously to Darwin in a chartered jet, having been denied the use of Indonesian air space for a direct flight to Darwin.⁵¹ The ship departed early on 9 March and was intercepted by Indonesian vessels near Indonesian waters two days later. The ship’s captain was under instructions from the Portuguese government not to provoke an armed incident and immediately changed course to Darwin. Thus, the protest voyage became a harmless exercise but a powerful symbol. There were no confrontation or violence, and the voyage generated considerable international media coverage over the three weeks. The coverage was further bolstered when the Indonesian government announced on the day that the ship was stopped the details of the trial of the 13 East Timorese who were to be charged with participating in anti-Indonesian demonstrations and subversion.⁵²

The acting Prime Minister, John Kerin, conceded the success of the voyage ‘as a media stunt’, but questioned its contribution to the issues arising from the Dili massacre. He confirmed that there had been a risk of a military response from Indonesia, although the government had not anticipated a ‘serious confrontation’.⁵³ His words were truly spoken. The major risk with the protest voyage centred on the Indonesian navy not finding the *Lusitania Expresso* before it entered Indonesian waters. Once the ship was in territorial waters, the prospect of violence increased, and any subsequent detention of the protesters offered further opportunities for unwanted incidents. Reports indicated that the Suharto government was under domestic pressure to sink the ship.⁵⁴ Cabinet decided to make certain the Indonesians would find the ship before it entered Indonesian waters; the military

⁵⁰ *Ibid.*

⁵¹ Tony Parkinson, ‘Portuguese Dili boat protesters due today’, *The Australian*, 3 March 1992, p.5.

⁵² Cited in Tony Parkinson, ‘Indonesian navy turns back Dili protest ship’, *The Australian*, 12 March 1992, pp.1-2.

⁵³ Tony Parkinson, ‘Indonesian navy turns back Dili protest ship’, *The Australian*, 12 March 1992, pp.1-2.

exercise, *Kangaroo 92*, was underway in Northern Australia with supporting maritime exercises in the Timor Sea. The exercise conveniently disguised the extent of the Australian surveillance effort, and timely surveillance information on the progress of the *Lusitania Expresso* was communicated to Indonesian authorities.⁵⁵

The benefits of not having a major diplomatic incident on Australia's doorstep satisfied Australia's immediate political and security interests and diminished the possibilities of another domestic backlash against Indonesia. The information enabled Indonesia to manage a potentially damaging incident without unnecessary military action so soon after the excesses at the Santa Cruz cemetery. Although East Timor lingered as a continuing sore, Keating was now better placed to take advantage of Indonesian goodwill, emanating from the exchange of the surveillance information, when he visited Jakarta in the following month.

KEATING'S FIRST VISIT TO INDONESIA

The three-day April 1992 visit began with an evening banquet at which Suharto formally welcomed Keating with a warning on East Timor that outside interference would not be tolerated. The coolness of the language and the message seemed unambiguous to the Australian party, although Alatas explained the speech in terms of a typical 'foreign ministry pro-forma speech for such occasions'. The coolness did not inhibit Keating's use of banquet table discussion to introduce his proposal for an APEC leaders' meeting. Keating recalled:

Suharto did not seem persuaded by the urgency of my tone. He agreed such meetings could eventually take place, but suggested they would need 'careful preparation' – ominously code words in Asian diplomacy. He pointed out delicately that it had taken nine years for ASEAN to hold its first summit meeting.⁵⁶

⁵⁴ Cited in Tony Parkinson, 'Portuguese Dili boat protesters due today', *The Australian*, 3 March 1992, p.5.

⁵⁵ The only hint that Australian surveillance aircraft were tracking the *Lusitania Expresso* appeared in Lenore Taylor, 'Indonesian warships await peace boat', *The Australian*, 10 March 1992, pp.1-2, in which an ADF spokesperson was quoted as saying:

This is a sensitive issue ... we would not be making unilateral decisions ... if we were steaming past and there were people in the water, then obviously we would pick them up, but if the ship was still engaged in some sort of conflict with the Indonesians then anything we did would be totally a matter for the government.

⁵⁶ Keating, *Engagement*, p.133.

The theme was re-visited during the two-hour discussion session the next morning without success; however, the session was probably the key to the future personal relationship between Keating and Suharto.⁵⁷ The session started with Suharto acquainting Keating with the history of the Republic, its culture and its future.⁵⁸ Keating emphasized Australia's 'immense' interest in the stability and success of Indonesia; he invited Suharto to visit Australia; the invitation was politely discussed and placed on hold because of Suharto's concerns that a presidential visit interrupted by protests and demonstrations could weaken the relationship rather than strengthen it.⁵⁹ Keating conversed on the prospects for increased defence activities, including joint exercises, and explored with Suharto the fundamentals of shared security interests 'to strengthen defence relations'. These discussions were successful, in part because of the progress in new defence activities flowing from the Gration/Sutrisno agreement of 1989 and because of success in providing surveillance information on the *Lusitania Expresso*.⁶⁰ The two leaders resolved to establish regular ministerial forum meetings, the first of which was held in November 1992. The two-hour session produced minor outcomes; however, the variety of issues and the manner of frankness during discussions impressed Keating.⁶¹

There was only one reference to East Timor; Keating noted that the substantive links developed during the previous few years 'enabled our governments to maintain a frank and constructive dialogue, especially during the past few months, following the tragic events in East Timor'.⁶² His remark was soft; there was no reference to human rights, or an admission that East Timor was central to the moral and guilty confusion that pervaded relations; the remark was sufficient to remind his hosts that East Timor was unfinished

⁵⁷ Folklore purports that Keating referred to Suharto as 'Bapak' in deference to the age gap. Keating declared that this was untrue; each addressed the other as 'Mr. President' and 'Mr. Prime Minister' respectively. Keating, *Engagement*, p.135. See also Peter Hartcher, 'How the enemy became an ally', *The Australian Financial Review*, 4 July 1996, p.18. For detail on the overseas visit, which included ANZAC Day in Papua New Guinea, see Gwynneth Singleton, 'Political Review: April to June 1992', *Australian Quarterly*, Volume 64, Number 3, Spring 1992, pp.309-11.

⁵⁸ Keating recalled that Suharto's introductory remarks also covered *Pancasila*, the constitutional arrangements for political succession, and regional developments. Keating, *Engagement*, pp.132-3.

⁵⁹ Glenn Milne, 'Keating hails closer ties with Indonesia', *The Australian*, 24 April 1992, pp.1, 4.

⁶⁰ Glenn Milne, 'Regional Summit put on hold', *The Australian*, 23 April 1992, p.1.

⁶¹ The forum meetings were based on the Australia-Japan ministerial committee, which, in Keating's view, would expose more ministers to the broader issues in the bilateral relationship. Keating, *Engagement*, pp.132-4.

business in the vernacular of political speak. For Australian consumption, Keating had placed Australia's future security in the Realpolitik of national interests, which all national leaders are obliged to promote regardless of any moral indignation. He approached Indonesia 'with an overwhelming sense of duty', believing that 'Indonesia was the one big fact of Australia's geopolitical reality and it always would be'.⁶³ Eventually, he would paraphrase his sentiments into two interrelated observations: 'Suharto's New Order had brought profound benefits to Australia'; and 'no country was more important to Australia than Indonesia'. In Keating's thinking, Indonesia should be on an 'equal footing with Australia's other most important ally, the United States'.⁶⁴

Most of the media reports on the visit were cautiously neutral. *The Weekend Australian* editorialized that the visit was 'neither a triumph nor a disaster' and 'represents a modest advance'.⁶⁵ The assessments were influenced by the Indonesian reports that Suharto had only endorsed in principle the proposal for a regular summit of regional leaders. This was a disappointment for Keating because he realized the importance of the influential Indonesian voice within the ASEAN forum, and ASEAN support for an APEC leaders' meeting was essential. APEC progress would have to await the new circumstances of a Clinton administration, the success of the first leaders' meeting in Seattle, and the follow-up meeting in Bogor under the chairmanship of Suharto.⁶⁶ On East Timor, *The Weekend Australian* typified the media response:

to restate the Government's views on it but to ensure that East Timor is not a major issue on the international stage. Australia's response has been stronger than that of most nations and it has sought to balance a correct concern for the human rights of the East Timorese with the national interests which are at stake in one of the most fundamentally important of Australia's external relations ... this will ultimately require a change of public opinion in Australia and a better appreciation of the limits and possibilities in that relationship.⁶⁷

⁶² Watson, *Recollections of a Bleeding Heart*, p.178.

⁶³ *Ibid.*, p.169.

⁶⁴ *Ibid.*, p.167.

⁶⁵ Editorial, 'Keating visit a modest success', *The Weekend Australian*, 25-26 April 1992, p.16.

⁶⁶ In domestic terms, whether the 'fawning' caricature of the relationship was accurate did not matter; perceptions are the politics of the moment, and Keating would suffer politically at the 1996 federal election for his personal relationship with Suharto. See p.

⁶⁷ Glen Milne, 'Keating's Shock Absorber Diplomacy', *The Weekend Australian*, 25-26 April 1992, p.19.

Keating saw no need to change Hawke's response to the massacre, nor did he believe that East Timor should be central to the health of the relationship, and he remained unapologetic on the 'limits and possibilities' on East Timor. The preliminary report of the Djaelani commission publicly criticized the behaviour of the Indonesian troops in using excessive force but also claimed that the troops acted in self-defence. Keating was aware through secret reporting that the preliminary report under-assessed the number who were killed and wounded.⁶⁸ The preliminary report was released at the direction of Suharto, who at the same time expressed condolences to the victims' families.⁶⁹ With the later announcement of disciplinary action to be taken against six officers, most of Hawke's four conditions were satisfied.⁷⁰

The preliminary report was generally accepted by the international community; the United States government, for example, initially concluded that the report appeared to have taken 'a serious and responsible approach' on the massacre; the New Zealand government, as an interested party, welcomed the report and offered no further comment on the massacre; and the Australian government, through comments by Keating and Evans, described the report as 'credible and encouraging'.⁷¹ The report, however, exposed inconsistencies that generated additional concern over human rights. The gathering of evidence seemed flawed because most interviews were with Indonesian military officers and few with civilian eyewitnesses. Calls for an independent inquiry increased, and non-government organizations, such as Amnesty International, Asia Watch and the Jakarta Legal Aid Institute, demanded a suspension of all supplies of military assistance, including military training, until those responsible were brought to trial. In response, the United States Congress suspended Indonesian participation in the International Military Education and

⁶⁸ The report concluded that 50 died and 90 were missing. The Australian embassy report indicated more than 100 were killed. Cited in Scott, *Gareth Evans*, p.260.

⁶⁹ 'East Timor: The November 12 Massacre and its Aftermath', *Asia Watch*, Volume 3, Number 26.

⁷⁰ Subsequent Indonesian court hearings resulted in gaol sentences of 18 months for disobedience and misconduct. Cited in Scott, *Gareth Evans*, p.262.

⁷¹ David Robie, 'Human Rights Abuses in the Pacific – A Source of Regional Security', in Kevin Clements, (Editor), *Peace and Security in the Asia Pacific Region*, The Dunmore Press Limited, New Zealand, 1993, pp.124-14. A 20 year-old New Zealand student was killed in the massacre. The New Zealand government took a low-key position and refused to offer official comment on the report, or on the incident, or respond to an open letter from the mother of the student, other than to express condolences to the family. D. Robie, 'Terror in Timor', *NZ Monthly Review*, March 1992, pp.14-8.

Training (IMET) program.⁷² Although Keating was unable to dilute domestic concerns over East Timor, he was not prepared to react to growing international concern over human rights abuses. No change was made to defence activities or to economic assistance, and ministerial visits were not curtailed. He later remarked:

When Suharto used to say under pressure 'No' to me and 'No' to Hawke, what did people want us to do? Invade the place? You see, common sense dictates ... there must be a balance between realism and moralism.⁷³

Nonetheless, Keating had not appreciated the impact of the massacre on domestic politics; the massacre had nourished an Australian consciousness of a suffering people, a belonging together, a nation-state in waiting thwarted through the activities of the Indonesian military. An emerging East Timorese nationalism was now more evident to many Australians, and East Timor self-determination was not only a realistic option, but was more widely perceived to be morally right.⁷⁴

On return to Australia, Keating reported to Caucus on the visit, which Blewett recorded:

The Indonesian people are quite warm towards Australia despite the 'ulcer' of East Timor. On that vexed topic Keating told Suharto and Alatas that the Santa Cruz massacre was tragic, but that the Indonesian government response was credible. But he warned them that the relationship between the troops and the local population is too tough. They have to establish better relations with the local community; there has to be reconciliation accompanied by real economic development; and he criticised the use of the criminal code against non-violent political protesters. But he did not pretend that Indonesia is a country like Australia; rather it is a country in transition from a military to a civil society.⁷⁵

Keating added 'that Suharto is the best thing in strategic terms that had happened for [Australia]; by bringing stability to the archipelago he has minimised the Australian defence budget'.⁷⁶ For Keating, this was one of the most important aspects of the bilateral relationship; during the pre-visit briefings, he was seized by the realization that Indonesian

⁷² Donald E. Weatherbee, 'Southeast Asia at Mid-Decade: Independence through Interdependence', *Southeast Asian Studies* 1995, Institute of Southeast Asian Studies, Singapore, 1995, pp.3, 9, 27.

⁷³ Speech by Paul Keating to the NSW Labor Conference, 1999, cited in Brett Evans, 'Citizen Keating: still in the public arena', *The Canberra Times*, 24 June 2000, p.4.

⁷⁴ This point is analyzed in Peter Carey and G. Carter Bentley, (Editors), *East Timor at the Crossroads: the Forging of a Nation*, University of Hawaii Press, Honolulu, 1995.

⁷⁵ Diary entry for 28 April 1992, Blewett, *A Cabinet Diary*, pp.101-2.

⁷⁶ *Ibid.*

stability translated into security benefits for Australia - an important message that he would repeat many times in emphatic terms:

The consequences for Australia of having a hostile or even an unfriendly government in Indonesia would have been incalculable, including for the percentage of our national resources we would have spent, or would be spending, on defence.⁷⁷

The realization was not new to prime ministers and foreign ministers; Gorton and Whitlam had also espoused the linkages between national development and more substantive security structures with Indonesia. Security assessments since 1968 identified Indonesia's lack of military capacity or lack of intent to threaten Australia beyond smaller, less troublesome local contingencies; and after the 1965 attempted coup the inward focus of the Indonesian government added to the certainty in most security assessments of no threat for at least ten years. Keating discerned that this message was not being communicated to the Australian public; the media seemed only to focus on the flaws in the Suharto regime; the flaws defined the framework for political debate and comment, and only reinforced ambivalence towards Indonesia. In Beazley's view, Keating's 'magnificent obsession' with Indonesia rested on fundamental grand strategy but it was grand strategy based on Realpolitik.⁷⁸ Australia's principal interest was for Indonesia to remain united, with its many political, religious and social tensions managed by the Suharto government. Australian governments had allowed 'policy to be buffeted by liberal lobbies'; human rights issues and East Timor, which Keating considered 'marginal to the relationship', but had become central to the health of the relationship. During a post-visit interview, Keating declared that he needed to 'do something fundamental' that would 'clean the cobwebs away', 'clear the decks', and 'clear matters up'.⁷⁹ The security relationship with Indonesia was a major key to Australia's regional future, and the pre-visit briefings and the visit became 'the starting point' in the train of events to Keating's security agreement.⁸⁰

⁷⁷ Cited in Peter Hartcher, 'How the enemy became an ally', *The Australian Financial Review*, 4 July 1996, pp.1, 18. The briefings involved a team of five senior officials and covered the political, economic, social and historical components of the bilateral relationship from 1946.

⁷⁸ Interview Kim Beazley, 21 March 2002.

⁷⁹ Peter Hartcher, 'How the enemy became an ally', *The Australian Financial Review*, 4 July 1996, p.18.

⁸⁰ *Ibid.*

If Keating was correct in his belief that the Indonesian people were 'quite warm towards Australia', Australians seemed not to reciprocate the sentiment. University-sponsored polling concluded that young and old Australians remained ignorant about Indonesia. Fears of Confrontation were receding amongst the better educated, however East Timor remained a major issue. The polling data also exposed a lack of basic knowledge of Indonesia, its political systems, customs and culture.⁸¹ In 1993, a national survey revealed that nearly 52 per cent of Australians regarded Indonesia as the most likely security threat within ten to 15 years.⁸² Little seemed to have changed since the publishing of the 1981 Report of the Joint Committee on Foreign Affairs and Defence, *Threats to Australia's Security-Their Nature and Probability*.⁸³ In the environment of moral outrage and suspicion, future domestic support for a security agreement seemed at best marginal, and to undertake negotiations on an agreement, either secretly or openly, without a change in societal attitudes, could only be regarded as a political gamble.

DEFENCE COOPERATION 1990-1996

Personal relationships provided the impetus for the new warmth in bilateral relations. In the political domain, Keating made six prime ministerial visits to Indonesia, which was more than the total made by his three predecessors; between 1991 and 1994, the new ministerial forum provided an additional impetus in reciprocal visits by ministers, which totalled 35 between the two countries, a four-fold increase from the preceding three-year period to 1991.⁸⁴

The defence arena was no different. The new Minister for Defence, Robert Ray, was described as 'more of a regionalist' than Beazley and oversaw an increase in regional contact which resulted in increased bilateral assistance to Indonesia.⁸⁵ The defence relationship was gradually reshaped through an increase in visits, combined exercises and

⁸¹ Rob Goodfellow, 'Ignorant and hostile: Australian perceptions of Indonesia', *Inside Indonesia*, Number 36, September 1993, pp.4-6.

⁸² See Ian McPhedran, 'Australians remain suspicious of Indonesia', *The Canberra Times*, 13 September 1993, p.11; and Julie Lewis, 'Blainey warns of Indonesian Threat', *The Sydney Morning Herald*, 27 January 1993, p.5.

⁸³ For detail on the 1981 Report, see Chapter 6, pp. 279-81.

⁸⁴ Keating, *Engagement*, pp.134-5.

specialist training. The provision of defence equipment was not included, although the omission did not preclude Indonesia purchasing military items through the normal defence export system.⁸⁶ The new enthusiasm translated into more trust and understanding between the two armed forces; and, in the first instance, agreement was reached once again to allow RAAF jet fighters to make transit stops at Halim air force base, outside Jakarta, during deployments to and from Malaysia.⁸⁷

Strategic Review 1993

When Ray launched *Strategic Review 1993* (SR93), he noted that the document was part of a continuous cycle of defence planning, with a focus of some 3-5 years.⁸⁸ The importance of the document lay in connecting the defence of Australia with 'our increasing engagement with regional nations'.⁸⁹ The linkage reflected regional changes: APEC was promoting improved economic cooperation that, in Keating's words, 'locked in' United States 'commercial and economic interests, which in turn ensured continued United States strategic engagement in the region'.⁹⁰ ASEAN member states were in the final stages of accepting security dialogue at its meetings, and a senior officials meeting and the first ASEAN Regional Forum were held in May and July 1994 respectively. These regional initiatives underwent intense debate, abetted by government activities to ensure that Australia was not left out of the processes as it had been during the formative period of ASEAN.⁹¹ The linkage between the primary task of defence of Australia and regional engagement mirrored previous strategic documentation; the concept of security embraced the multidimensional nature of policy responses, which could include traditional diplomacy,

⁸⁵ Interview Kim Beazley, 21 March 2002.

⁸⁶ In 1989-90 the government agreed to Indonesia's purchase of 4.5-inch naval practice ammunition, cryptographic equipment for commercial use, material used for seismic testing in mining activities, and two Pratt and Whitney DC3 engines. Question without Notice, *CPD*, Senate, Volume 149, 26 November 1991, p.3304; Question on Notice Number 1682, *CPD*, Senate, Volume 151, 24 March 1992, p.1011.

⁸⁷ The Gration/Sutrisno agreement is detailed in Chapter 7. See also Viberto Selochan, *New Directions and New Thinking in Australia-Southeast Asia Relations*, Australia-Asia Papers, Number 62, Centre For the Study of Australia-Asia Relations, Griffith University, Nathan, March 1992, p.15.

⁸⁸ Ray also announced the objective to publish a defence white paper in 1994.

⁸⁹ *Strategic Review 1993*, Department of Defence, Defence Centre-Canberra, 1993, Preface, p.iii.

⁹⁰ Speech by the Prime Minister, the Hon. Paul Keating, to the Foreign Correspondents Association, Sydney, 11 November 1994.

⁹¹ See, for example, Gareth Evans and Paul Dibb, *Australian Paper on Practical Proposals for Security Cooperation in the Asia Pacific Region*, Department of Foreign Affairs and Trade and the Strategic and Defence Studies Centre, The Australian National University, Canberra, 1994.

politico-military capabilities, economic and trade relations and development assistance.⁹² The importance of new regional developments placed the ADF in a position of influence through its defence relationships.

Defence cooperation with Indonesia, as with other ASEAN member states, cemented that linkage by altering notions of 'donor-recipient' to a new vision of 'partnership' to create new opportunities beyond existing relationships 'for shared training, defence science and industry cooperation, and procurement'.⁹³ The *Strategic Review* declared that Australia should seek new opportunities to deepen the relationship in areas that serve both countries' interests:

We seek further bilateral dialogue with Indonesia on strategic issues ... Personal contacts are particularly important in developing closer defence relations ... Priority should be given to training and activities that foster long-term personal contact and understanding at all levels, concentrating where possible on potential leaders. These activities should include exchange of observers, study visits, combined exercises, and placements of courses and at our various colleges. Wider instruction in the Indonesian language would facilitate closer relations.⁹⁴

Perhaps the first major example of security confidence-building involved the SR93 Department of Defence writing team which visited South East Asia seeking regional perspectives on security and Australia's future role before completing the document, and then briefing those countries on the final contents before its public release.⁹⁵

Military to Military Visits

After the Sutrisno visit to Australia in 1989, General Gration visited Indonesia for the second time, the visit paving the way for more senior officer visits. In February 1990, the Australian Chief of the Navy, Vice Admiral Hudson, visited Jakarta for talks with his counterpart, Vice Admiral Arafin.⁹⁶ In September of the same year, Lieutenant General Coates, the Chief of the General Staff, visited Indonesia for an extended familiarization tour; and the Land Commander of Australia, Major General Blake, accompanied by some 50 Land Command officers, toured Java as part of a new middle-level staff officer

⁹² See *Australia's Regional Security*, Department of Foreign Affairs and Trade, Canberra, December 1989.

⁹³ *Strategic Review 1993*. p.32.

⁹⁴ *Ibid.*, pp.24-5.

⁹⁵ Interview High White, 2 November 2000.

⁹⁶ Vice Admiral Arafin accompanied General Sutrisno to Australia in 1989.

familiarization program.⁹⁷ In October 1990, Vice Admiral Soedibyo Rahardjo, Chief of Staff, ABRI, visited Australia, and was followed by General Edy Sudjadjat, the Indonesian Army Chief of Staff in August 1991. Sutrisno completed a second, informal visit to Australia in early November 1991 for discussions with the Minister for Defence, CDF, the Secretary of the Department of Defence and senior Defence officials, and departed Australia before the Dili massacre on 12 November. In September 1993, the Indonesian Minister for Defence and Security, General Edy Sudrajat visited Australia to meet with Senator Ray, and in April 1994, General Feisal Tanjung, Commander-in-Chief of ABRI (PANGAB), accompanied by three two-star officers visited Australia for informal discussions on security and defence issues.⁹⁸ During their time as the CDF, Admiral Beaumont visited Indonesia twice, and General Baker undertook three visits.⁹⁹ Occasional hitches occurred that gently reminded both sides that ambivalence in the relationship existed; in July 1994 the leaking of a critical Australian embassy report on Indonesia's military capabilities during the visit of the Minister for Defence and Admiral Beaumont to Indonesia caused inconsequential embarrassment.¹⁰⁰ There were other visits, both informal and formal, at middle to senior military rank levels, which expanded the number of official and unofficial contacts throughout the period. Coupled with the larger number of Indonesian officers that completed education or specific military training in Australia, the six-year period represented a significant period of growth in the history of defence cooperative activities between the two defence forces.¹⁰¹

One additional liaison arrangement was established during the Gration period. Through geography, Indonesia and Australia share the international waters of the Timor and Arafura

⁹⁷ Interview Lieutenant Colonel W.T. Foxall, 1 October 2000.

⁹⁸ The summary of visits was extracted from Desmond Ball, 'The Political-Security Dimension of Australia and the Asia-Pacific Region', *The Indonesian Quarterly*, Volume 12, Number 3, Third Quarter, 1994, pp.234-6 and based on *News from Defence*, Numbers 135/89, 18/90, 39/90, 86/90, 139/90, 143/90, 109/91, 132/91, 108/93, 1989-93.

⁹⁹ Admiral A.L. Beaumont was CDF from 1993-95 and General J.S. Baker from 1995-98.

¹⁰⁰ There was no direct response from the Indonesian armed forces on the leaked document; five months later, the former Defence Minister, General Murdani, declared that expansion of defence cooperative activities between the two countries was 'a foregone conclusion'. Patrick Walters, 'Secret warning on Jakarta ties', *The Australian*, 21 July 1994, p.1. See also 'Suharto succession won't affect Australia: Murdani', *The Canberra Times*, 16 December 1994, p.4.

¹⁰¹ See Appendix 5 for detail on the annual number of Indonesian military officers and other ranks who underwent education or training in Australia during the period.

Seas, in which both countries' navy and air forces actively exercise and patrol. Agreement was reached to develop effective communications and liaison between the two Commands that are responsible for military activity in the adjacent territorial waters. The Joint Commander, Northern Command in Darwin, who is responsible for defence planning for Northern Australia, was tasked to initiate and develop personal and military relations with the Commander of Eastern Fleet Headquarters (*Armada Timur*) in Surabaya; by 1997 a dedicated communications link was in operation between the two Commands, and staff liaison visits between the two headquarters were averaging two a year. The dedicated communications link also offered secure means to exchange maritime information associated with the agreed security-patrolling program of the Timor Zone of Cooperation.¹⁰²

Strategic Intelligence Exchanges

After his second visit to Indonesia in April 1990, Gration announced that the Indonesian and Australian Defence Forces had agreed to 'regular exchanges of views on the regional strategic situation'.¹⁰³ Gration's announcement continued the attempts of previous governments to undertake regular exchanges of strategic perspectives. While defence cooperation reflected individual and operational levels of military activities, strategic discussion provided further opportunities to expand military relationships at the highest levels.¹⁰⁴ Discussions did not include the interchange of specific intelligence or information but added to the transparency through a sharing of general security perceptions on the region, as part of the annual Bilateral Defence Discussions (BDD), and sometimes during other high level visits. Exchanges of general information commenced in 1971 when agreement was reached on closer liaison between the Indonesian State Intelligence Coordinating Board (BAKIN) and the Australian Secret Intelligence Service (ASIS), and between BAKIN officers and officials of the National Intelligence Committee (NIC). The discussions developed into annual exchanges between BAKIN and ABRI Strategic Intelligence Agency (BAIS) officers and Australian officials from the Office of National

¹⁰² Interview Brigadier C.A.M. Roberts, 15 November 2000.

¹⁰³ 'Australia-Indonesia Defence Relations', *News from Defence*, Number 39/90, 5 April 1990, cited in Ball, 'The Political-Security Dimension of Australia and the Asia-Pacific Region', p.234.

¹⁰⁴ Interview High White, 21 May 2001.

Assessment (ONA) and the Defence Intelligence Organisation (DIO).¹⁰⁵ On occasions detailed information was provided to the Indonesian government. In 1989, with ministerial approval, Sutrisno was given a comprehensive briefing on developments on Bougainville to allay Indonesian concerns over ongoing political developments in Papua New Guinea and Australia's capacity to assist.¹⁰⁶ In 1992 surveillance information was communicated to Indonesian authorities on the movement of the Portuguese protest ship, *Lusitania Expresso*, to ensure that the Indonesian navy was able to intercept the protest ship before it entered Indonesian waters.¹⁰⁷

Any hint of an intelligence exchange aroused controversy.¹⁰⁸ In a climate of strong anti-Indonesian sentiment, in which successive governments refused to acknowledge the circumstances of the killing of the five journalists in Balibo or confirm the extent of knowledge on the 1975 invasion of East Timor, declarations that only general information with a regional focus was exchanged were lost in the mire of claim and counter-claim.¹⁰⁹ In late 1991, for example, Vice Admiral Soedibyo Rahardjo, Chief of Staff, ABRI, visited *Jindalee*, the over-the-horizon wide area surveillance test site at Alice Springs, and observed a demonstration of the system's capabilities. Out of the visit emerged the proposal to share *Jindalee* maritime surveillance information to assist Indonesian policing against smuggling and piracy in the archipelago. Although the proposal never reached fruition, the proposal generated criticism and sharpened public perceptions of secret

¹⁰⁵ See J.R. Walsh and G.J. Munster, (Editors), *Documents on Australian Foreign Policy 1968-1975*, Walsh and Munster, Sydney, 1980, pp.172-3; and Brian Toohey and Marion Wilkinson, *The Book of Leaks: Exposes in Defence of the Public's Right to Know*, Angus & Robinson, Sydney, 1987, pp.191-4. Ball suggests that an ASIS liaison officer was appointed to BAKIN in 1977. Ball and Kerr, *Presumptive Engagement*, p.65.

¹⁰⁶ Political unrest through OPM activities, threats of succession and a general unease from the inability of the PNG government to resolve social and economic issues had created circumstances in which Indonesian intervention was rumoured if Australian assistance was not forthcoming. The briefing allayed Indonesian perceptions that Australia was unable to assist the PNG government.

¹⁰⁷ See pp.326-8.

¹⁰⁸ For example, newspaper articles published in 1999 suggested that throughout the 1990s Australian intelligence agencies supplied 'intercepted communications intelligence' on military training of Acehese independence supporters 'at the behest of a minister or a senior official in the Foreign Affairs, Defence or Prime Minister's Department'. Brian Toohey, 'The passage of secrets', *The Australian Financial Review*, 13 December 1999, p.14.

¹⁰⁹ Interview Hugh White, 21 May 2001; and Interview General J.S. Baker, 30 October 2000. See also Brian Toohey, 'The passage of secrets', *The Australian Financial Review*, 13 December 1999, p.14.

intelligence sharing.¹¹⁰ Other indirect references added to the perceptions; the government's paper, *The Australian Paper on Practical Proposals for Security Cooperation in the Asia Pacific Region*, suggested a 'limited exchange of military intelligence' as a Category One suggestion towards a graduated response to regional confidence and trust-building.¹¹¹ The public evidence, however, attests only to the authorized exchange of regional perspectives and general intelligence in the post-1990 period.¹¹² Nevertheless, in political terms, perceptions created political realities of intelligence sharing.

Military Exercises - Maritime

In accordance with the Gration/Sutrisno agreement, combined military exercises became a significant characteristic of the period.¹¹³ Before 1989, few combined exercises were held; from 1990, maritime surveillance exercises were expanded to include both aircraft and ships, interoperability in communications, surveillance coordination and ship-to-ship activities in the Arafura, Timor and Java Seas. The first were the *Ausina* exercises in 1990, which involved major fleet combined passage exercises (PASSEXs) with Australian ships of the line, generally conducted four times per year, and AUSINA PATROLEX, which exercised patrol boats from both countries with supporting surveillance aircraft.¹¹⁴ The AUSINA exercise was the first since 1984 when the last exercise, *New Horizon 5*, was conducted near Darwin; and the series recommenced with the seventh exercise held in August 1993.¹¹⁵ *New Horizon 7* was the largest maritime exercise so far held with Indonesia, and included eight Australian naval ships, six Indonesian ships, and an

¹¹⁰ Interview General J.S. Baker, 30 October 2000. See also Don Greenless, 'Defence force to share information with Indonesia', *The Australian*, 23 May 1996, pp.1-2.

¹¹¹ Evans and Dibb, 'Australian Paper on Practical Proposals for Security Cooperation in the Asia Pacific Region', Table 6.1.

¹¹² Interview General P.C. Gration, 10 October 2000; and Interview General J.S. Baker, 2 November 2000.

¹¹³ See Appendix 4 for a summary of all combined exercise activities from 1973 to 1998.

¹¹⁴ In 1994, for example, three AUSINA PASSEXs and two PATROLEXs were held. Ball, 'The Political-Security Dimension of Australia and the Asia-Pacific Region', p.238; Desmond Ball, *Building Blocks for Regional Security: An Australian Perspective on Confidence and Security Measures (CSBMs) in the Asia/Pacific Region*, Canberra Papers on Security and Defence Number 83, Strategic and Defence Studies Centre, The Australian National University, Canberra, 1991, pp.41-2.

¹¹⁵ Question on Notice Number 5192, *CPD*, House of Representatives, Volume 154, 6 May 1987, pp.2751-60, which contains detail of all combined exercises involving the Australian Defence Force from 1980 to 1987; Question on Notice Number 1310, *CPD*, House of Representatives, Volume 164, 21 December 1988,

Indonesian Nomad aircraft and RAAF attack aircraft operating from Darwin.¹¹⁶ Maritime exercises were not confined to the practice of basic warfighting capabilities. The Timor Zone of Cooperation agreement recognised the need for comprehensive security measures; the Zone covers some 60 000 square kilometres in area and required combined surveillance arrangements to police the areas undergoing exploration and exploitation. The new arrangements were developed out of necessity to improve procedures and permit coordinated communications between ships, aircraft and appropriate command authorities. These arrangements also served as the catalyst to broaden maritime cooperation into the wider spaces of the Arafura and Timor Seas.¹¹⁷

Military Exercises – Air Force

In 1990 the *Air Power Manual* was published on the application of air power to the battlefield. The manual provided an opportunity to develop a more substantive relationship throughout the region, including with the Indonesian air force, through annual discussions on the doctrine of air power. These became known as the ‘Airman-to-Airman’ talks, and paved the way towards combined air exercises to practise aspects of the new doctrine. Two exercises were designed: the first, named *Rajawali Ausindo*, focused on airlift and airdrop capabilities of tactical range transport aircraft, the Hercules C-130; and the second, *Elang Ausindo*, practised dissimilar air combat missions and tactics and was first held in November 1993 near Medan. Both exercises were continued on an annual basis.¹¹⁸

Military Exercises – Army

The internationally accepted language of English for air and sea civil navigation ensured that language was of less of a concern in combined maritime and air exercises. This was not the case for combined army exercises. For the Australian army, meaningful engagement with Indonesian army units required more personnel fluent in *Bahasa*

pp.3909-13, which includes detail for the year 1988-89; Question on Notice Number 140, *CPD*, Senate, Volume 140, 18 September 1990, pp.2519-23, which covers the period 1989-90.

¹¹⁶ Ball, ‘The Political-Security Dimension of Australia and the Asia-Pacific Region’, p.238.

¹¹⁷ For detail on the new arrangements, including comment on the standard operating procedures, see Desmond Ball and Sam Bateman, *An Australian Perspective on Maritime CSBMs in the Asia-Pacific Region*, Working Paper Number 234, Strategic and Defence Studies Centre, The Australian National University, Canberra, 1991, pp.18-21.

¹¹⁸ Martin Day, ‘RAAF to “attack” Indonesia’, *The Age*, 9 October 1993, p.3.

Indonesia to satisfy frequent contact during land-based exercises.¹¹⁹ To increase the number of army personnel skilled in an Asian language, Army introduced language training in 1995 as part of a compulsory program of additional training for officers and selected non-commissioned officers.¹²⁰

Participatory combined exercises were introduced in three phases. The first phase centred on invitations for Indonesian senior officers to observe Australian exercises. The decision to increase observer participation evolved from General Sutrisno's visit to *Kangaroo 89* when he was given a comprehensive briefing on exercise objectives and the operational phases of the exercise. In March 1992 Indonesia accepted an invitation to send observers to the next major exercise, *Kangaroo 92*.¹²¹ The second phase concentrated on exercises in which smaller Indonesian units were introduced to the Australian terrain and climate; and finally, combined exercises were specifically designed and planned to practise Indonesian procedures using Australian transport aircraft.¹²² During *Kangaroo 95*, Indonesian Special Forces participated for the first time in a company-size force air landed into the exercise area using RAAF C-130 aircraft; and as part of *Swift Canopy 95* Indonesian Special Forces practised parachute techniques in Australian conditions. Both activities were self-contained, with minimal interaction with Australian soldiers; and special combined command and control arrangements were required to overcome language difficulties.¹²³

Individual Military Training

Indonesia's desire to increase the range of activities with Australia reflected in part the 1992 decision of the United States government to suspend defence aid to Indonesia in retaliation for the Dili massacre. The ban was moderately circumvented by the Indonesian

¹¹⁹ In 1992 20 students studied *Bahasa Indonesia* at ADFA for the first time. In 1993 some 255 defence personnel were qualified in *Bahasa Indonesia*. Report from the Joint Standing Committee on Foreign Affairs, Defence and Trade, *Australia's Relations with Indonesia*, Australian Government Printing Service, Canberra, November 1993, p.70.

¹²⁰ The initiative satisfied the requirement in *Strategic Review 93* to wider instruction in the Indonesian language to facilitate closer relations. *Strategic Review 1993*, Department of Defence, Defence Centre-Canberra, December 1993, p.25.

¹²¹ Tony Parkinson, 'Indonesians to observe Kangaroo 92', *The Australian*, 12 February 1992, p.2.

¹²² Ross Allen, *The Army and Regional Engagement*, Research Paper Number 1, Land Warfare Studies Centre, Canberra, June 1998, p.18.

¹²³ Ball and Kerr, *Presumptive Engagement*, pp.138-42.

government paying full costs for each student, an expense that the Indonesian government did not continue, so the number of students decreased to an average of five per year, mainly to the Army Command and Staff college at Fort Leavenworth and the National War College in Washington.¹²⁴ The ban, however, did not last; the Clinton Administration negotiated congressional support of \$US 600 000 in fiscal year 1995-96 to restore partial funding, and when training assistance resumed the new program bore little resemblance to previous programs; the slimmed-down program included a fresh focus on promoting human rights and civilian control of the military rather than general military training.¹²⁵

In March 1994 Australian training assistance to Indonesia changed as a result of a comprehensive tour by a delegation of senior Indonesian officers to Australian military training establishments.¹²⁶ Agreement was reached to double the number of Indonesian students undergoing military training in 1994-95. In addition, arrangements were put in place for Australian army instructors to train some 140 Indonesians a year at the Indonesian Infantry Centre in Java in instructor skills, rather than in minor infantry tactics or weapons training.¹²⁷

Special Forces Training

The most controversial addition was the provision of counter-hijack and anti-terrorist training for Indonesian Special Forces. In response to terrorist-inspired activities during the 1970s, training was provided to Malaysia, Thailand, Singapore and Indonesia. In the case of Indonesia, three major reasons justified its introduction. The Australian government was concerned that Australian-flagged aircraft or Australian passengers might become involved in hijacking incidents either in Indonesian air space or at Indonesian airports since

¹²⁴ United States' assistance was structured under its International Military Education and Training Program, and in 1952 the first eight Indonesian students were trained in United States military schools. Under the program, an average of 150 students attended United States military institutions every year, with the total reaching a maximum of 300 in some years. Patrick Walters, 'Indonesian forces expand ADF links', *The Australian*, 22 March 1994, p.10; and David Jenkins, 'Australia takes lead training Indon army', *The Sydney Morning Herald*, 18 May 1995, p.4. See also Question on Notice, CPD, Senate, Volume 156, 11 November 1992, p.4788.

¹²⁵ See Peter Wilson, 'Congress restores limited military funding for Indonesia', *The Australian*, 18 April 1996, p.10; and David Jenkins, 'A neighbourly relationship', *The Sydney Morning Herald*, 18 May 1995, p.17.

¹²⁶ Patrick Walters, 'Indonesian forces expand ADF links', *The Australian*, 22 March 1994, p.9.

¹²⁷ David Jenkins, 'Australia takes lead training Indon army', *The Sydney Morning Herald*, 18 May 1995, p.4.

Indonesia, a predominately Muslim nation, was perceived to be vulnerable to terrorist activities. The provision of expert training offered the best potential for hijack incidents to be resolved in the most efficient manner, perhaps with Australian counter-terrorist personnel operating alongside trained Indonesian Special Forces. Secondly, the observation of Indonesian Special Forces in action offered opportunities for intelligence collection and knowledge of standards of training, equipment, tactics and doctrine, which could lead to a successful incident outcome through knowledge of assault techniques and procedures. Lastly, the history of promotion of senior personnel in Kopassus and Kostrad into the higher echelons of the Indonesian government presented opportunities to cultivate relationships with future Indonesian leaders.¹²⁸ While these were noble reasons to instigate the training of Indonesian Special Forces, domestic criticism of the training reflected the past and the future use of the acquired specialist skills. The history of the anti-communist purge after the attempted coup, which was directed through the resources of the Army Para-commando Regiment (RPKAD), the forerunner of Kopassus¹²⁹, the publicity of parachute operations in the invasion of East Timor, and the killing of the five Australian-based reporters by Indonesian troops, are foremost in the Australian collective memory. Public awareness that any army-related skills training has some intrinsic value for internal security operations only tainted the reputation of defence cooperation when reports were published of human rights abuses by Kopassus forces.

Once the political decision was taken to provide counter-hijack training, Australian Special Forces training in Indonesia was negotiated to acquire terrain, cultural and climate experience in areas not normally available to Australian personnel.¹³⁰ Care, however, was taken to minimize domestic reaction through the unstated preferential policy to associate

¹²⁸ Lowry wrote that 'the loyalty of the special forces is vital to regime maintenance ... Greater attention is therefore paid to selection of senior commanders. The quality and loyalty of these men can be gauged from the number who have subsequently been promoted.' These include General Ed Sudrajat, General Feisal Tanjung, General Wismoyo and General Tarub. Lowry, *The Armed Forces of Indonesia*, pp.88-9.

¹²⁹ A graduate of the Army Staff College at Queenscliff, Colonel Sarwo Edhie, commanded RPKAD and directed the anti-purge operations. Cited in Editorial, 'Too Close to the Generals', *The Sydney Morning Herald*, 30 October 1998, p.16.

¹³⁰ Similar in-country training in Malaysia, Thailand and Singapore was negotiated. Interview Brigadier M.J.W. Silverstone, 9 November 2000; Interview Brigadier J.J. Wallace, 7 August 2002. See also Report of the Senate Foreign Affairs, Defence and Trade References Committee, *East Timor*, Senate Printing Unit, Canberra, December 2000, pp.201-5.

with Kostrad personnel, rather than to advertise connections with Kopassus personnel. In *Kangaroo 95*, for example, mostly Kostrad troops participated in the air-land phase of the exercise.¹³¹ Counter-hijack and combat related training discontinued after the Jenkins articles in 1986, and limited training was re-introduced in 1993.¹³² Counter-hijack courses were conducted at the Army's Swanbourne Barracks under the supervision of the Special Airborne Service (SAS) Regiment; and, in reciprocation, a contingent of Australian SAS troopers resumed weapons training, parachuting, navigation and communications training in Indonesia. The exercises were code-named *Kookaburra* and *Night Mongoose/Night Komodo* and continued until all counter-terrorist training with Indonesia was cancelled in 1998.¹³³

New Cooperative Management Arrangements

The substantial increase in defence activities warranted new management structures to 'streamline' the administrative processes.¹³⁴ Out of a internal departmental review, a three-tier system evolved: the top tier, the Australia-Indonesia Defence Policy Committee (AIDPC), involved regular meetings between VCDF and Chief of Staff, ABRI who both approved the principles, direction and outcomes to be achieved; the middle level, the Australia-Indonesia Defence Coordinating Committee (AIDCC), at one or two star level, supervised the program on behalf of their respective chiefs; while at the third level, working groups were established to manage the agreed activities, such as individual and collective training, maintenance and technical support projects, and research and development projects.¹³⁵ The new management system proved successful and continued until defence cooperation ceased in September 1999. During the period to 1996, some 533 Indonesians

¹³¹ Interview Hugh White, 2 November 2000. See also Cameron Stewart, 'Indonesian troops to join Kangaroo 95 war games', *The Australian*, 3 February 1995, pp.1-2; and David Jenkins, 'A neighbourly relationship', *The Sydney Morning Herald*, 18 May 1995, p.17.

¹³² Question on Notice 374, *CPD*, Senate, Volume 159, 30 August 1993, pp.617-8; and Question on Notice 536, *CPD*, Senate, Volume 159, 27 September 1993, p.1239.

¹³³ *Night Mongoose* was the forerunner to *Night Komodo*. Question without Notice, *CPD*, Senate, Volume 163, 22 March 1994, p.1926. See Appendix 4 for exercise listings. The package of tightly structured counter-terrorist courses undertaken at Swanbourne had unusual effects; in the absence of advanced parachuting training in the counter-hijack courses, Kopassus soldiers were discovered to have travelled to Australia on tourist visas to undertake civilian free-fall training. Sources withheld. On 29 October 1998, special forces exercises were deferred 'for technical reasons' by the Australian government. 'Regret', *The Australian*, 30 October 1998, p.10.

¹³⁴ Cited in Martin Daly, 'RAAF to "Attack" Indonesia', *The Age*, 9 October 1993, p.3.

undertook training in Australia, and 25 combined exercises were successfully conducted – a substantial increase in comparison to the period before the Jenkins’ articles led to the cancellation of defence cooperation in 1986.¹³⁶

THE AUSTRALIA-INDONESIA AGREEMENT ON MAINTAINING SECURITY

In February 1994, during the Cabinet Security Committee’s discussion of *Strategic Review 93* the idea for a security agreement with Indonesia was raised.¹³⁷ *Strategic Review 93* suggested:

More than with any other regional nation, a sound strategic relationship with Indonesia does most for Australia. We should seek new opportunities to deepen the relationship in areas that serve both countries’ interests. We should be careful to ensure that new areas of cooperation are based on mutual benefits and are developed at a pace with which both sides are comfortable.¹³⁸

Keating agreed with the statement but thought ‘the recommended measures to achieve it were inadequate’; Australia ‘had security treaties and agreements all around Indonesia, but not with it’. He believed a ‘formal agreement would complement our other regional security arrangements’.¹³⁹ ‘Ambitious’ and ‘caution’ described the Committee’s reaction.¹⁴⁰ Concern was also expressed on how an effective arrangement could be engineered with a country that preferred to remain non-aligned after the end of the Cold War; Indonesia had recently accepted the chair of the non-aligned movement for a three-year period starting from 1992.¹⁴¹ This was not the first time that the idea had been raised during the period of Hawke and Keating governments; Alatas and Evans had discussed ‘an

¹³⁵ Ball and Kerr, *Presumptive Engagement*, p.70.

¹³⁶ By May 1994, both General Baker, Vice Chief of the Defence Force, and Lieutenant General Mantiri had finalized the new arrangements. Interview General J. Baker, 30 October 2000. At the Australia-Indonesia Defence Policy Committee meeting in Cairns in November 1995, the new arrangements were agreed. Editorial, ‘Shaping the region’s defence’, *The Australian*, 4 November 1995, p.12. See also Appendices 3, 4 and 5.

¹³⁷ The Cabinet Security Committee consisted of six members: the Prime Minister, the Deputy Prime Minister, the Ministers for Foreign Affairs and Defence, the Treasurer and the Minister for Finance. Interview Hugh White, 2 November 2000.

¹³⁸ *Strategic Review 1993*, p.24. The same theme was continued in the Government’s 1994 White Paper, *Defending Australia*, Australian Government Publishing Service, Canberra, 1994, pp.86-8.

¹³⁹ Keating added that ‘Indonesia was the only one of our immediate neighbours with which we had not tried to build some sort of strategic relationship’. This was incorrect; Keating seemed unaware of the activities of Hasluck, Gorton and Whitlam who at various times proposed a defence arrangement with Suharto. Paul Keating, *Engagement*, p.139.

¹⁴⁰ Interview Hugh White, 2 November 2000.

¹⁴¹ The tenth non-aligned movement summit was held in Jakarta in September of the same year. Schwarz, *A Nation in Waiting*, p.251.

umbrella agreement' between the two countries, based on principles that would proclaim mutual respect 'for a set of shared and unique values' to cover the dimension of the relationship. In Evans' opinion, this was as far as Alatas would entertain some form of security agreement; indeed Alatas had spent 'all his diplomatic life [as] a great advocate and preacher of non-alignment'.¹⁴²

The Evans' approach did not satisfy Keating who told the meeting that 'we keep hovering around the central issue'.¹⁴³ He questioned the relevance of 'shared and unique values' in a climate of dissimilar cultures and the difficulties in resolving civil issues which are mostly generated through cultural differences. He argued that Australia's strategic relationship with the United States was successful because it reflected 'shared values' and common strategic interests; in Keating's view, a security arrangement with Indonesia needed to accommodate dissimilar cultures while retaining the principle of common strategic interests. Keating wanted a simple and straightforward security 'commitment' based on common security interests, and his personal staff undertook confidential preparatory work to develop a proposal. The first draft paper canvassed a range of options, without a recommendation, and continued to highlight the difficulties in negotiating a treaty with the leader of the non-aligned movement.¹⁴⁴ Treaty-making is partly an art, partly a technique; treaty-making achieves the limits of what is possible and, so far as technique is concerned, of giving accurate expression to political and legal realities. Sound treaty-making offers policy clarity in strategic terms by defining when and where treaty signatures would intervene and under what conditions; it builds an 'alliance culture' based on consultation and consideration of options, which can diminish uncertainty and confusion through dialogue while improving trust and confidence. It should contribute a distinctive meaning to underpin the agreement of the parties; equally, a treaty should dispel notions of insecurity, open up channels of communications and diminish potential conflict. These were the benefits that Keating envisaged. The draft paper and comments converged on the

¹⁴² Cited in *ibid.*, pp.253-4.

¹⁴³ Peter Hartcher, 'How an enemy became an ally', *The Australian Financial Review*, 4 July 1996, p.19.

¹⁴⁴ After the Department of Foreign Affairs and Trade prepared the draft paper, the Strategic Policy Coordination Group, which consists of representatives, normally at the Deputy Secretary level, from the Departments of Prime Minister and Cabinet, the Treasury, Defence, Foreign Affairs and Trade and other

office of the Prime Minister; the bureaucracy went quiet, the Ministers for Foreign Affairs and Trade and Defence 'were sidelined', and secret diplomacy began.¹⁴⁵

Perhaps Indonesia was ready for an agreement; it was known that Suharto wanted Indonesia to engage more widely in the region. He had committed Indonesia to one of the non-permanent seats on the Security Council in 1995, and privately indicated to visitors Indonesia's wish for a permanent seat if the Security Council were to be re-organized.¹⁴⁶ When Keating first discussed APEC with Suharto in 1992, he detected Suharto's outward looking inclination, and the intervening years had only added to the 'growing consensus on the character' of the post-Cold War regional environment.¹⁴⁷ Indonesian acceptance developed further to offset the reduction in the United States' military presence in the region, to provide a 'combined counter-weight' to any intrusion or activities of major powers in the region, and to enhance regional resilience through dialogue, consultation and cooperation.¹⁴⁸ Alatas was also cognizant of Indonesia's natural inwards inclination.¹⁴⁹ Some prominent Indonesians actively campaigned for a new approach.¹⁵⁰ Writing in the inaugural edition of *Trends*, Mochtar argued that the potential for conflict in South East Asia, 'comes from regional powers with hegemonistic ambitions' - a reference to the

invited 'field' experts, formally discussed its contents. Interview Allan Behm, 9 October 2000; and Interview Hugh White, 2 November 2000.

¹⁴⁵ During the early stages, secrecy of Keating's intent was closely held within the bureaucracy by the Secretaries of Defence and Foreign Affairs and Trade and the CDF; selected personal staff in the offices of Keating and Evan were involved in early drafting. Interview General J.S. Baker, 30 October 2000; and Interview Hugh White, 2 November 2000. See also Keating, *Engagement*, pp.139-41. One minister recalled that the negotiations were 'something where we just had to trust Paul's judgement', cited in Peter Hartcher, 'How an enemy became an ally', *The Australian Financial Review*, 4 July 1996, p.19.

¹⁴⁶ 'RI stakes claim to permanent seat at UN Council', *Jakarta Post*, 24 March 1995, p.2.

¹⁴⁷ *Ibid.*, p.156.

¹⁴⁸ Ball adds several additional reasons for enhanced regional cooperation: advanced weapon procurement programs by a number of nations, the character of the new weapons, law of the sea issues, and the 'novel nature of emerging security problems' such as environment and piracy. Desmond Ball, 'The Regional Security Dimension of Australia and the Asia-Pacific Region', pp.228, 232. See also Ball's, 'Arms and Affluence: Military Acquisitions in the Asia-Pacific Region', *International Security*, Volume 18, Number 3, Winter 1993/1994, pp.81-95; and Dewi Fortuna Anwar, 'The Rise in Arms Purchases: Its Significance and Impacts on Southeast Asian Political Stability', *The Indonesian Quarterly*, Volume 12, Number 3, Third Quarter, 1994, pp.247-59.

¹⁴⁹ Keating quotes Alatas as having stated that Indonesia's 'real problem was that it was not outward looking enough'. Keating, *Engagement*, p.156.

¹⁵⁰ For discussion on the balance of ASEAN and the wider Asia Pacific interests for Indonesia, see, for example, Jusuf Wanandi, 'Indonesia's International Role', *The Indonesian Quarterly*, Volume 13, Number 3, Third Quarter, 1994, pp.227-31. For discussion of a wider cooperative security framework for Indonesia, see

danger from countries like China, Japan and India. He was canvassing the option of a new trilateral security arrangement between Indonesia, Singapore and Malaysia, which could gradually replace the FPDA. Although this was not official Indonesian policy, it offered a new 'rationale' to make Indonesia's near region more self-reliant in security affairs. For Mochtar, security rested with ASEAN; and the defence of South East Asia was essentially the responsibility of ASEAN. 'The pertinent question is not what we should do to hang on to a receding US presence, a decision which is not ours to take anyway', he declared, 'but what we in ASEAN should do for ourselves to fill the impending vacuum'.¹⁵¹ Although the proposal came from someone not holding an official government position, Mochtar's proposal elicited formal responses of rejection from Malaysia and Singapore. The Malaysian Defence Minister suggested that there was no need due to the level of cooperation which currently existed between the three defence forces; and Singaporean officials argued that the best way to proceed was 'to strengthen bilateral, or even trilateral, cooperation within ASEAN in both the military and non-military spheres, while retaining the broader network of FPDA'. FPDA still had some life.¹⁵² Nonetheless, Mochtar had identified a requirement for more regional cooperation but without the support of Malaysia and Singapore, what should Indonesia do? Assessments of the direction of security policy-making in Jakarta only generated ambivalence in the advice to Keating on the timing of his security proposal. What was evident in Jakarta was the extent of disagreement in official circles on Indonesia's next security move; and, any new proposal, including from Australia, would unquestionably undergo intense scrutiny and debate.¹⁵³

On 28 June 1994, Keating raised the matter with Suharto during his second prime ministerial visit to Jakarta. No prior warning was given to Indonesian officials, and Keating took advantage of the generous ambience of the occasion. He recalled:

We again met for two hours and spoke for another hour over dinner ... The President himself brought up the subject of defence cooperation. In the course of the usual review of bilateral relations,

J. Soedjati Djiwandono, 'Defence Cooperation Between Member-States of ASEAN', *The Indonesian Quarterly*, Volume 14, Number 4, Fourth Quarter, 1996, pp.339-51.

¹⁵¹ Michael Richardson, 'Shifts in the power balance', *Asia-Pacific Defence Reporter*, Volume XVII, Number 6/7, December 1990/January 1991, pp.37-8.

¹⁵² Michael Richardson, 'Shifts in the power balance', *Asia-Pacific Defence Reporter*, Volume XVII, Number 6/7, December 1990/January 1991, pp.37-8.

¹⁵³ Interview Hugh White, 2 November 2000.

he said he believed Australia and Indonesia could establish closer defence relations. I responded that Australia now saw the beginning of strategic trust between Indonesia and itself ... If we could declare that reality in some way, it would send a very strong message to our neighbours, whose interests it would serve by making the entire region stronger.¹⁵⁴

Both leaders agreed to discuss the matter further after negotiations at the officials' level.¹⁵⁵

On 22 August 1994, Gration accepted Keating's offer of the role of prime ministerial emissary. His selection was not surprising; it was Gration who had seized the moment to re-establish military to military relations by visiting Jakarta in 1988.¹⁵⁶ He actively fostered closer defence relations in the interests of Australian security; and his selection as the official emissary promoted confidence in the negotiations because he was well regarded by senior officers of the Indonesian Armed Forces, including General Try Sutrisno who was still the Vice President.¹⁵⁷ The negotiation team also included Allan Gyngell, Keating's senior foreign and defence policy adviser, and the Australian Ambassador to Jakarta, Alan Taylor; the Ministerial Head of the State Secretariat, Moerdiono, undertook the role of principal Indonesian negotiator.¹⁵⁸

The first discussion session was held in Jakarta in September 1994 when Moerdiono requested a non-paper be produced to define the parameters for an agreement; this was duly done in Canberra and submitted to Moerdiono in October through the Australian Ambassador.¹⁵⁹ The opening paragraph summarized Keating's approach:

Australia and Indonesia share similar strategic concerns. We share an interest in each other's security. Neither is a threat to the other. An agreement or understanding on security cooperation between Australia and Indonesia would benefit us both. It would also strengthen the stability and strategic resilience of the region. An agreement would be consistent with our strong and broadly based bilateral relationship. It would demonstrate the trust and confidence each has in each other. It

¹⁵⁴ Keating, *Engagement*, p.141.

¹⁵⁵ *Ibid.*, p.142.

¹⁵⁶ Interview General P.C. Gration, 10 October 2000.

¹⁵⁷ *Ibid.* Hayden later conceded that General Gration was an 'important exception to [Hayden's] general stricture regarding military officers acting as diplomats'. Hayden, *Hayden*, p.409.

¹⁵⁸ Gary Brown, Dr Frank Frost, Dr Stephen Sherlock, 'The Australian-Indonesian Security Agreement: Issues and Implications', *Research Paper Number 25*, Parliamentary Library Service, Canberra, 1996, p.1.

¹⁵⁹ A non-paper is a diplomatic device to progress issues without unnecessarily confirming a policy position.

would have a beneficial impact on public attitudes in both countries. It would provide a formal basis for a more active defence relationship.¹⁶⁰

The non-paper emphasized that Australia was not proposing a non-aggression pact; a non-aggression pact implied that each country saw the other as a threat, and this was not the case. A security agreement would provide the foundation for the range of defence cooperative activities that were currently being undertaken; it could also encourage strategic level discussions, which had never been overly successful.¹⁶¹ Gration and Gyangell returned to Jakarta in November to discover that Moerdiono was not available for the next meeting, perhaps through a mix-up of appointments; for the negotiators, the apparent cancellation of the meeting raised questions on Indonesian intent. Keating later wrote that ‘we did not know what to make of this. Was it a Javanese signal that we should not go ahead with our proposal?’¹⁶²

After nine months, Suharto raised the matter directly with Keating in Bali in September 1995. That Suharto had unexpectedly raised the proposal indicated the President’s personal support for the proposal; he informed Keating that some of his most senior military officers were concerned that an agreement could be construed as a military pact. The wording required further amendment. Gration and Gyangell returned to Jakarta on 15 November to continue the negotiations, this time with a wider group of Indonesian defence and foreign ministry officials.¹⁶³ Changes were made, the most important of which referred to the notion of an ‘external threat’, which was unacceptable to the Indonesians and which was replaced with the new phrase, ‘adverse challenges’, which would later attract Australian criticism.¹⁶⁴ The new draft was submitted to Keating and Suharto in Osaka during the APEC meeting on 18 November, and after some final ‘wordsmithing’ endorsed for formal

¹⁶⁰ Keating, *Engagement*, pp.142-3.

¹⁶¹ Interview General P.C. Gration, 10 October 2000; and Interview Hugh White, 21 May 2001.

¹⁶² Keating, *Engagement*, p.143; and Interview General P.C. Gration, 10 October 2000.

¹⁶³ Taylor reported that the proposal had not ‘died’ and was being discussed within the Indonesian bureaucracy. A committee, headed by Admiral R.M. Sunardi, senior adviser to the Minister of Defence and Security, was tasked to scrutinize the draft. Peter Hartcher, ‘An act of faith’, *The Australian Financial Review*, 5 July 1996, p.19; Keating, *Engagement*, pp.143-4.

¹⁶⁴ The final negotiation phase lasted some four days in Jakarta, during which time the defence staff at the embassy became aware of the discussions, not from Australian officials but from the Indonesian military. Interview Brigadier K.B.J. Mellor, 22-23 May 2000.

consideration by both governments.¹⁶⁵ The Australian Cabinet approved the document on 14 December 1995, and the Agreement came into effect in July 1996.¹⁶⁶

The process was slow and deliberate, initiated as a simple idea which gathered sufficient support from the senior levels of the Indonesian bureaucracy at each phase of its development. Unlike Gorton's quick attempt to secure some 'sort of military pact' with Indonesia in 1968 or Whitlam's abortive endeavour to engage Indonesia and ASEAN in an expanded regionalism in 1973, the security agreement was negotiated over an 18 month period. Keating had achieved what previous prime ministers and foreign ministers were unable to accomplish. From Hasluck's initial exploration of possible security arrangements with Indonesia in 1966 to government ratification in December 1995, a period of some 27 years, the relationship had reached a moment of shared strategic interests from which a security agreement emerged.

There were several significant features of the process. The Agreement was predicated and drafted on the notion of shared security interests rather than defence against a common enemy, and shared interests reflected a multi-dimensional approach to regional security. In Evans' opinion, regional instability included 'issues like terrorism and narcotics and piracy and other externally derived sources of instability of this kind'.¹⁶⁷ Therefore the Agreement provided a framework to facilitate discussion and management of emerging, non-military issues such as migration, transnational crime and the environment.¹⁶⁸ The Agreement was simple in its structure; its intent centred on consultation: the two governments agreed to consult on a regular basis about matters affecting their common security; to consult each other in the case of adverse challenges to either party or to their common security interests; and, to promote, in accordance with the policies and priorities of each, cooperative

¹⁶⁵ The first draft 'drew strongly on existing agreements' such as the United Nations Charter, the Five Power Defence Arrangements and the ANZUS agreement. Keating, *Engagement*, p.140.

¹⁶⁶ Department of Defence, *Defence Annual Report 1996-1997*, Directorate of Publishing and Visual Communications, Canberra, October 1997, p.16.

¹⁶⁷ Don Greenless, 'Jakarta treaty: how it works', *The Weekend Australian*, 16-17 December 1995, p.1.

¹⁶⁸ Alan Dupont, 'The Australia-Indonesia security agreement', *Australian Quarterly*, Volume 68, Number 2, Winter 1996, p.51. Dupont makes the point that the Agreement is consistent with recent South East Asian attempts to change the nature of defence planning from 'threat-based premises to interest-based calculations'.

activities in the security field.¹⁶⁹ These conditions prompted a questioning of the circumstances in which the agreement might be invoked, and how both parties will interpret self-interest as a convergent or divergent force in the context of the Agreement when self-interest is more likely to prevail.¹⁷⁰ When Keating announced the Agreement, he noted it was:

not about external threats, it is about the whole environment of the region. It is about the foreign policy and trade policies of the countries ... What we are saying here is that Australia and Indonesia have a coincidence of views and interests in the strategic outlook of the region.¹⁷¹

Coincidence of views has not always been a strength in the relationship - Irian Jaya and East Timor and the Mantiri incident (the last to be discussed below) ably demonstrate the uncontrollable component in the relationship.

Some critics lauded Indonesia's departure from its traditional non-aligned posture, which was perceived to be a significant achievement for Australian diplomacy:

It is the first mutual security treaty Indonesia has signed with anyone. It is the first security treaty we have signed with a nation whose troops have been in direct contact with Australian troops .. After the American alliance, as embodied in the ANZUS treaty, this becomes the next most important treaty for Australian security that any Australian government has ever negotiated.¹⁷²

The Agreement confirmed Indonesian acceptance of Australia's place in South East Asia, which would now be sponsored by Indonesia through the multi-dimensional nature of the Agreement. The process did exclude allies; neither party consulted with its closest alliance partner or partners; Keating briefed the United States Ambassador, Ed Perkins, on the evening of 13 December 1995 before Cabinet endorsed the Agreement; and Indonesia did not consult its co-members of ASEAN until after the Agreement was announced on 14 December 1995.¹⁷³ Moreover, Australian officials were dispatched throughout the region

¹⁶⁹ The one page agreement is included in Brown *et al.*, 'The Australian-Indonesian Security Agreement: Issues and Implications', Appendix A.

¹⁷⁰ David Goldsworthy, 'Perspectives on Australian Foreign Policy', *Australian Journal of International Affairs*, Volume 50, Number 2, 1996, p.207.

¹⁷¹ Transcript of the interview with the Prime Minister by Kerry O'Brien, ABC Television, 7:30 Report, 14 December 1995. See also 'Treaty with Jakarta', *The Australian*, 15 December 1995, p.1.

¹⁷² Greg Sheridan, 'Australia's own grand alliance', *The Weekend Australian*, 16-17 December 1995, p.21.

¹⁷³ The Agreement was formally signed by Ali Alatas and Evans on behalf of their governments in the presence of Keating and Suharto on 18 December 1994 in Jakarta. *Ibid.*; and Keating, *Engagement*, p.145.

to inform and explain the Agreement to governments; and the Chinese government was given particular attention, to 'deflect any suggestion' of a plan of containment of China.¹⁷⁴

What remained unclear was the relationship of Indonesia's 'free and active' foreign policy with the Agreement. In distinguishing between a 'military pact' and 'security cooperation' during the negotiation phase, Moerdiono attempted to comply with Indonesia's historical antipathy towards military pacts, while invoking a broader meaning to the concept of a 'free and active' foreign policy to accommodate Indonesia's future interests in balancing the internal and external needs of the state and incorporating a more outward looking foreign policy.¹⁷⁵ If the common interests so readily identified by Keating and Indonesian and self-interest did not coincide, then the operation of the Agreement became questionable. One defence official declared that in the event of bilateral problems, the Agreement would be one of the first relationship ingredients to disappear.¹⁷⁶ This was indeed the case when Indonesia dissolved the Security Agreement in 1999 over the issue of East Timorese independence.

Political reaction to the announcement of the Agreement was mixed. Evans briefed Alexander Downer, the Opposition foreign affairs spokesperson, who expressed his satisfaction with the Agreement:

I thought in principle it was an excellent initiative. It's symbolically important because it underlines the value of the bilateral relationship ... It will give us a framework to develop the security dialogue. The details will be worked out as we go along.¹⁷⁷

Downer briefed John Howard, who 'was fairly positive about it.'¹⁷⁸ Later, Howard publicly gave in-principle support, although qualified with unease over the phrase 'adverse challenges', which he believed should be replaced by 'external challenges'. Howard was a member of the Ministry when the 1976 White Paper was discussed and revised; then, the White Paper's terminology was amended to emphasize an 'enduring interest in the security

¹⁷⁴ *Ibid.*; and Peter Broggero, 'Important Chapter in relationship with Indonesia', in *Insight*, Volume 5, Number 1, 12 February 1996, p.9.

¹⁷⁵ Rizal Sukma, 'Indonesia's *Bebas Aktif* Foreign Policy and the "Security Agreement" with Australia', *Australian Journal of International Affairs*, Volume 51, Number 2, 1997, p.240.

¹⁷⁶ Interview Hugh White, 2 November 2000.

¹⁷⁷ Peter Hartcher, 'An act of faith', *The Australian Financial Review*, 5 July 1996, p.27.

¹⁷⁸ *Ibid.*

and integrity' of the Indonesian Republic 'from external forces'.¹⁷⁹ Howard also observed that the relationship would be 'better balanced' if Suharto soon visited Australia:

It's a great pity he hasn't felt able to visit this country in 20 years. I think any relationship must be on the basis of a strong sense of self, and it would in my view bring further balance to the relationship if he were able to visit this country.¹⁸⁰

The future Attorney-General in the first Howard government, Darryl Williams, declared the secrecy surrounding the treaty and the government's use of the Executive Council, rather than the Parliament, to ratify the Agreement was unacceptable. Secrecy was 'out', he promised, because the Coalition would establish a joint parliamentary committee to review treaties before they are signed or ratified.¹⁸¹

Media comment was generally favourable; some newspapers highlighted the secrecy of the process, and questioned whether the phrase, 'adverse challenges', included internal security issues even though Keating continued to stress that the treaty did not apply to internal conflicts, such as in Aceh or East Timor.¹⁸² Some analysts questioned the 'fragility' of public opinion, the 'general lack of understanding and awareness of Indonesia', and a 'sense of unease and ambivalence about becoming too close to a country with which Australians share few identifiable values, customs, or historical experiences'. A few suggested that the lack of common and identifiable values could prove to be the Agreement's 'Achilles heel'.¹⁸³ The anti-Indonesian lobby decried the Agreement on the basis that it was 'immoral' for the Australian government to negotiate with another government considered to be 'undemocratic'.¹⁸⁴ One analyst observed that a cursory survey of the 'Letters to the Editor' columns of the major dailies concluded that letters were 'running about four to one against the agreement', with most writers 'showing a very substantial degree of hostility towards it, and distrust of the Indonesian government's

¹⁷⁹ See Chapter 5, p.265.

¹⁸⁰ 'Suharto overdue: Howard', *The Weekend Australian*, 16-17 December 1995, p.4.

¹⁸¹ Press Release from D. Williams, 19 December 1995, cited in Brown *et al.*, 'The Australian-Indonesian Security Agreement: Issues and Implications', p.2.

¹⁸² Karen Middleton, 'Secret treaty with Indonesia', *The Age*, 15 December 1995, pp.1, 5; and Michael Gordon, 'PM uses diplomacy for poll', *The Australian*, 15 December 1995, p.1.

¹⁸³ Dupont, 'The Australia-Indonesia security agreement', p.55. See also Bob Lowry, 'What the Jakarta pact means', *The Australian Financial Review*, 20 December 1995, p.15.

¹⁸⁴ Tom Uren declared 'My concern relates to the Indonesian Government restricting their citizens' human rights, a free press and free trade unions'. *The Weekend Australian*, 16-17 December 1995, p.1.

policies and motives'.¹⁸⁵ Perhaps the most vocal opposition came from the various East Timor lobbyists, who criticized the Agreement as a 'betrayal' of human rights in the disputed province.¹⁸⁶

In Indonesia, press coverage was supportive, although somewhat muted in publicizing the significance of the Agreement.¹⁸⁷ Moerdiono was quoted as saying the Agreement 'would only formalise existing security cooperation programs'.¹⁸⁸ Others declared that the Agreement offered opportunities to save on defence expenditure, which would allow money to be diverted to improve the economic welfare of the nation.¹⁸⁹ Not all of the military elite supported the Agreement; Hasnan Habib, adviser to the Minister for Research and Technology, declared the Agreement placed too much emphasis on defence in the overall context of a security relationship. Habib continued to criticize the Agreement throughout 1996, arguing at a seminar in Australia in May 1996 'that the two governments should have continued to rely on exercises and exchanges rather than the agreement'. He eventually referred his concerns without success to the Indonesian Parliamentary Committee responsible for defence matters.¹⁹⁰

The secrecy of the negotiations in Indonesia was equally remarkable; Ali Alatas was unaware of the progress of the negotiations and was chairing an ASEAN Foreign Ministers meeting in Bangkok when the announcement was made.¹⁹¹ Indonesia's neighbours were surprised by the announcement but supportive of the Agreement as a positive contribution to regional security.¹⁹² Perhaps the most interesting comment came from Admiral Sunardi who declared 'the agreement should not be seen as a surprise development but as part of a

¹⁸⁵ Colin Brown, 'Australian Foreign Policy: July-December 1995', *The Australian Journal of Politics and History*, Volume 42, Number 2, 1996, p.150.

¹⁸⁶ 'A pact between God and the devil', *The Australian*, 15 December 1995, p.2; and 'Church censures deal as immoral', *The Australian*, 15 December 1995, p.2.

¹⁸⁷ For an analysis of Indonesian reaction after six months, see Greg Earl, 'When an agreement is not a pact', *The Australian Financial Review*, 5 July 1996, p.26.

¹⁸⁸ *The Jakarta Post*, 15 December 1995, pp.1, 2; and 19 December 1995, p.1.

¹⁸⁹ Comment attributed to House of Representatives Foreign Affairs expert, Aisyah Amini, cited in Greg Earl, 'How Indonesia saves from Security Pact', *The Australian Financial Review*, 18 December 1995, p.13.

¹⁹⁰ Greg Earl, 'When an agreement is not a pact', *The Australian Financial Review*, 5 July 1996, p.26.

¹⁹¹ Joint Standing Committee on Foreign Affairs, Defence and Trade, *Australia and ASEAN: Managing Change*, Australian Government Printing Service, Canberra, March 1998, p.191.

hierarchy established by Indonesia's new more outward-looking approach to national security'.¹⁹³ It was Sunardi who suggested the phrase 'adverse challenges'; his participation, particularly in the later stages of the negotiations, equalled that of Gration and Gyngell, and he later declared that the Agreement offered Indonesia 'a formal channel' into FPDA.¹⁹⁴ He argued the success of inter-ASEAN cooperation 'gives Indonesia a guarantee for security and stability in the northern flank, [and] security cooperation with Australia gives it a similar guarantee in the Southern flank'.¹⁹⁵ Acceptance of a security arrangement was in itself a major change in Indonesian security thinking, particularly in circumstances that did not warrant additional bilateral arrangements with other ASEAN member states, which, in Sunardi's opinion, was unnecessary.¹⁹⁶ The Security Agreement did challenge Indonesia's 'free and active' foreign policy and its opposition to foreign military bases and military alliances; and it was remarkable that the Indonesian government was prepared to conclude an agreement in the light of so many difficult issues that tested bilateral relations in 1995, during the most critical stages of the negotiations. Good personal relationships seemed to enhance the elements of trust and understanding that underpinned the Agreement. Beazley recalled that Keating believed that only his government could deliver the agreement.¹⁹⁷ Evans 'credits' Keating with the success, taking the relationship 'up another notch', partly by willing 'to embrace everything that Suharto stood for'. It was Evans' belief that both Indonesia's commitment to APEC and the Security Agreement were Keating's achievements and:

very much a function of his relationship with Suharto, which was both imaginative and deferential simultaneously. Anyone who says Keating got where he did with these characters by just simply licking boots completely misses the point. Keating ... would talk about big ideas and issues and

¹⁹² J. McBeth, M. Vatikiotis, and J. Ress, 'Personal Pact: Suharto, Keating surprise ASEAN with security deal', *Far Eastern Economic Review*, 28 December 1995 - 4 January 1996, p.23.

¹⁹³ Interview Admiral R.M. Sunardi, 6 July 1997.

¹⁹⁴ Interview General P.C. Gration, 10 October 2000; and Greg Earl, 'Senior Indonesian criticises Aust security pact', *The Australian Financial Review*, 23 May 1996, p.14.

¹⁹⁵ R.M. Sunardi, 'Indonesian - Australian security cooperation within the perspective of regional security', paper presentation to the Conference on 'Enhancing Indonesian - Australian Relations, Centre for Indonesian Development and Economic Studies, Jakarta, 22 May 1996, p.9.

¹⁹⁶ *Ibid.*, p.10. See also Ikar Nusa Bhakti, 'Facing the 21 Century: security cooperation', in Sulaiman, Idris F., Sofyan, G. Hanafi, Smith, Shannon Luke, (Editors), *Bridging the Arafura Sea: Australia-Indonesia Relations in Prosperity and Adversity*, Development Issues Number 10, National Centre for Development Studies, Asia Pacific Press, Canberra, 1998.

wave his hands about and generate enthusiasm. Combined with that there was the deference thing. ... a very effective way to handle all sorts of people around the region: the younger man paying deference to the older man.¹⁹⁸

If the success rested mostly with the two leaders, then the substance and workability of the Agreement became questionable in circumstances involving the absence of one or both of them.

1995 – THE YEAR OF BALLAST TESTING

1995 represented the twentieth anniversary of the deaths of the six Australian-based reporters at Balibo. A vocal anti-Indonesian lobby continued to advertise dissatisfaction over the circumstances of the deaths, and the behaviour of successive governments in not providing official and classified documentation on the events of the Indonesian invasion of East Timor only added to the frustration over the secrecy, which in turn provoked more attempts for clarification. Successive governments maintained that evidence did not exist to confirm how the six reporters were killed, although rumours persisted that the government did know of the circumstances through the interception of military radio traffic by DSD at Shoal Bay.¹⁹⁹ Information came to light through statements by Guilherme Goncalves, the former Indonesian governor of East Timor, who originally signed a letter stating that the five reporters were killed accidentally, a claim that he now labeled as a 'fabrication'. In October 1995 a former officer of DSD declared that the government knew that the journalists had been murdered in Balibo through interception of Indonesian military radio communications between East Timor and the military headquarters in Bali.²⁰⁰

In response to mounting criticism, Evans announced an inquiry to be undertaken by the former National Crime Authority chief, Tom Sherman, into the deaths. His report was

¹⁹⁷ Beazley traveled with Keating to Indonesia for the signing of the agreement; during the trip Keating admitted that his chances of winning the next election were poor; hence his urgency to have the agreement signed and in place before the election. Interview Kim Beazley, 21 March 2002.

¹⁹⁸ Cited in Scott, *Gareth Evans*, p.254.

¹⁹⁹ Articles continued to be published on the killings, with most indicating that the Australian government had taken the decision to protect the capabilities of DSD, the source of its information on the killings, at all costs. See, for example, Richard Hall, *The Secret State. Australia's Spy Industry*, Cassell Australia, North Melbourne, 1978, p.150; and Cameron Stewart, David Nason and Michelle Gilchrist, 'Evans rejects cover-up claims', *The Australian*, 17 October 1995, p.3.

²⁰⁰ *Ibid.*

published in June 1996 and failed to disclose new information or confirm established rumours or opinions. A further report was no more successful.²⁰¹ The Indonesian government's response to the enquiries was predictably cool; one spokesperson retorted tactlessly that Indonesia considered the issue 'a dead one'.²⁰² The government was also forced to announce a human rights investigation into the situation in the area of the Freeport copper mine in Irian Jaya. The Australian Ambassador to Jakarta, Alan Taylor reported that 'we conservatively estimate that ... at least 22 people have been killed by ABRI in and around the Freeport concession since June 1994'.²⁰³ All that Evans could do was to accept Taylor's report and request the Indonesian government to remedy the situation.²⁰⁴ By the end of 1995, the history of 'leaks', claims and counter-claims, official reports and media speculation on human rights abuses weighed heavily on the Keating government. The government was unable to counter speculation because the domestic climate was now one of disbelief and distrust not just over Australia's dealings on East Timor but also from Indonesia's desultory and abject record on human rights. The honesty and good intentions of the Australian government were now more avidly under scrutiny.²⁰⁵

The Mantiri Appointment

In June 1995 it became public knowledge that the government had accepted the appointment of Lieutenant General Herman Mantiri as the new ambassador to Canberra to take up the appointment in July 1995. The announcement was not well received; General Mantiri had held three appointments associated with military operations in East Timor (1976, 1986 and in late 1991 after the 12 November massacre). 'We don't regret anything', he stated in response to the Dili massacre. 'What happened was quite proper ... They were opposing us, demonstrating, even yelling things against the Government. To me, that is

²⁰¹ In his first report, Sherman concluded that 'more likely than not' the five journalists were killed by Indonesian forces, who later dressed the bodies in FRETILIN-styled uniforms, photographed, then burnt the bodies. Sherman undertook a second investigation after further eyewitness accounts linked the deaths with a particular Indonesian officer. The second report was released in January 1999 with no additional conclusions. See James Cotton, 'Introduction – Twenty-Five Years of the Policy Debate', in James Cotton, (Editor), *East Timor and Australia AIIA Contributions to the Policy Debate*, in association with the Australian Institute of International Affairs, Canberra, 1999, p.14.

²⁰² 'Indon envoy in early furore', *The Canberra Times*, 1 December 1995, p.1.

²⁰³ David Lague, 'Envoy exposes Irian brutality', *The Sydney Morning Herald*, 11 November 1995, p.1.

²⁰⁴ Question without Notice, CPD, House of Representatives, Volume 203, 31 August 1995, pp.1007-8

²⁰⁵ Interview Kim Beazley, 21 March 2002.

like a rebellion, so that is why we took firm action'.²⁰⁶ Remarks in the heat of conflict could sometimes be excused, yet Mantiri continued to assert some two years later that any demonstration in East Timor was aimed at independence and indicated rebellion, and provokingly asked 'What did [the military] do wrong?'.²⁰⁷

When Mantiri's name was first suggested in 1994, concern was raised in exchanges between officials in Canberra and Jakarta.²⁰⁸ Whatever the communications contained, it was insufficient to prevent the nomination being formally received in the Department of Foreign Affairs and Trade in April 1995. Evans later informed the Senate that disapproval would have been perceived as a 'grave threat' to the relationship because the government had little choice 'but to accept General Mantiri's appointment since the nomination was Suharto's personal choice'.²⁰⁹ Mantiri was regarded as a suitable selection, well versed in the machinations of international politics, and most fitting for the post because of his personal association with the ADF. It was Mantiri who negotiated the final stages of the new three-tiered defence cooperative arrangements with General Baker in May 1994.²¹⁰ The nomination, however, was a reminder that the Department of Foreign Affairs was not infallible; the nomination 'underestimated', and 'possibly undervalued', Australian public opinion.²¹¹ Evans accepted his department's recommendation, and the relevant papers were prepared and signed by the Governor-General; and the Indonesian government was informed of acceptance on 31 May 1995.²¹²

Media reaction to the appointment was intense with most editorials critical of the government's performance and the apparent 'imbalance' in the relationship; one suggested:

Many Indonesian officials will be puzzled by the Australian's government's reaction to the appointment of one of their most senior military officials, who is also a Christian, to such an

²⁰⁶ Cameron Stewart, 'Indonesia envoy should explain Dili massacre comments: Evans', *The Australian*, 28 June 1995, p.2; and David Jenkins, 'Massacre defender odd envoy choice', *The Sydney Morning Herald*, 28 June 1995, p.12.

²⁰⁷ Cameron Stewart, 'Indonesia envoy should explain Dili massacre comments: Evans', *The Australian*, 28 June 1995, p.2

²⁰⁸ Question without Notice, *CPD*, Senate, Volume 172, 29 June 1995, p.2142; Scott, *Gareth Evans*, pp.255-6.

²⁰⁹ Question without Notice, *CPD*, Senate, Volume 172, 26 June 1995, p.1723.

²¹⁰ Interview General J. Baker, 30 October 2000.

²¹¹ Watson, *Recollections of a Bleeding Heart*, p.603.

important post. Such a reaction is evidence of a lack of understanding of this country. The Australian government had frequently come under criticism from within Australia for its apparent desire to see things from the Indonesian point of view, no matter how distasteful that is for many Australians. The appointment can only give ammunition to those who argue that this stance is wrong.²¹³

For many Australians, the imbalance demonstrated a less than frank relationship. By accepting the appointment, Evans was conceding that his rhetoric on East Timor and the massacre were 'hollow'.²¹⁴ Only the Indonesian government could withdraw the appointment now that the Australian government had accepted it; a withdrawal would result in loss in face, and the Indonesian ruling elite was unprepared for change.

At first, Evans used the media to warn the Indonesian government of the public reaction to the appointment; he declared that unless Mantiri 'made a strong statement of explanation, he would face close and continuing questioning' from the public and the media.²¹⁵ He telephoned Alatas that a withdrawal should be effected, and a replacement nominated with a preference for a civilian rather than a service officer, and if it had to be a service officer, one who was not associated with military operations in East Timor.²¹⁶ The Indonesian government waited. The lack of political action was judged a test of personal relationships:

Haven't we been told ad nauseam, the critics will ask, how close Paul Keating is to President Soeharto? Haven't we been told ad nauseam about the excellent relationship Senator Evans has with his Indonesian counterpart, Ali Alatas? Couldn't they have signalled, privately, that they wanted somebody else?²¹⁷

The apparent deadlock was broken through another telephone call; with ministerial approval, General Baker rang Mantiri to reinforce the Evans' message that his time in

²¹² In Evan's absence, the Acting Foreign Affairs Minister, Gordon Bilney, signed the papers. Ministerial Statement, *CPD*, Senate, Volume 172, 28 June 1995, p.1980.

²¹³ Editorial, 'An unwelcome ambassador', *The Sydney Morning Herald*, 29 June 1995, p.12; and Mike Steketee, 'Softly-softly approach to Indonesia a failure', *The Australian*, 29 June 1995, p.11.

²¹⁴ *Ibid.*

²¹⁵ Geoff Kitney, 'Soeharto ignored warning in sending massacre defender', *The Sydney Morning Herald*, 28 June 1995, pp.1, 12; and Cameron Stewart, 'Cabinet to avoid Suharto envoy row', *The Australian*, 27 June 1995, p.3;

²¹⁶ From 1951 to 1995, Indonesia sent 15 ambassadors to Canberra; the first five were civilians, the next nine military, and the last Sabam Siagian, a civilian. Information provided by the Indonesian Embassy, Canberra, 3 November 2000.

²¹⁷ David Jenkins, 'Massacre defender odd envoy choice', *The Sydney Morning Herald*, 28 June 1995, p.12.

Canberra would be 'unpleasant'. Baker had additional concerns; ABRI had agreed to participate in *Kangaroo 95* in August, and the possibility now existed that Indonesia might withdraw from the exercise in retaliation to a withdrawal, thus exacerbating the situation beyond the political impasse.²¹⁸ After ten days of controversy Mantiri's appointment was withdrawn, and ABRI confirmed that Indonesian troops would participate in *Kangaroo 95*. Confirmation was also received that the Minister for Education and Culture, Dr Wardiman Djojonegoro, and the Minister of Manpower, Mr. Abdul Latief, would attend the Australia/Indonesia conference on vocational training and education in Australia. Unlike previous episodes in the relationship, the Indonesian government had not reacted to the forced withdrawal of Mantiri's appointment.²¹⁹ Keating later recalled that Suharto:

said he had been trying to convince his people that they should not lose patience over small incidents and allow them to harm the solid basis of the relationship. ... During the dispute ... we had good evidence that Suharto himself intervened in support of the relationship with Australia to cool the emotions of some of his hot-headed officials.²²⁰

Alatas acknowledged that Suharto had made the decision in the light of representations, but more so in relation to the political target that Mantiri would have become during his time in Canberra. Alatas was disappointed with the withdrawal and declared that the 'furore' over the appointment was 'irrational' and 'entirely out of proportion'; Alatas correctly believed that the appointment had become:

entangled in the rivalry among political parties in Australia in which agitations and demonstrations by political groups and irresponsible elements taking advantage of the situation will continue unabated'.²²¹

The post remained 'temporarily vacant' and was finally filled in December when the nomination of a civilian, Wiryono Suryohandoyo, was forwarded to the Australian

²¹⁸ General Mantiri surprisingly released detail of General Baker's telephone call to the Indonesian press, and alleged that the main part of the conversation was one of congratulations on the appointment, which General Baker later denied. Interview General J.S. Baker, 30 October 2000; Interview Hugh White, 2 November 2000; Cameron Stewart, 'Indonesia defence ties intact, says forces chief', *The Australian*, 13 July 1995, p.3.

²¹⁹ Patrick Walters, 'Indonesia confirms role in war games', *The Australian*, 17 July 1995, p.2.

²²⁰ Keating, *Engagement*, p.138.

²²¹ Patrick Walters and Cameron Stewart, 'Mantiri: Jakarta Retreats', *The Australian*, 7 July 1995, pp.1, 4.

government.²²² The incident had affected the Evans-Alatas relationship and could only have increased Indonesian caution during the discussions on the draft security agreement.²²³ The Mantiri affair brought into the open, the Indonesian government's concerns over 'the stability [in Canberra] and the courage necessary for strong bilateral relations'.²²⁴

The Burning of the Flags

1995 also saw, for the first time, Indonesian Special Forces invited to participate in the Kangaroo series of exercises in northern Australia. In response to Indonesian participation, demonstrators burnt a number of Indonesian flags outside the Indonesian consulate in Darwin and during protests in Melbourne. The burning of the flags coincided with Indonesia's Independence Day celebrations, which were of greater significance in 1995 because they celebrated 50 years of independence, and provoked an equivalent series of angry responses by Indonesians demonstrators outside the Australian embassy in Jakarta, including reciprocal burnings of the Australian flag.²²⁵ Robert Ray proposed that the burning of flags of friendly nations should be made illegal; his suggestion, however, was a form of political control on protesting and one that the Indonesian government had been requesting for many years. Evans had always argued that political freedom of expression was one of the major issues surrounding East Timor, and changes to the civil code to prevent political expression would only undermine representations made on human rights issues in East Timor. Ray's proposed ban was quietly forgotten.

The burning of the Indonesian flags had one other unheralded outcome. Keating's announcement of the gift of a new scholarship scheme, the Australia-Indonesia Merdeka Fellowships, to celebrate the 50th anniversary of independence, lost its moment in the ebb and flow of community criticism; and the paradox of the gift of the scholarships lay within

²²² 'Indon Envoy in early furore', *The Canberra Times*, 13 December 1995, p.1; Editorial, 'A sensible symbiosis', *The Age*, 15 December 1995, p.13.

²²³ Based on notes from Evans' office, Scott argues that it took Evans nearly all of ten days to conclude that the nomination had to be withdrawn, and Evans finally telephoned Alatas in the first week of July. Alatas withdrew the nomination on 6 July 1995. Scott, *Gareth Evans*, p.256.

²²⁴ Interview General J. Baker, 30 October 2000.

²²⁵ Greg Sheridan, 'No sign of calm in this turbulent relationship', *The Australian*, 23 August 1995, p.7.

the scheme's objective: to improve inter-community understanding through mid-career exchanges between selected Australian and Indonesian young achievers.²²⁶

Australia, East Timor and the International Court of Justice

In 1991 Portugal challenged Australia in the International Court of Justice over the treaty struck two years earlier with Indonesia to establish a zone of cooperation in the Timor Gap for exploration and exploitation of oil and gas reserves. Unlike Australia, the United Nations continued to recognize Portugal as the colonial authority, and Portugal's challenge was made to test the legality of the Indonesian invasion. Portugal claimed the agreement was unlawful because it should have been negotiated with Portugal rather than Indonesia since Portugal was still the 'administrative power' before the invasion of East Timor in 1975. After four years of paperwork, legal argument and public hearings, the 14 to 2 decision was handed down against the Portuguese case on Friday 30 June 1995. The majority decision ruled that it could not adjudicate on the dispute because the subject matter related to the rights and obligations of a third party, Indonesia, which did not accept the Court's jurisdiction. The Court's decision was a procedural one, but judicial comment was expressed on the ambiguity of the Australian case.²²⁷

The Australian argument rested on the Court first determining the 'lawfulness of Indonesia's presence in East Timor', which it could not consider without the participation of Indonesia. The second element of the Australian case rested on less substantive grounds of morality and the issue of self-determination. During the first half of 1995, Evans began talking more explicitly about Australia's support for self-determination for East Timor in parallel with its 'support of Indonesian sovereignty over the territory'. 'We have made the judgement', Evans declared:

over many years, that the realities of international life and the nature of international willingness to go down the path of recognizing rights for self-determination and so on are so limited and the

²²⁶ Keating, *Engagement*, p.135.

²²⁷ Colin Brown, 'Australian Foreign Policy: July-December 1995', *The Australian Journal of Politics and History*, Volume 42, Number 2, 1996, pp.145-159; 'E Timor actions unprincipled', *The Australian*, 3 February 1995, p.7; Lenore Taylor, 'Evans acts to protect Jakarta's sensitivities', *The Australian*, 7 February 1995, p.3; Helen Trinca and Damon Firth, 'Timor ruling to put Canberra in the world spotlight', *The Australian*, 29 June 1995, p.2.

realities are such that the human rights of the East Timorese people are better pursued through active encouragement and general international pressure on Indonesia to do that.²²⁸

The Evan's argument was a continuation of his 1991 justification of how self-determination should be conducted. In his view, self-determination should only be realized through the United Nations, 'but until such time Australia is in its rights to recognize Indonesian sovereignty over the former colony.'²²⁹ The Court accepted the procedural argument but questioned the self-determination justification. In the judges' views, recognition of Indonesian sovereignty 'did not by logical necessity signify [that] Australia no longer recognises East Timor as a non-self-governing territory or its people as having a right to self-determination'. One judge observed that Australia's actions in signing the treaty 'may well be incompatible with the rights of the people of East Timor'.²³⁰ In Australia's case, the Court's decision was the most politically manageable of the possible outcomes. Had Portugal won, the government would have been pitched into a foreign policy dilemma in deciding either to accept a negative ruling and alienate Indonesia or ignore the Court and tarnish its reputation as a good international citizen; and the procedural victory, rather than a victory on the merits of the case, negated a potentially damaging domestic backlash.²³¹

The case was one more indication of an emerging nation called East Timor. Ramos Horta did not need to offer criticism of the Court's decision because East Timor was perceived by many to have been the moral victor. International publicity for self-determination amply satisfied the objectives in lodging the case with the Court, and the procedural victory did not sour relations with Australia or with Australian companies committed to mining activities in the Timor Gap. Good relationships with business were important for East Timor's future after independence, and this did not escape Ramos Horta's attention; he had always argued that East Timor would eventually achieve nationhood, and Timor Gap mining would generate a sizeable portion of the country's earnings. The Court's decision, however, had indirectly exposed the inadequacies of the Australian government's position; and, by agreeing to the Timor Gap treaty, the government was caught between 'morality

²²⁸ Question without Notice, *CPD*, Senate, Volume 149, 26 November 1991, p.3297.

²²⁹ Cameron Stewart, 'Portuguese used Timor Gap case to test Indonesia', *The Weekend Australian*, 1-2 July 1995, p.2.

²³⁰ *Ibid.*

and realism' in national policy-making; progress on self-determination could only be achieved with the Indonesian government's approval; and self-determination would lead to a re-negotiation of the treaty. To be sure, the Court's decision strengthened Australian domestic sympathy for the plight of the East Timorese at the expense of support for Indonesia, and these were conditions ripe for exploitation in the approaching federal election.

KEATING'S LEGACY

By the beginning of 1996, the Keating government's credibility had suffered through continued speculation, disbelief and distrust over the government's dealings with Indonesia. Liberal party polling during January 1996 revealed a 'strong, negative response' to the Security Agreement although criticism was not so much targetted at the concept or its content but at the secrecy and the lack of public consultation during the negotiations. This was an unfair assessment because treaty-making is the province of the executive rather than parliament in the Westminster system. Many Australians, however, were angry at Keating's television declaration that he 'had kept the negotiations secret because otherwise there probably wouldn't have been a treaty'.²³² Labor party polling confirmed the Coalition's data that election advantages could accrue to the Coalition parties if Keating and those policies closely associated with him were targeted for differentiation.²³³ For many Australians, Keating and Indonesia, Keating and Suharto, Keating and the Security Agreement, and the Keating government and East Timor were all intimately intertwined; if one connection was considered unsatisfactory, then all connections were deemed equally unsatisfactory.²³⁴

There were additional intrinsic connections with the past that worked to discredit the Keating government; after some years of escalating criticism of government policy on

²³¹ Cited in Helen Trinca, 'World Court bypass leaves gap in East Timor debate', *The Australian*, 3 July 1995, p.13.

²³² Liberal party polling data and Keating's interview quotation from the 7.30 Report, ABC TV, 14 December 1995, cited in Pamela Williams, *The Victory. The Inside Story of The Takeover of Australia*, Allen & Unwin, St Leonards, 1997, p.182.; and Interview Hugh White, 2 November 2000.

²³³ Watson, *Recollections of a Bleeding Heart*, pp.689-9.

²³⁴ Interview Kim Beazley, 21 March 2002.

Indonesia, the respectability of Australian governments had languished. In 1996 the Keating government now represented all that had come before. Other Australian governments had participated in secret discussions with the New Order government before, during and after the invasion of East Timor; governments had used secrecy to counter domestic opposition in preparing the political groundwork before announcing *de jure* recognition of East Timor's incorporation; governments had used secrecy to hide detail on Indonesian activities in East Timor; and all governments since the attempted coup of September 1965 had placed the bilateral relationship ahead of issues such as independence for East Timor and Indonesian human rights abuses. The Keating government, like previous governments, had opportunities to improve the domestic climate by improving Australian confidence in the relationship. Early in his first term of government, Keating recognized the importance of overcoming Australian ignorance of Indonesia and its cultural, political and social traits. This could easily have been attempted in the first instance through the early release of information on the 1975 invasion and the killings at Balibo; but this was never done. Like previous governments, the Keating government remained sensitive to the fragility of the relationship in circumstances when unsavoury information is released on Indonesian military activities.

The announcement of the secretly negotiated Security Agreement only exacerbated the sentiments of suspicion that more Australians now attached to the government's dealings with Indonesia. Coalition campaign material for the coming election would therefore publicize a foreign policy less focused on engagement with Asia, and by association less focused on Indonesia, and on a defence policy that promised a review of defence cooperative activities with Indonesia. Human rights abuses in East Timor would also be declared a Keating government failure.²³⁵ For many, however, Keating's prime ministerial legacy will always be associated with his 'magnificent obsession' with Indonesia. He had identified that Suharto's New Order had brought profound benefits to Australia, and would continue to do so because 'no country was more important to Australia than Indonesia'. In the 30-year history of the bilateral relationship during the New Order, only Keating was

²³⁵ Rawdon Dalrymple, 'Perspectives on Australian Foreign Policy 1996', *Australian Journal of International Affairs*, Volume 51, Number 2, 1997, pp.243-5.

able to secure a security agreement with Indonesia that acknowledged the geostrategic imperatives that underpin Australian security. Australian security with Indonesia was by 1996 a fabric of political, social, economic and military interrelationships that supplied ballast to the ongoing management of a relationship between two unequal neighbours. The Security Agreement embodied the best elements of common security; the Agreement signalled an Australian commitment to achieve security with Indonesia, not against it, and the Agreement confirmed the success of the confidence building measures that Evans and others had catalysed from 1989. The Agreement personified the state of the bilateral relationship in 1996, but its continued health depended on Suharto and Keating. If one or both departed from the leadership, then the bilateral relationship and the Security Agreement would be exposed to the vagaries of different diplomacy.²³⁶

²³⁶ Interview Hugh White, 2 November 2000; and Interview Kim Beazley, 21 March 2002.

CHAPTER 8

THE END OF SECURITY COOPERATION: THE HOWARD GOVERNMENT AND INDONESIA 1996-1999

THE HOWARD GOVERNMENT

On 2 March 1996, John Howard led the Coalition parties to victory at the federal election. Alexander Downer was sworn in as the Minister for Foreign Affairs and Ian McLachlan as Minister for Defence. The manifesto, *A Confident Australia*, outlined the Coalition's foreign and defence policies for the general election without specifying a grand rationale or global framework.¹ Economic themes predominated, intimating security benefits through improved trade arrangements; the manifesto did suggest more emphasis on bilateralism, rather than multilateralism, and expressed a commitment for closer engagement with Asia, which was declared the Coalition's 'highest foreign policy priority'. For some, the manifesto offered a marked policy differentiation with the Keating government; for others, the language of the document diminished its intellectual attraction.² Electioneering statements by Howard, Downer and McLachlan offered little clarification. On 15 January 1996, Downer insinuated that a change of government in Australia would lead to an improvement in relations between Malaysia and secure a place for Australia at future Asia Europe meetings (ASEM).³ Downer affirmed that defence cooperative activities with Indonesia would be reviewed, humanitarian aid to East Timor increased, and a consulate established in Surabaya.⁴ These disclosures suggested a mood for change in the Coalition's

¹ Colin Brown, 'Problems in Australian Foreign Policy: January-June 1996', *Australian Journal of Political Science*, Volume 42, Number 3, 1996, p.331; Greg Sheridan, 'Foreign policy reveals a rare coalition of interests', *The Australian*, 14 February 1996, p.9.

² Liberal Party of Australia, *A Confident Australia*, Canberra, January 1996, paragraph 1.1. Brown commented that some of the phraseology in the manifesto revealed a 'dated mindset'. For example, 'Turning our backs on the East does not however mean turning our backs on the West', suggested Cold War subliminal themes and colonial themes of Asia and the 'East'. Brown, 'Problems in Australian Foreign Policy: January-June 1996', p.331.

³ Cited in Gerard Henderson, 'Special ties, the Australian way', *The Sydney Morning Herald*, 24 November 1998, p.13.

⁴ Williams, *The Victory*, p.207.

approach to Indonesia; the disclosures did not engender decisive political scrutiny; and the Coalition's security policies remained untouched by public debate.⁵

The Coalition was able to promote the subliminal theme of Keating and Asia into an anti-Keating vote, which was accentuated by Keating's attempts to paint Howard as 'yesterday's man', someone who would shift the country's orientation 'backwards' to the United Kingdom and Europe.⁶ Keating declared that Howard's incapacity to build a working alliance with Suharto would diminish the current close relationship. In Keating's view, Howard did not have the personality to develop relationships with Asia's leaders; and, through Howard's focus on domestic economics, would undermine, even ignore, the benefits that Keating, with Suharto's assistance, had generated through a re-invigorated APEC.⁷ Keating's accusations were perhaps simplistic; it would be an imprudent regional government to refuse to engage with a newly elected government; and it was conveniently forgotten that Howard had visited Indonesia in 1985, held discussions with Suharto and Murdani, and formed the opinion that the Hawke government was not devoting sufficient time to Indonesia.⁸

During 1995 Downer argued for a tougher stance on human rights, which, he declared, should be pursued in the broader context of foreign policy objectives. His concerns were primarily focused on Keating and Indonesia; in one speech he accused Keating of ignoring human rights issues 'three times in the past 18 months':

The prime minister has caused a furore through his inaction on human rights issues in Indonesia ... Mr. Keating is willing to deal only with the easy and attractive parts of the relationship ... failing to

⁵ Brown, 'Problems in Australian Foreign Policy: January-June 1996', p.331.

⁶ Manne interpreted the election result to be a rejection of Keating's 'big picture' politics of APEC, Asia and multiculturalism. Robert Manne, 'The Strange Collapse of the Keating Government', *The Weekend Australian*, 20-21 April 1996, p.23.

⁷ See, for example, Michael Gordon and Don Greenlees, 'Asia won't work with Coalition: Keating', *The Australian*, 2 February 1996, p.2; and Don Greenlees, 'Foreign policy on hustings map caught Coalition by surprise', *The Australian*, 5 February 1996, p.6.

⁸ 'Australia has neglected Indonesia, Howard says', *The Sydney Morning Herald*, 24 April 1986, p.4. See also Editorial, 'Military Links with Asia', *The Sydney Morning Herald*, 17 April 1995, p.10.

represent Australia's national interests. Human rights issues had to be seen as an inseparable part of Australia's foreign policy.⁹

This was not the sentiment that the Indonesian ruling elite expected from a prospective foreign minister. Human rights issues, a review of bilateral defence activities and possible adjustments to economic aid suggested a major realignment in the relationship.¹⁰ Moreover, the Indonesian government could not have ignored the first Keating-Howard television election debate in which Howard responded to his first question with an attack on the secrecy surrounding the negotiation phase of the Security Agreement. Howard's criticism was not directed at the Agreement but pragmatically reflected polling that many Australians were dissatisfied with Keating's secret negotiations.¹¹ Attacking Keating's secret foreign policy machinations offered an election advantage because they complemented the sentiments of suspicion that many Australians attached to the government's dealings with Indonesia.

Internationally, the attacks generated uncertainty and change, the direction of which was problematic to policy-makers across the region.¹² The Indonesian press was anxious to confirm whether the new Howard government would continue to recognize Indonesia's centrality to Australia's relations with South East Asia. Some commentators contemplated extreme possibilities. Australia was set for a 'permanent winter sleep under an inward-looking Coalition government', warned a former ambassador to Australia.¹³ *Kompas* editorialized that the Howard government 'would give greater priority to domestic affairs'; Australia could perhaps become 'isolated' in the Asian region; *The Jakarta Post* more politely contemplated the uncertainty:

We in Indonesia are naturally anxious to see what moves Howard's government will be making in connection with Australia's neighbours ... Will the new Australian Cabinet 'revise' the relations

⁹ Cited in Cameron Stewart, Chip Le Grand and John Ellicott, 'Downer isolated on Indonesian criticism', *The Australian*, 13 April 1995, pp.1-2. See also Patrick Walters, 'Indonesia wary of Downer's position', *The Australian*, 11 March 1996, p.2.

¹⁰ See Patrick Walters, 'Jakarta to ratify security pact', *The Australian*, 12 June 1996, p.2.

¹¹ Williams, *The Victory*, p.182.

¹² Interview Hugh White, 2 November 2000.

¹³ Attributed to Sabam Siagian, who added 'for one thing, the problem of a new Government will be the lack of talent', cited in Patrick Walters, 'Indonesia wary of Downer's position', *The Australian*, 11 March 1996, p.2.

which have been so intensely nurtured by Paul Keating – including his close personal relationship with President Suharto?¹⁴

In speeches immediately after the election, Downer defined the major premise of the Coalition's bilateralism:

It is the state, rather than culture or civilization, which continues to be the primary locus of power and identification. It is the state that is the primary source of political power. Despite the influence of transnational corporations and international capital flows, it is the state that remains the primary economic unit. This realist approach states the theoretical framework in and through which Australia approaches its engagement with Asia ... This is why this Government is so committed to restoring a proper focus on bilateral relations as the basis of its foreign policy.¹⁵

Bilateralism founded on a realist platform was preferred to multilateralism, but only as a pragmatic doctrine to explain activities outside the mainstream of economic and security opportunities stemming from associations, such as APEC, ASEM, the Cairns Group, and the ASEAN Regional Forum; bilateralism appeared to renew opportunities while maintaining benefits from extant arrangements. This was of necessity a slippery paradigm. When the new government declared the requirement for 'stronger regional links' through the multilateral nature of the ASEAN Regional Forum, Howard and Downer were identifying the need to participate in regional security dialogue through stronger bilateral relations; in agitating for participation in the ASEM, Downer was reflecting the objective of successive governments in cementing Australian participation in regional arrangements. Thus, bilateralism, multilateralism and regionalism were complementary mechanisms that could enhance Australia's security interests.¹⁶

In the case of Indonesia, little difference in the bilateral relationship was intended for good economic reasons. Bilateral trade increased threefold during the period 1993-1995,

¹⁴ From *Republika*, cited in *Ibid.*

¹⁵ 'Australia and Asia: Taking the Longer View', Speech by Alexander Downer, Australia in Asia Series, Parliament House, Canberra, 23 May 1996. See also 'Security through Cooperation', given at the conference, 'The New Security Agenda in the Asia-Pacific Region, Canberra, May 1996, in Helen Hookey and Denny Roy, (Editors), 'Australian Defence Planning: Five Views from Policy Makers', *Canberra Papers on Strategy and Defence*, Number 120, Strategic and Defence Studies Centre, The Australian National University, Canberra, 1997, pp.39-50.

¹⁶ This theme was central to the government's approach to foreign and trade policies. See Commonwealth of Australia, *In the National Interest, Australia's Foreign and Trade Policy White Paper*, National Capital Printing, Canberra, 1997, pp.53-62.

reaching \$A3.8 billion, and in the same period the Indonesian government approved new Australian private investment projects totalling some \$A3.7 billion. Trade and investment were indeed healthy.¹⁷ After the election, the Coalition once again endorsed the Security Agreement, which gave justification to the combined military exercises currently underway; and contrary to Downer's election promise, no review of defence activities was ordered by Cabinet or carried out in the Department of Defence. Indeed, during the first year of the Howard government, the number of defence cooperative activities increased.¹⁸ It seemed that pre-election policy declarations did not strictly discipline the new government's activities.

The Coalition government also accepted the importance of the personal element in the relationship and, in the manner of their predecessors, the new Foreign Minister visited Indonesia in April, followed in May by Tim Fischer, the Deputy Prime Minister and Minister for Trade, the Defence Minister in June and the Prime Minister in September.¹⁹ Political, economic, trade and military contact continued as normal, as did the occasional issue that tested the strength of the relationship, including East Timor, which remained, in Alatas' words, 'a pebble in each nation's shoe'.²⁰ It was business as usual, although Keating's accusations, that a Howard government was incapable of managing Australia's relations with Asia and that Howard and Downer were equally incapable of developing good working relationships with regional leaders, needed to be neutralized early to assure neighbouring countries of the new government's intentions and to address lingering domestic perceptions. This could be accomplished quickly and dramatically through better relations with Indonesia, where relations were universally perceived to have been Keating's personal success.²¹

¹⁷ In 1995, Australian exports to Indonesia totalled \$A2.4 billion. Cited in Patrick Walters, 'Indonesian trade talks buoy Fischer', *The Australian*, 15 May 1996, p.2.

¹⁸ Interview General J.S. Baker, 30 October 2000; and Interview Hugh White, 2 November 2000. See also Appendix 3.

¹⁹ The Prime Minister's visit was postponed from 11-13 August to September because of family reasons. Patrick Walters, 'PM places Jakarta trip at top of itinerary', *The Australian*, 23 May 1996, p.2.

²⁰ Quotation is attributed to Ali Alatas and cited in Editorial, 'Downer's visit to Indonesia', *The Australian*, 19 April 1996, p.12.

²¹ Interview Hugh White, 2 November 2000. See also Don Greenlees, 'PM focus on stronger regional security links', *The Australian*, 2 May 1996, p.2.

THE FOREIGN MINISTER'S VISIT TO INDONESIA

In April 1996 Downer visited Indonesia for his first official talks. The three-day visit was the first leg of a regional itinerary, which included Singapore and Thailand. He reassured Alatas that Asia remained Australia's highest foreign policy priority – a message welcomed by Alatas – and declared that relations with 'Jakarta were fundamentally important' to Australia's regional diplomacy. Downer elicited Indonesian support for Australia's participation in the next ASEM summit in 1998, which was viewed as a prerequisite in seeking ASEAN endorsement for Australian participation. In securing Indonesian support, Downer claimed a foreign policy outcome that Keating was unable to realize. The triumph was illusionary; an examination of Alatas's commitment identified conditional support on the basis of ASEAN 'consensus within the group'; and ASEAN consensus was unachievable in the immediate period because Malaysia continued to oppose Australia's involvement, which meant that Australia did not participate in the 1998 ASEM summit.²²

Downer raised the concept of enhanced ministerial meetings, which Alatas supported in principle. The proposal would alter the present ministerial forum arrangements to parallel similar arrangements that Australia enjoyed with the United States. The agenda of the Australia-United States Ministerial meeting (AUSMIN) featured security and trade issues, discussion of which offered the potential to share regional perspectives, diminish ambiguity and clarify political intent.²³ A similar arrangement with Indonesia would add 'flesh' to the Security Agreement and provide evidence that the Howard government was genuine in its commitments to Indonesia. Alatas's endorsement enabled the Departments of Defence and Foreign Affairs and Trade to develop the proposal for discussion at the first meeting of the National Security Committee of Cabinet, a first step in having in place a substantive framework for Howard to discuss with Suharto during his visit to Indonesia. An announcement during the Prime Minister's visit would demonstrate the beneficial effects of

²² Don Greenlees, 'Jakarta will back Asia-Europe summit seat bid: Downer', *The Australian*, 17 April 1996, p. 1

²³ Interview Hugh White, 2 November 2000.

the visit and prove that Keating was not the only prime minister who could establish a close personal and working relationship with the Suharto government.²⁴

East Timor, however, dominated discussions, with Downer seeking to 'bring a more practical approach to resolving tensions in the province'. Downer was adjusting from opposition to government and to the newly perceived need for a less strident approach to human rights issues, the change having been flagged by Howard's pragmatic approach to human rights issues in his April 1995 speech.²⁵ Downer suggested: 'We don't want the issue to be the one that overwhelms the relationship, but it is an issue that needs to be addressed'.²⁶ His approach provided opportunities to re-visit some of the suggestions that Evans had offered after the Dili massacre, including the additional election promise of aid to boost employment in the province.²⁷ During a 30-minute call with Suharto, Downer was reported to have raised East Timor 'prominently' in the discussions.²⁸ By the end of the visit Downer had signalled the government's desire to build on the achievements of the Keating government; however, little progress was made on East Timor. Conditions in the province had not improved despite Jakarta's spending more money per head of population in East Timor than in any other province, and Indonesia's brutal, military-led policies of repression had only intensified political and military resistance.²⁹ *The Australian* editorialized:

There were political as well as moral reasons to motivate a change of course on East Timor. Unless this happens, international suspicion and criticism will only strengthen, damaging Indonesia's reputation and interrupting its internal development ... The Australian people have genuine humanitarian concerns about East Timor and other regions where state-backed torture and oppression are practised. It is proper for our government to take every opportunity to reflect these concerns ... However, an effective foreign policy has to be founded on realism ... This does not mean human

²⁴ The first meeting of the National Security Committee was postponed because of the Port Arthur massacre. Interview Hugh White, 2 November 2000; Don Greenlees, 'PM bids to advance Jakarta Pact', *The Australian*, 1 May 1996, p.2.

²⁵ See p.380.

²⁶ Don Greenlees and Patrick Walters, 'Downer takes quiet line on E Timor', *The Australian*, 16 April 1996, p.2.

²⁷ See Chapter 7, p.324.

²⁸ Don Greenlees, 'Jakarta will back Asia-Europe summit seat bid: Downer', *The Australian*, 17 April 1996, p.1

²⁹ Editorial, 'Downer's visit to Indonesia', *The Australian*, 19 April 1996, p.12.

rights issues should be ignored – although such issues can often be pressed to more effect in private rather than in public forums.³⁰

The Downer approach differed little from the previous government's attempts to find solutions with, rather than for, Indonesia. Downer accepted that an improvement in the situation in East Timor could not be achieved if Australia were simply to 'heckle and lecture'; instead, he now stressed 'constructive engagement' with Indonesia to find solutions.³¹ Overall, Downer's visit seemed to be a success. Regional perceptions on the Howard government's foreign policy intentions were addressed, and progress was achieved through Indonesia's conditional support for Australian participation at the next ASEM summit. The intellectual framework of bilateralism, however, had lost some of its glamour; Downer later declared at a press conference in Singapore that security benefits accrue through increased economic integration, and integration and geography dictated that Australia would conduct relations with the region 'on a multilateral rather than a bilateral basis'.³² The security policies of the Keating and Howard governments now seemed remarkably similar.³³

THE DEVELOPMENT IMPORT FINANCE FACILITY

Some differences did emerge as part of the new government's treatment of the projected budget shortfall of some \$A8 billion with the decision to end the concessional aid program, the Development Import Finance Facility (DIFF).³⁴ The DIFF budget totalled some \$A123 million and provided soft loans to Australian companies to finance regional projects in the environment, telecommunications, transport and rural energy areas. The allocations increased the value of overseas aid through support for Australian industry. For example, Transfield received some \$A155 million between 1982 and 1995 for construction activities

³⁰ *Ibid.*

³¹ Don Greenlees, 'Downer passes easy first assignment', *The Weekend Australian*, 20-21 April 1996, p.4

³² *Ibid.* See also Greg Sheridan, 'Howard enlarges "big picture" approach to foreign policy', *The Australian*, 24 April 1996, p.9.

³³ Ron Corben, 'Downer sticks to Evans line on Burma', *The Australian*, 23 April 1996, p.2.

³⁴ For a summary of budget savings, see Ian Henderson, '\$8bn cut: PM to tell all in August', *The Australian*, 22 April 1996, p.1; and Editorial, 'The DIFF should be preserved', *The Australian*, 20 June 1996, p.12. For regional reactions to the cancellation of DIFF, see Stephen Hutcheon, 'Canberra's aid decision causes headache', *The Sydney Morning Herald*, 20 July 1996, p.24.

mostly in Indonesia and China, the majority of which was spent in Australia.³⁵ The beneficial impact of the scheme was not publicized by the Howard government, although it was known from an earlier speech by Phillip Flood, the head of the AIDAB, that between 1981 and 1992 the \$A285 million spent through the DIFF scheme generated \$A838 million worth of business for Australia.³⁶ For fiscal year, 1996-97, 86 Australian companies had applied for DIFF assistance for construction activities, principally in China, the Philippines, Vietnam and Indonesia. These were now cancelled, costing Australian companies and host governments' project planning expenses, as well as damaging the government's credibility on its commitment to the region.³⁷

The government's justification of the decision was debatable; the Coalition had signalled as a pre-election indicator that foreign aid would be reviewed after the election; the review was in train, however the decision on DIFF was made before the review was completed, which only questioned the relevance of the review and undermined the government's rhetoric.³⁸ Addressing the projected budget deficit through the cancellation of DIFF was an acceptable change in the short-term, but the manner of the announcement in which little consideration appeared to be given to current projects only added to the perception of a government determined to end the scheme quickly. Downer argued:

that humanitarian programs which provided aid to people in desperate need had greater priority than those DIFF-related programs, such as the \$A60 million project for search and rescue vessels for the Philippines and a subway development program in Shanghai, which were only marginal in alleviating poverty. The DIFF scheme has long been a controversial part of Australia's aid program and criticized as a subsidy for Australian business.³⁹

Downer supported the conclusions of the 1984 Jackson Report in which poverty alleviation was considered the main objective of foreign aid. Although Jackson suggested that infrastructure development could benefit poverty alleviation, Downer believed 'aid is not a subsidy to business nor a mere extension of foreign policy objectives. It is not diplomacy

³⁵ Alexander Downer, 'Defending the decision on DIFF', *The Australian*, 25 June 1996, p.13.

³⁶ Stephen Hutcheon, 'Canberra's aid decision causes headache', *The Sydney Morning Herald*, 20 July 1996, p.24.

³⁷ For a contrary view on why the decision was correct, but clumsily handled, see George Fane, 'The economic relationship', in Sulaiman *et al.*, *Bridging the Arafura Sea*, pp.73-4.

³⁸ Don Greenlees, 'Review to focus on overseas aid on cutting poverty', *The Australian*, 29 May 1996, p.4.

³⁹ Alexander Downer, 'Defending the decision on DIFF', *The Australian*, 25 July 1996, p.13.

by other means'.⁴⁰ These were admirable sentiments that hinted at a reallocation of the DIFF monies, or a sizable part of the \$A123 million, to humanitarian assistance. This did not happen; after completion of the review, total foreign aid was reduced further.⁴¹

Perhaps the more disappointing aspect of the decision lay in the attempts of the Foreign Minister to deny that the abolition of the DIFF scheme did not generate adverse regional criticism. On 18 June 1996, Downer told the House of Representatives:

not one minister – be he a foreign minister or an economic minister – has expressed any concern to me about the abolition of the DIFF program. Not one! If this was an issue of some deep and abiding concern to the few countries that you mention (China, Indonesia and the Philippines), as the Labor party spuriously tries to claim then you would have thought that they would raise it with me.⁴²

This was an incorrect statement, which Downer was forced to retract with embarrassment because China, the Philippines and Indonesia all at different times made representations.⁴³

In the case of Indonesia, during Downer's first visit to Jakarta, the proposed cancellation of DIFF projects was raised by the Minister for National Planning, Mr. Ginandjar, and later by the Minister of Technology, Dr. Habibie, during separate discussions on 16 April 1996, when special arrangements were requested for a small number of ongoing infrastructure projects.⁴⁴ Downer's public misrepresentation of the Indonesian reaction only added to his personal embarrassment, and re-focused attention on the genuineness of the Howard government's commitment to Indonesia. If the Howard government was unable to assemble some form of special assistance for Indonesia, in the manner of previous governments, what then did this convey for the future relationship?⁴⁵ Downer had used the

⁴⁰ Don Greenlees, 'Review to focus on overseas aid on cutting poverty', *The Australian*, 29 May 1996, p.4. For an analysis of the Jackson Report, see David Lim, 'The Jackson Report on Australia's Aid: The Underlying Framework' and W.R. Stent, 'The Jackson Report: A Critical Review', in *Australian Outlook*, Volume 39, Number 1, April 1985, pp.19-22 and 33-38 respectively.

⁴¹ The 1996-97 Budget allocated 0.27 per cent of GNP for aid. Don Greenlees, 'ALP won't trade on foreign aid spending', *The Australian*, 20 October 1997, p.2.

⁴² Question without Notice, CPD, House of Representatives, Volume 207, 18 June 1996, pp.2064-5.

⁴³ Greg Sheridan, 'Downer retreats on aid claim', *The Australian*, 25 June 1996, p.1; and 'Downer in trouble as he dumps the script', *The Australian*, 26 June 1996, p.13.

⁴⁴ Questions without Notice, CPD, House of Representatives, Volume 207, 26 June 1996, pp.2792-3, 2797, 2798-2817. The Opposition followed Question Time with a motion of censure on the Foreign Minister for 'his repeated misleading of the House on regional concerns with the abolition of the DIFF program and calls upon him to resign'. The censure motion was based on Indonesian reporting in *Kompas* on the DIFF scheme, with its headline of 'Australian Foreign Minister lied over Habibie and Ginandjar'. *Kompas*, 26 June 1996, p.1.

⁴⁵ *Ibid.*

time-honoured 'gnostic fallacy' to deflect domestic criticism through the declaration that diplomatic private discussions confirmed regional support for the ending of the DIFF scheme.⁴⁶ The deliberate leaking by Indonesian officials of the contents of the private discussions with Downer was an untypical Javanese ploy and highlighted dissatisfaction with Downer and the new Howard government.

THE SIMONS COMMITTEE REPORT

In April 1997 the government received the long awaited review into foreign aid and assistance. The Report, *One Clear Objective: Poverty reduction through sustainable development*, was chaired by former Woolworths' boss, Paul Simons, and recommended a simplification of the objectives of the program to one principle objective - the alleviation of poverty.⁴⁷ This was not unexpected, noting Downer's arguments in terminating the DIFF scheme. The Simons Committee recommended a geographic focus on South East Asia, a reduction in minor aid programs, and an 'untying' of the program from Australian businesses. Comprehensive monitoring of projects, including a new evaluation of NGO programs, was also recommended. The report acknowledged that Australia would never be able to achieve the United Nations target of 0.7 per cent of ODA/GNP in the current circumstances, to which the Whitlam government pledged support in 1972.⁴⁸ The current level of expenditure, some 0.27 per cent or \$A1429.9 million in 1996-97, was considered a more realistic target level of expenditure.⁴⁹ Under the new framework, Indonesia experienced a reduction in assistance to \$A88.9 million for fiscal year 1997-98.⁵⁰ The objective of reducing poverty shifted the geographic focus onto the eastern part of the Indonesian archipelago, concentrating on five distinct sectors: education and training,

⁴⁶ Greg Sheridan, 'Downer in trouble as he dumps the script', *The Australian*, 26 June 1996, p.13.

⁴⁷ See the government's response to the Simon Report: Ministerial Statement, 'Better Aid for a Better Future', CPD, House of Representatives, Volume 217, 18 November 1997, pp.10635-9. For further detail on aid dispersion, see Question on Notice No.1829, CPD, House of Representatives, Volume 216, 20 October 1997, pp.9297-9 and Question without Notice, CPD, House of Representatives, Volume 216, 21 October 1997, pp.9352-3;

⁴⁸ Don Greenlees, 'ALP won't trade on foreign aid spending', *The Australian*, 20 October 1997, p.2.

⁴⁹ Over 85 per cent of Australia's total aid program was spent in the Asia Pacific region. In 1997-98 \$A260 million, or 18 per cent of the aid budget, focused on ASEAN member countries. Joint Standing Committee on Foreign Affairs, Defence and Trade, *Australia and ASEAN: Managing Change*, Australian Government Printing Service, Canberra, March 1998, p.170.

⁵⁰ AusAID later confirmed that the final expenditure for 1997-98 was \$A102.684 and not \$A88.9 million. See Appendix 1.

agriculture and rural development, economic and social infrastructure, environmental management and health.⁵¹ The recommendations confirmed the new arrangement, which was agreed in principle in 1996 and launched in April 1997.⁵² In addition, Indonesia received further assistance through the ASEAN-Australian Economic Cooperation Program, although only a small proportion of aid, some \$A5.9 million, was allocated for use through ASEAN.⁵³

APPOINTMENT OF THE NEW AMBASSADOR TO JAKARTA

Downer's reputation, by his own admission, suffered further through the Miles Kupa nomination in May 1996 as Australia's next ambassador to Jakarta. The appointment was sensitive, partly because it was diplomatically appropriate to have in Jakarta an accredited ambassador for the prime ministerial visit later in the year, and also because the Mantiri debacle was not yet 12 months old.⁵⁴ The Mantiri debacle had generated unnecessary bilateral dissonance; so diligence, caution and rigor should have commanded the selection process for the new ambassador. Miles Kupa was obliged to withdraw his nomination because of publicity surrounding his 1988 confidential briefing in which he was critical of corruption in the Suharto government and the commercial activities of the Suharto family. At the time, he recommended that 'Australia should distance itself from the Soeharto regime and look to the longer-term relationship' – comments if made public could undermine his capacity to work with Suharto.⁵⁵

⁵¹ Joint Standing Committee Foreign Affairs, Defence and Trade, *Sharpening the Focus: Report on a Seminar on the Simons Committee Report*, Australian Government Printing Service, Canberra, October 1997; AusAID, *Aid Budget Summary, 1997-98*, pp.1-2.

⁵² The new arrangements are more commonly referred to as the Australia-Indonesia Development Area (AIDA). Commonwealth of Australia, *In the National Interest, Australia's Foreign and Trade Policy White Paper*, p.87.

⁵³ These allocations do not include multilateral assistance through agencies such as the World Bank, the IMF, the Asian Development Bank and its associated funds, or the United Nations Development agencies.

⁵⁴ Patrick Walters, 'Howard places Jakarta trip at top of itinerary', *The Australian*, 23 May 1996, p.2. The withdrawal of the nomination resulted in Alan Taylor's extension as ambassador to cover the prime ministerial visit.

⁵⁵ He also described Suharto as 'little big man'. Peter Hartcher, 'Govt urged to shun Soeharto', *The Sydney Morning Herald*, 10 March 1992, pp.1-2. See also Patrick Walters, 'Indonesia examines envoy report', *The Weekend Australian*, 15-16 June 1996, p.2.

Some four years later, in March 1992, notes of Kupa's briefing were leaked to the Channel Nine television network. Unlike the reaction to the Jenkins articles in 1986, no Indonesian protests were lodged, ministerial visits were not postponed, defence cooperative activities continued, and the incident was quietly forgotten until Kupa's nomination in 1996.⁵⁶ Jenkins reflected that the Indonesia of 1992 was not the Indonesia of 1986:

This time, the loyalists will probably remain silent, if only because it is widely believed that Indonesia overreacted in 1986. Nor can it be said with any certainty that the flag-wavers will be out in force. Some of those who supported Soeharto in 1986 are now harshly critical of the President, at least in private. They may seize on this issue to further white-ant the leadership. But they may choose to do nothing.⁵⁷

The Indonesia of 1992 was also different to the Indonesia of 1996. The Indonesian government accepted the briefing notes to be an internal matter for Australia, a diplomat sharing his opinions with his colleagues, old conversations for times long ago. There were even some private indications that the Indonesian government was prepared to accept the nomination. The mishandling of the nomination, however, reflected poorly on the Minister and his department, and as *The Australian* sardonically concluded: 'While it is unlikely that Indonesia was motivated by a desire to exact revenge for the Mantiri affair, there is an impression the ledger has now been satisfactorily balanced'.⁵⁸ The government's handling of the DIFF decision, ODA and the ambassadorial nomination did not advance the circumstances for the forthcoming prime ministerial visit.

THE PRIME MINISTER'S VISIT – SEPTEMBER 1996

When Howard assumed the leadership of the Liberal party in 1995, his first major foreign policy speech committed a future Coalition government to Asia as the 'fulcrum of our foreign policy for many years to come', with 'the potential two-way benefits ... greater than they have ever been'. The commitment was more persuasive for the manner of the announcement in offering a continuation of the main policies of the Keating government, while presenting different economic emphases that provided a choice for voters at the next

⁵⁶ See, for example, Lenore Taylor, 'Indonesia plays down row over leaked paper', *The Australian*, 11 March 1992, p.2; and Don Greenlees and Patrick Walters, 'Jakarta forces envoy nominee to quit', *The Weekend Australian*, 22-23 June 1996, pp.1, 2, 13.

⁵⁷ David Jenkins, 'Gareth Evans has another fire in the basement', *The Sydney Morning Herald*, 10 March 1992, p.15.

election. He acknowledged the economic opportunities that could flow from the APEC Bogor Declaration, but warned that its rewards would be ‘stillborn’ unless Australia’s domestic economic problems were addressed. He declared that Australia’s future with Asia was ‘not a choice between our past and our future, [and] between our history and our geography’.⁵⁹ He proffered pragmatism on human rights issues that included a Coalition government raising ‘clear violations’ privately with the government concerned, while acknowledging that ‘concern for human rights cannot be pursued in a narrow, legalistic way or as an end in itself’.⁶⁰ His statement was contrary to Downer’s earlier call for a ‘greater focus on human rights abuses with Jakarta’ and confirmed his background briefings to journalists that after the election the Downer approach to human rights ‘will not become official Coalition policy’.⁶¹ This proved correct.

Howard’s first prime ministerial visit to Indonesia was viewed as a test of his ‘real’ commitment to the region.⁶² He arrived in Jakarta on 16 September 1996 for a three-day visit and undertook the normal activities for a head of government. Before the visit, Howard indicated that he did not intend to outperform Keating or ‘look for instant rapport’ with Suharto; he intended to ‘proceed in a careful but deliberate and confident fashion’, without a ‘checklist’ of discussion topics, to allow issues to unfold as the ‘mood’ permits.⁶³ In spite of the Kupa incident and the reduction in development assistance, Howard was confident the visit would be a success. Two days before the visit, the Indonesian government settled outstanding maritime boundary issues in the Timor Sea, and the timing of the agreement was regarded as a signal of Indonesia’s preference for a successful visit.⁶⁴

⁵⁸ Editorial, ‘Jakarta appointment mishandled’, *The Australian*, 25 June 1996, p.12.

⁵⁹ Michael Gordon, ‘Howard commits Coalition to Asia’, *The Australian*, 13 April 1995, p.1. He vowed that a Coalition government would follow a non-discriminatory immigration policy, declaring that while total numbers in the various categories would be ‘geared to the national interest, there should always be an allowance made for genuine refugees’. This was a re-orientation from his 1988 remarks when he questioned the benefits of the current level of Asian immigration. Greg Sheridan, ‘A new angle on “copycat” politics to woo the voters’, *The Australian*, 13 April 1995, p.1.

⁶⁰ Michael Gordon, ‘Howard commits Coalition to Asia’, *The Australian*, 13 April 1995, p.1

⁶¹ See David Lague, ‘Downer softens on Timor’, *The Sydney Morning Herald*, 17 April 1995, p.2; and Cameron Stewart, Chip Le Grand and John Ellicott, ‘Downer isolated on Indonesian criticism’, *The Australian*, 13 April 1995, pp.1-2.

⁶² Michael Gordon, ‘Abroad with Howard’, *The Australian*, 16 September 1996, p.9.

⁶³ *Ibid.* See also, Robert Garran, ‘Time to act on Asian sentiments’, *The Australian*, 16 September 1996, p.9.

⁶⁴ These included fishing rights and oil and gas exploration and exploitation. Stephen Lunn, ‘Deal on Timor Sea maritime boundaries settles dispute’, *The Weekend Australian*, 14-15 September 1996, p.2.

Howard delivered two speeches, held a 90-minute discussion with Suharto and additional sessions with other ministers and business leaders. He described Suharto as ‘a very skilled and sensitive leader’, with whom, he believed, he had reached an understanding:

We come to the relationship as a group of people not seeking to play the role of world moraliser, nor seeking to impose our will or our custom or our way of doing things on people who choose to do things differently.⁶⁵

He chose to declare the differences between Australians and their neighbours, his remarks seemingly directed as much for domestic consumption as he emphasized to the Indonesia-Australia Business Council in Jakarta how the Coalition’s domestic economic reforms would enhance Australia’s competitiveness in the region.⁶⁶ He worked to diffuse any residue of misunderstanding from the television debate with Keating by declaring that the signing of the Security Agreement has sent the message ‘that at a time of strategic change Australia and Indonesia are committed to co-operating in order to promote regional security’.⁶⁷ He stressed the ‘long continuity’ in the relationship and his desire to build even closer relations.⁶⁸ He revisited his 1995 statement by reminding his audiences, ‘we bring our own distinct culture, attitudes and history to the region’, adding:

The Indonesian economy has changed, and I am sure through the course of time the political institutions will change. That, of course, is a matter for the people of Indonesia to work out and one of the most important lessons for any visiting Prime Minister and President is to demonstrate an understanding of the simple veracity of international relations – that the first element in good relations is self-respect.⁶⁹

The message was unambiguous for those who were attentive to the political circumstances of the visit. Howard did not refer to the recent riots in June and July in which Indonesian

⁶⁵ Michael Millett and Louise Williams, ‘PM defends soft line on Indonesia’, *The Sydney Morning Herald*, 18 September 1996, p.18.

⁶⁶ Michael Millett, ‘PM will have tough task to recover from Jakarta fumbles’, *The Sydney Morning Herald*, 18 September 1996, p.8.

⁶⁷ Cited in Michael Gordon and Patrick Walters, ‘Howard embraces Indonesia’, *The Australian*, 17 September 1996, p.1.

⁶⁸ Editorial, ‘Mr. Howard in Jakarta’, *The Sydney Morning Herald*, 18 September 1996, p.12. See also Patrick Walters, ‘PM steps back from the Asian big picture’, *The Australian*, 19 September 1996, p.9.

⁶⁹ *Ibid.*; Michael Millett, ‘Australia is not Asian, Howard tells Indonesia’, *The Sydney Morning Herald*, 17 September 1996, p.1.

police and army elements reacted savagely to protesters in Jakarta.⁷⁰ Nor did he directly refer to human rights abuses in East Timor, but only ‘in a general sense in relationship to developments’ in the province, and he did not explore Suharto’s recent declaration that ruled out East Timor autonomy; Howard appeared to accept that change in the status of East Timor could only be realized after Suharto had departed the presidency.⁷¹ He disregarded comments by Megawati Soekarnoputri, the ousted Opposition leader, that ‘Australia should be pushing Indonesia for more democratic reforms’.⁷² He was cognizant of restlessness within the Indonesian military through diplomatic reporting and the occasional public speech that a growing number did not want Suharto to accept another presidential term.⁷³ When he declared that the relationship was ‘based on a long-term commitment to each other’s well-being’, he was indicating, not just to the Indonesian government but also to Australians, that his government supported the current Suharto government and would not presume to interfere in Indonesian domestic politics.⁷⁴ Howard was offering trust and understanding in return for a stable and cohesive Indonesia, which in turn would contribute to regional and Australia’s security. As such, he had not departed from the ‘basic continuity’ of previous governments; and he took comfort in informing Parliament on his return that ‘contrary to claims that regional leaders would not work with a coalition government, the fact is that ... [Suharto] made it clear that [he] wanted the closest possible relationship with Australia’.⁷⁵

Unlike Keating, Howard did not bring passion to the relationship but a commitment without the rhetoric; he later confirmed that his government had acted as an intermediary to improve relations between the United States and Indonesia. In June 1997 the Indonesian

⁷⁰ Patrick Walters, ‘Scores injured as Jakarta police protest with protection’, *The Australian*, 21 June 1996, p.1, and ‘Indonesia’s Brutal Force’, *The Weekend Australian*, 3-4 August 1996, p.21.

⁷¹ This was Suharto’s first statement since November 1994 when Suharto told President Clinton that special political status was ‘out of the question’ for East Timor. Cited in Patrick Walters, ‘Suharto rules out Timor autonomy’, *The Australian*, 22 May 1996, pp.1-2. See also Dobell, *Australia Finds Home*, p.72.

⁷² See Patrick Walters, ‘Outspoken Muslim leader re-ignites Suharto succession debate’, *The Weekend Australian*, 25-26 May 1996, p.12. See also ‘Pamanghas told not to rock the boat’, *The Weekend Australian*, 1-2 June 1996, p.17.

⁷³ Patrick Walters, ‘General tells Suharto to stand down’, *The Australian*, 4 June 1996, p.7; Interview General J.S. Baker, 30 October 2000; and Interview Hugh White, 2 November 2000.

⁷⁴ Cited in Michael Gordon and Patrick Walters, ‘Howard embraces Indonesia’, *The Australian*, 17 September 1996, p.1.

⁷⁵ Ministerial Statement, *CPD*, House of Representatives, Volume 208, 9 October 1996, p.5065.

government cancelled the purchase of nine F-16 aircraft and formally withdrew from the United States IMET program. McLachlan noted that the Clinton Administration took a low-key approach on Indonesian matters, and the only voice heard internationally was ‘the voice of those people in Congress complaining about human rights’. With the agreement of President Clinton, a delegation of officials from the Department of Prime Minister and Cabinet, the Office of National Assessments and Foreign Affairs was dispatched to Washington for discussions. Howard later declared, in a manner akin to Shann’s pronouncements that Indonesia was Australia’s ‘special problem’, that Australia was well placed in ‘better explaining’ to the Clinton Administration the situation in Indonesia and to help the United States develop a ‘proper understanding of the nature of the Indonesian polity’, adding that it is in ‘our interests that the Americans properly understand the dynamics of the Indonesian polity, and the dynamics of the Indonesian economy’. Echoing the comments of previous foreign and defence ministers, McLachlan supported Howard’s comments that Indonesia was a special case, which merited sympathy and special consideration:

Indonesia is an emerging power ... the anchor for the nine member ASEAN. I know that US policymakers are increasingly devoting attention to Indonesia. That is a sensible decision – it reflects Jakarta’s increasing importance to the whole of the Asia-Pacific ... Indonesia is a wonderfully developing country, but it started from some rough beginnings and it hasn’t all changed. As the Indonesian Ambassador said to me: ‘We have to do some things that we don’t like, that you don’t like, but we are trying to make those changes’.⁷⁶

The results of the Washington discussions were not made public, but the discussions coincided with the onset of economic turmoil in Asia.

THE ASIAN MELT-DOWN

In 1997 ASEAN celebrated its 30th anniversary of political and economic association by having to confront regional and domestic economic pressures. On 2 July 1997, the Bank of Thailand removed the currency peg that fixed the value of the baht against the US dollar and floated the baht, which ignited a stampede of traders to withdraw from the Thai economy; during the next three months, the Thai currency lost almost 60 per cent in

⁷⁶ Cameron Forbes and Don Greenlees, ‘Minister attacks US shortcomings in Asia’, *The Australian*, 9 October 1997, p.6.

value.⁷⁷ The economic despair spread quickly to the other ASEAN economies with Indonesia suffering substantive capital outflow with little warning. A quasi-fixed exchange rate, foreign debt and the domestic financial system, all exacerbated the capital outflow, adding to the financial panic.⁷⁸ Bank Indonesia floated the rupiah on 14 August and closed 16 private banks on 1 November without warning; against the US dollar, the value of the rupiah plunged from Rp2500 to 4000 in October to nearly 17000 by mid-January 1998.⁷⁹

In other Asian countries the apparatuses of governance remained intact, whereas in Indonesia political and social factors merged with the economic crisis to end Suharto's rule.⁸⁰ The country was in a drought that accentuated food shortages, student protests had continued relentlessly and wide-scale corruption became more public. Two months of bushfires in Sumatra and Kalimantan, and the resultant smoke drift across neighbouring countries, had strained relations with Malaysia and Singapore, without an effective reaction from the Suharto government or ASEAN, which now seemed paralyzed in the absence of Indonesian leadership and diplomacy.⁸¹ Politically and economically, domestically and internationally, the Suharto government was under stress; some observers noted a 'growing sense of malaise and unease at the inability of the ruling elite to address fundamental social

⁷⁷ For detail on the 'Asian meltdown', see Dobell, *Australia Finds Home*, pp.61-70; Paul Krugman, 'Saving Asia', *Time*, 7 September 1998, pp.42-3; Pam Woodfall, 'A survey of East Asian economies', *The Economist*, 7 March 1998, pp.5-6; and 'The financial crisis in Asia', *Asia Development Outlook: 1998*, Oxford University Press for the Asian Development Bank, 1998, pp.15-37.

⁷⁸ In July 1997 the Indonesian budget was mostly in balance, the current account deficit was approximately 3.5 per cent of GDP, and inflation was below ten per cent and declining. For a description of the impact of the crisis on the Indonesian economy, see Hal Hill, 'The Indonesian Economy: The Strange and Sudden Death of a Tiger', in Geoff Forrester & R.J. May, (Editors), *The Fall of Soeharto*, Crawford House Publishing Pty Ltd, Bathurst, 1998, pp.93-103.

⁷⁹ *Ibid.*, p.96.

⁸⁰ Forrester argues that Suharto's declining health, his erratic political behaviour, the gathering pace of student opposition, and a 'fractioning' of the military and civil ruling elite added to the economic woes to bring Suharto down. Geoffrey Forrester, 'Introduction', in Forrester & May, *The Fall of Soeharto*, pp.1-23. Liddle refers to confidential interviews that confirm Suharto had lost his political touch with Indonesian society and in dealing with complex societal issues. R. William Liddle, 'Indonesia's Unexpected Failure of Leadership', in Adam Schwarz and Jonathan Paris, *The Politics of Post-Suharto Indonesia*, Council of Foreign Relations Press, New York, 1999, pp.16-39.

⁸¹ Adam Schwarz, 'Introduction: The Politics of Post-Suharto Indonesia', in Schwarz and Paris, *The Politics of Post-Suharto Indonesia*, in particular, pp.1-2, 4-7. The bush fires were deliberately lit in government-controlled developments such as the massive million-hectare rice project in central Kalimantan, and through large land clearing for new plantation and agriculture projects, contrary to government declarations that the unusually dry season had exacerbated the fire situation. James Cotton, 'The "Haze" over Southeast Asia: Challenging the ASEAN Model of Regional Engagement', in *Pacific Affairs*, Volume 72, Number 3, Fall 1999, in particular pp.333-8.

problems of governance, which only highlighted how the legitimacy of Suharto's New Order government was eroding away.⁸²

The Australian government's approach to Indonesia had not changed since the release of the White Paper on foreign and trade policies in 1997. The White Paper confirmed Indonesia's fundamental importance to Australia's security and emphasized the 'expanding structure of consultation and cooperation on strategic issues' through the 'historical bilateral defence Agreement on Maintaining Security, and in the substantial bilateral defence cooperation program. Australia will be working to consolidate and enhance its strategic dialogue with Indonesia'.⁸³ On East Timor, the White Paper noted that developments in the province would remain 'important in shaping Australian public attitudes to Indonesia' and acknowledged that 'an improved human rights situation and a greater role in the administration of the Province for indigenous East Timorese would contribute' to a political resolution over time.⁸⁴ After nearly two years in power, the Howard government had publicly acknowledged an unencumbered commitment to good relations with Indonesia, which rested on consultation and dialogue.

On 28 October 1997, Howard arrived in Jakarta for his second visit, a 24 hour stop-over en route from London to Sydney, to discuss with Suharto Indonesia's economic situation, including IMF progress on a financial assistance program and the forthcoming Vancouver APEC meeting.⁸⁵ The discussion lasted nearly two hours, after which Howard briefed reporters, that 'Australian stood ready to pledge financial aid to Indonesia' and was willing to participate in any IMF assistance package:

I indicated to the President that the offer of assistance would be subject to Indonesia meeting conditions laid down by the International Monetary Fund. It is the act of a friend. It is the act of a good neighbour'.⁸⁶

⁸² Patrick Walters, 'When an archipelago isn't an island entire of itself', *The Australian*, 9 October 1997, p.13. See also Joe Leary, 'IMF will offer Indonesia more confidence than cash', *The Australian*, 10 October 1997, p.7; Peter Alford, 'Unbridled growth unleashes a fatal error', *The Australian*, 10 October 1997, p.7; and Editorial, 'Indonesia's IMF move is welcome', *The Australian*, 10 October 1997, p.10.

⁸³ Commonwealth of Australia, *In the National Interest*, pp.61-2.

⁸⁴ *Ibid.*, p.62.

⁸⁵ He also opened the Commonwealth Bank new headquarters of Bank BII Commonwealth in Jakarta. Patrick Walters, 'Howard drops in on Suharto', *The Australian*, 28 October 1997, p.2.

⁸⁶ Patrick Walters, 'PM casts monetary lifeline to Indonesia', *The Australian*, 30 October 1997, p.1.

Downer responded to criticism of the Prime Minister's announcement in Palmerstonian tones: 'I don't want to sound too crude about this, but we are doing this first and foremost in our own interests, and secondly, in their interests, and the two interests happen to coincide'.⁸⁷ The structures of the first and revised IMF packages included strict elements of institutional and money market reforms, which ignited widespread political and social upheaval through rising prices and falling incomes.⁸⁸ The packages received token acceptance, with little compliance, which only increased societal and political instability. Suharto was forced to resign five months later on 21 May 1998 after the unsuccessful third IMF agreement, further riots and the loss of support from the military. Presidential succession conferred the presidency to the Vice-President, B.J. Habibie, until general and presidential elections were held.⁸⁹

There was little sympathy for Suharto.⁹⁰ Downer had started to differentiate support for Suharto and the Indonesian government after the announcement of the second IMF package, stressing that the government was not 'in the game of propping up or tearing down anybody. We work with the government that Indonesia produces'.⁹¹ Suharto's belated resignation was mostly celebrated as an important requisite towards Indonesia's democratization.⁹² For many, the resignation was the end of a corrupt dictatorship; others assessed the Suharto period in complex but more benevolent terms:

He had run more than a government. He had harnessed the State to his needs and sought to substitute a development ethos for the divisive politics of the Sukarno era. Suharto's State had been defined by authoritarianism, national unity and religious tolerance ... But he has made three enduring blunders. First he allowed his family to exploit the patronage system to an obscene extent that has generated

⁸⁷ Downer's retort was in response to Pauline Hanson's criticism of Australia's support to a 'questionable and militaristic regime'. *Ibid.*

⁸⁸ While Australian officials worked hard to soften the IMF package, the United States government was less supportive for a more lenient relief package. This suggests that the 1997 Officials' discussion on Indonesia was far from a success. Greg Sheridan, 'Treading the very thin line of friendship', *The Australian*, 13 March 1998, p.11.

⁸⁹ Catley and Dugis, *Australian Indonesian Relations Since 1945*, pp.323-5

⁹⁰ Since 1996 succession politics were central to diplomatic reporting, and intelligence assessments focused on Suharto's health in much the same manner that Sukarno's health was scrutinized in 1965. Interview Brigadier K.B.J. Mellor, 22-23 May 2000.

⁹¹ 'Downer paints bleak picture for Indonesia', *The Australian*, 23 March 1999, p.1. See also Paul Kelly, *Paradise Divided. The Changes, the Challenges, the Choices for Australia*, Allen & Unwin, St Leonards, 2000, p.197.

⁹² See Liddle, 'Indonesia's Unexpected Failure of Leadership', pp.16-39; and Aspinall, Feith and van Klinken, *The Last Days of President Suharto*, pp.vi-viii.

resentment Suharto failed to confront [the legacy of East Timor] by giving the province greater autonomy and control over its political and cultural life ... he has refused to develop Indonesia's political system to give expression to the middle class, to encourage a growth of political institutions, and , above all, to organise a smooth transition to a successor.⁹³

For Australia, the dangers of an unstable Indonesia remained; Suharto's resignation had not resolved all the political and economic issues but had removed one obstacle, and Australia still faced an 'unpredictable and turbulent' Indonesia that some considered was close to societal collapse.⁹⁴

CIRCUMSTANCES FOR CHANGE

Indonesian acceptance of IMF intervention prompted the Australian government to increase assistance. It seemed like a repetition of the circumstances of 1966. In February 1998 Howard announced requests for insurance cover for exports to Indonesia would now be considered on a case-by-case basis; and in March 1998 both governments signed a trade support agreement, negotiated by EPIC, which provided the framework for future exports such as \$A380 million in export insurance cover for immediate delivery of wheat to Indonesia. In April the government announced insurance credit cover, up to \$A250 million, for the export of cotton to Indonesia. An additional \$A2 million was pledged to support human rights initiatives and to cover the cost of Australian assistance in seminars on 'the political make-up of Indonesia, including discussions about future electoral systems, laws and regional autonomy'.⁹⁵ The targetting of aid to support domestic political reform reflected an optimistic mood for democratization under the new Habibie government.⁹⁶

One of the first acts by which Habibie sought to distinguish his government was to open talks on autonomy for East Timor. His public announcement surprised Australian ministers and officials, although the search for future options on East Timor had been underway in

⁹³ Paul Kelly, 'Awkward Neighbours', *The Weekend Australian*, 11-12 April 1998, p.18.

⁹⁴ *Ibid.*

⁹⁵ Idris F. Suliaman, Shannon Luke Smith, 'Australia and Indonesia: a maturing partnership in an open region', in Sulaiman, *et al.*, (Editors), *Bridging the Arafura Sea*, p.309.

⁹⁶ The similarities between 1966 and 1998 are pronounced. Although the pledge represented a departure from Howard's earlier pronouncement that domestic political reform should be left to the Indonesian people, it also mirrored the Holt government's attempts to mould new forms of governance after the attempted coup in September 1965. See Chapter 2, pp.67-8.

the Department of Foreign Affairs at Downer's urging. The departmental options paper was completed in November 1998, having survived several revisions and an 'active round of consultations with East Timorese representatives'.⁹⁷ The paper concluded that to 'advance seriously any proposal for wide-ranging autonomy, recognition of the need for some subsequent process of popular consultation' would be required with the East Timorese. Howard and Downer agreed that these findings should be communicated to Habibie.⁹⁸

Suharto's departure had created fresh opportunities to remove East Timor as the major irritant in the bilateral relationship; and these new opportunities depended on Habibie's vulnerability and his capacity to manage his Cabinet, TNI and East Timor. Drafting a letter to Habibie was discussed in September at officials' level; it was agreed that a letter provided a measured statement of intent, with clarity of meaning that might otherwise be lost during a discussion session. The success of this letter rested on communicating a message of Australian support for Indonesia's sovereignty of East Timor and indicating a process that would legitimize Indonesia's authority in the eyes of the international community without jeopardizing its authority. The contents were not a major policy shift and differed little from the Evans approach: the government accepted the need for an act of self-determination after a period of autonomy; the government preferred Indonesian sovereignty over East Timor during the period of autonomy; and the government favoured East Timor to remain part of Indonesia. Like the Evans approach, the government's approach failed to address the outcome if the East Timorese voted overwhelmingly for independence; both approaches relied on a successful period of autonomy to 'convince the East Timorese of the benefits of autonomy within the Indonesian Republic'.⁹⁹ The failure to address a vote for independence, or other possible outcomes including the possibility of

⁹⁷ The idea for an options paper originated from a 'heated' debate between Downer and the Portuguese Foreign Minister, Jaime Gama, at dinner in February 1998. Gama strongly suggested that Australia should immediately recognize East Timor as independent. Downer responded that such an act would 'almost certainly lead to blood on the streets'. See Alexander Downer, 'East Timor in 1999', *Australian Journal of International Affairs*, Volume 54, Number 1, April 2000, pp.5-10; Greg Hunt and Joshua Frydenberg, 'Timor plan more palatable after dinner', *The Australian*, 14 January 1999, pp.1, 4. Don Greenlees and Robert Garran, 'Jakarta attacks Downer', *The Australian*, 13 January 1999, p.1; and Paul Cleary, 'Australia's "free Timor" switch angers Jakarta', *The Sydney Morning Herald*, 13 January 1999, p.1.

⁹⁸ Downer, 'East Timor 1999', p.6.

⁹⁹ Interview Hugh White, 22 May 2001; and Kelly, *Paradise Divided*, p.205.

an ‘unpredictable’ Habibie response, could only be described as a failure of policy imagination because a process that offered Indonesian legitimacy could also legitimize independence.

On 11 January 1999, Downer announced that the government would press the Indonesian government for a conditional act of self-determination after a ‘substantial period of autonomy’.¹⁰⁰ He also indicated that Howard had written to Habibie in December to emphasize 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.¹⁰¹

The letter suggested that Indonesia should consider the French agreement with New Caledonia as an acceptable method to ‘avoid 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 Matigon Accords in New Caledonia ... [which] enabled a compromise political solution to be implemented while deferring a referendum on the final status of New Caledonia for many years. The successful implementing of an autonomy package with a built-in review mechanism would allow time to convince East Timorese of the benefits of autonomy within the Indonesian Republic.¹⁰²

The public release of the letter’s contents was erroneously perceived by many to signal an important policy shift. Policy had not changed; circumstances had. The psychology of the letter had lifted the future of East Timor into the consciousness of the Indonesian body politic beyond Habibie’s original proposal for discussions on autonomy in a manner contrary to previous diplomatic behaviour, which now projected Australia as a willing arbiter in Indonesian domestic politics.¹⁰³

¹⁰⁰ Don Greenlees and Richard McGregor, ‘Howard reverse on East Timor’, *The Australian*, 12 January 1999, p.1. See also ‘Downer shores up Timor position’, *The Australian* 12 January 1999, p.2.

¹⁰¹ The Australian Ambassador, John McCarthy, delivered the letter dated 21 December 1998 to Habibie two days later. Don Greenlees, ‘Row over Timor shift’, *The Weekend Australian*, 16-17 January 1999, p.20. Howard’s letter is reproduced in full in Kelly, *Paradise Divided*, p.205.

¹⁰² *Ibid.* See also Don Greenlees, ‘PM to Habibie: relax on Timor’, *The Weekend Australian*, 16-17 January 1999, p.4. Habibie rejected any parallel with New Caledonia, insisting that East Timor was a historical accident of different colonizing powers and a social and geographic part of the Indonesian archipelago. One Indonesian official was reported to have said that the Howard option ‘did not gel’ and ‘does not help to sell the argument’. Don Greenlees, ‘Row over Timor shift’, *The Weekend Australian*, 16-17 January 1999, p.20.

¹⁰³ Paul Kelly, ‘The letter that sparked the meltdown’, *The Australian*, 6 October 1999, p.15.

Knowledge of Howard's letter was quietly received by interest groups in Australia; the public release of correspondence between two heads of government was itself a diplomatic innovation. The release had also offered an opportunity for the Howard government to explain to its domestic constituency its intentions on East Timor as well as to add to the international pressure on Indonesia to alter its approach on self-determination. Few Australians questioned the release of the letter, preferring to bathe in its optimism for East Timorese self-determination, and few questioned the timing of the letter, which was equally a political gamble. Many Australians accepted the strong intervention; the Labor Opposition 'gave cautions backing' to the call for self-determination, suggesting that the government's shift 'may be a tentative step towards the position articulated by Labor over the last 15 months'.¹⁰⁴ Since late 1997, Labor enunciated a fresh policy, which was critical of previous Labor governments: the Whitlam government was considered 'dangerously ambiguous' in its contradictory policy of integration and self-determination; and the Hawke and Keating governments 'found East Timor too hard ... [and] failed to deliver the principled and forthright policy ... promised'.¹⁰⁵ Self-determination for the East Timorese was now Labor's unconditional preference.¹⁰⁶

For the government, the process of self-determination remained fuzzy. Downer suggested self-determination could be satisfied through a 'review process' rather than by popular vote – a suggestion that reverberated with the process of *musjawarah* in the 1969 act of free choice in West New Guinea and the equally ridiculed 1976 consultative processes in East Timor.¹⁰⁷ Downer's words were couched in terms to soften Habibie's criticism, just as

¹⁰⁴ Cameron Stewart and Don Greenlees, 'Wary backing for Howard's Timor reverse', *The Australian*, 13 January 1999, p.2; and Louise Williams, 'Canberra has catching up to do: Xanana', *The Sydney Morning Herald*, 14 January 1999, p.7.

¹⁰⁵ Don Greenlees, 'Labor policy ups ante for autonomy in East Timor', *The Weekend Australian*, 18-19 October 1997, p.5. See also Don Greenlees, 'It's easier to be forthright in Opposition', *The Australian*, 27 October 1997, p.11; and Laurie Brereton, *Australia and East Timor*, Australian Institute of International Affairs (Queensland Branch), 26 March 1999, p.3.

¹⁰⁶ Editorial, 'Timor policy hesitant but inevitable', *The Australian*, 13 January 1999, p.10; and Editorial, 'East Timor momentum', *The Sydney Morning Herald*, 13 January 1999, p.10.

¹⁰⁷ See, for example, the strong opposition to any form other than a popular vote in Letters to the Editor, *The Australian*, 13, 14 and 15 January 1999.

Howard's pronouncements throughout the early months of 1999 stressed the government's support for East Timor 'remaining an autonomous part of the Republic of Indonesia'.¹⁰⁸

The time between delivery of the letter and the start of public debate on the letter's content precluded an easy and early Indonesian capitulation on and acceptance of the proposal. Indeed, Habibie was furious with the letter and reacted accordingly; and unnamed Indonesian officials leaked the letter to the media. The experiences of Gorton, Whitlam, Fraser and Keating testified to success through prudence and confidentiality; ample time was required to enable the quiet diplomacy of officials and ministers to massage outcomes; and the success of substantive proposals hinged on private discussion in the traditional Javanese manner. Public pronouncements had in the past failed dismally and sometimes produced unintended outcomes. On 27 January 1999, the Indonesian position dramatically changed with Habibie's sudden announcement that the contested territory would be granted independence if supported by a majority of the people.¹⁰⁹ Habibie's announcement contained the ambiguity and dualism of Indonesian politics: his Cabinet had agreed to continue negotiations on autonomy, or for a special status for East Timor; the Cabinet also agreed to request the People's Consultative Assembly (MPR) 'to release East Timor from Indonesia' if autonomy is not accepted by 'the mass of the people'; and, as an additional measure of good will, Cabinet approved the transfer of Xanana Gusmao from Cipinang prison to house arrest in Jakarta.¹¹⁰ The Habibie Cabinet had rejected the Australian government's proposal to defer 'for many years' a vote for independence.¹¹¹

There was little explanation for the shift, although Alatas later stated that Indonesia was not prepared to finance East Timor's development for another ten years, only to 'find that at the

¹⁰⁸ Transcript of the Prime Minister's Press Conference with President Habibie in Bali, 27 April 1999, p.7. See also Question without Notice, *CPD*, House of Representatives, Volume 229, 20 September 1999, pp.7555-6

¹⁰⁹ Habibie took the decision to resolve the situation through an UN-sponsored ballot before the end of 1999 with the ballot process 'enshrined in the Agreements of 5 May 1999'. Downer, 'East Timor 1999', p.6. See also Don Greenness, 'Timorese offered independence', *The Australian*, 28 January 1999, p.1; and Richard McGregor, 'UN waits for full Timor story', *The Australian*, 29 January 1999, p.1.

¹¹⁰ Gusmao was captured by Indonesian soldiers on 20 November 1992 and jailed for 20 years. Special correspondent, 'Horta dismisses Jakarta's stunt', *The Australian*, 28 January 1999, p.6.

¹¹¹ For example, Richard McGregor, 'Activists wary of E Timor reversal', *The Australian*, 29 January 1999, p.7; and Patrick Walters, 'Risks, opportunities in a speedy exit', *The Australian*, 29 January 1999, p.7.

end it broke away'.¹¹² The elements of exasperation and finality in Alatas' statement offered faint hope for an orderly process.¹¹³ Some argued that the Habibie proposal was 'reckless' in forgoing a period of preparation and reconciliation, and Australia should have attempted to negotiate a longer period before the ballot. Once Habibie's proposal was announced, no Australian government could successfully mount an argument against the ballot on the basis that an early ballot was wrong. All that the government could now influence were the circumstances for the ballot.¹¹⁴

THE BALLOT

The activities of separatist movements and the potential for a break-up in the archipelago have always been of fundamental concern during the New Order period; for the Indonesian government, a mixture of political, economic and policing strategies was employed to maintain local control. Economic development gave regions a sense of belonging; the establishment of extensive patronage networks fastened the fortunes of regional leaderships to the Suharto government in Jakarta; and the most uncompromising strategy involved the crude military suppression of opposition.¹¹⁵ In the lead-up to the ballot for self-determination, the omens for peace and order in East Timor were not evident; rumours in Jakarta described how special Timorese groups were undergoing military training to wage violence and destruction before and after the ballot.¹¹⁶ As early as January 1999, DIO assessments noted that TNI elements were assisting the militias in East Timor.¹¹⁷ A

¹¹² Greg Sheridan, 'The Timor Trigger', *The Weekend Australian*, 30-31 January 1999, p.17.

¹¹³ Alatas was later accused of financing militia activities in East Timor from the Indonesian Foreign Ministry budget. Scott Burchill, 'So you think there's nothing to answer for, eh, Gareth?', *The Sydney Morning Herald*, 13 March 2001, p.12.

¹¹⁴ Paul Kelly, 'The letter that sparked the meltdown', *The Australian*, 6 October 1999, p.15.

¹¹⁵ Keith Loveard, 'Indonesia: Armed and Dangerous', *The Bulletin*, 19 January 1999, pp.21-2; and Greg Sheridan, 'The Timor Trigger', *The Weekend Australian*, 30-31 January 1999, p.17.

¹¹⁶ ABRI elements had already formed a new group, Alive or Dead with Indonesia, (MAHIDI by its *Bahasa Indonesia* initials), which had been issued weapons and ammunition. Keith Loveard, 'Letter from Jakarta', *The Bulletin*, 9 February 1999, p.12; and Dennis Shulz, 'Reign of terror', *The Bulletin*, 16 February 1999, pp.20-3.

¹¹⁷ Excerpts of leaked DIO assessments covering the period January to September 1999 are quoted in Dobell, *Australian Finds Home*, pp.74-6. John Lyons noted from leaked DIO documents that, during 16-17 August 1999, United States and Australian officials agreed 'that fundamental security problems remained, including the presence of Kopassus' in East Timor. John Lyons, 'The Secret Timor Dossier', *The Bulletin*, 12 October 1999, p.29. The documents show that ministers in the Howard government were aware of the potential for violence. A year later the government used search warrants to pursue the 'leakers' of the documents. See

number of public warnings carried forebodings; for example, Father Franco Barreto, the director of the Catholic aid group in East Timor, informed Downer that ‘after the ballot, the militias would embark on a scorched earth policy’; and radio and television interviews of senior Indonesian military officers in Dili provided public faces to their threats of violence.¹¹⁸ The recent history of TNI operations in Aceh, West Papua and Ambon also failed to induce prudent caution.¹¹⁹ Gusmao was sufficiently concerned to propose that East Timor needed at least 18 months to solve the ‘problems relating to security’ - his preference based on the disarming of all paramilitary groups in the province, followed by an additional transitional period in which a ‘program of political education’ and the establishment of a police force to operate as part of a ‘deployment of peace-keeping forces’ were needed.¹²⁰

The idea for a peacekeeping force was, in the jargon of the day, under active consideration. Habibie’s reaction to the Howard letter had generated a series of policy reviews at officials’ level in Australia. In the new circumstances of a ballot, agreement was reached on four new objectives to guide the government’s actions: to maintain Indonesia’s hold on East Timor; to prevent possible violence, which, based on DIO reporting, was now perceived to be most likely; to maintain the quality of the relationship with Indonesia; and, to continue the relationship with the TNI, which implied that large scale deployments of ADF units to East Timor was to be a last resort. Because the threat of violence was so high, Cabinet approved the Chiefs of Staff Committee recommendation that elements of 1st Brigade in Darwin be brought to 30 days readiness, based on the assessment in February that an Australian brigade-size force might be needed as part of an UN-led and UN-mandated

Lincoln Wright, ‘Fear and loathing as plumbers pursue leakers’, *Canberra Sunday Times*, 1 October 2000, p.13.

¹¹⁸ The members of the Catholic order, the Canossian sisters, also warned UN officials; Father Barreto died in the turmoil after the ballot. The senior Indonesian officer in Dili, Colonel Suratman told Channel Nine’s *Sunday* program: ‘If the pro-independence do win ... everything will be destroyed’. Question without Notice, CPD, House of Representatives, Volume 229, 20 September 1999, p.7549; Laurie Oakes, ‘Canberra’s massacre we had to have’, *The Bulletin*, 21 September 1999, p.32.

¹¹⁹ Don Greenlees, ‘Row over Timor shift’, *The Weekend Australian*, 16-17 January 1999, p.20.

¹²⁰ Cited in Michael Maher, ‘Back from the Brink’, *The Bulletin*, 21 September 1999, p.21.

peacekeeping operation before the ballot. Operational planning on possible UN operations commenced almost immediately, including discussions with UN staff in New York.¹²¹

By the end of April, it became clear that Indonesia would not approve a peacekeeping force. Like Peacock's attempts to gather Indonesia support for a peacekeeping force in 1976, a pessimistic Downer concluded that stipulating a peacekeeping force in the pre-ballot period as part of the agreement on the ballot could 'lead to the Indonesians cancelling the ballot'.¹²² Continued negotiations resulted in acceptance of the presence of a UN police force before the ballot, details of which were recorded in the formal UN agreement with Indonesia, which stipulated Indonesian security guarantees for the ballot.¹²³ Australian military planning was therefore altered to satisfy a possible contribution to a peacekeeping operation after the ballot; and, at the request of the UN, additional planning was undertaken to evacuate UN personnel if violence erupted. These plans were used as the basis for the subsequent evacuation operations and the Australian contribution to INTERFET.¹²⁴

Howard later indicated that he unsuccessfully raised the option of a peacekeeping force with Habibie in Bali in March, again by telephone on 29 August on the eve of the ballot and once more on 6 September. In Bali he had unsuccessfully pressed Habibie to approve the use of additional police before the ballot.¹²⁵ These were actions of a person concerned with the possibility that violence would erupt after the ballot; they were also the actions of a prime minister unable to effect change; at the Bali press conference, all Howard could declare was an optimism, not shared by intelligence assessments, 'that there has been a quantum shift in the Indonesian government's control of the military in East Timor'. This was an extraordinary statement from one who had just witnessed the force and strength of

¹²¹ Draft detailed plans were developed in March and discussed with UN staff in New York during the period, April to June 1999. Interview Hugh White, 22 May 2001. During this period, a conference between senior TNI and ADF officers was held in Jakarta to discuss democratization, and discussion frequently broached the subject of East Timor. Interview Alan Behm, 9 October 2000.

¹²² Greg Sheridan, 'A holocaust of Canberra's making', *The Australian*, 16 September 1999, p.7.

¹²³ Paul Kelly, 'The catch in Habibie's policy', *The Weekend Australian*, 1-2 May 1999, p.10.

¹²⁴ The operation plan was called SPITFIRE and involved the gradual increase in readiness for 1st Brigade units reaching four hours notice to move by the day of the ballot. Interview Alan Behm, 9 October 2000; Interview Hugh White, 22 May 2001.

¹²⁵ Debate on the motion to support the deployment of ADF units to East Timor, *CPD*, House of Representatives, Volume 229, 21 September 1999, pp.7619; Interview Hugh White, 22 May 2001.

disapproval from General Wiranto, the Indonesian Armed Forces Commander who, with other Indonesian military officers, had participated with Habibie at the meeting. It was obvious to the members of the Australian delegation that the Indonesian military through its display of disrespect for Habibie had refused to accept any compromise on East Timor.¹²⁶ Under these circumstances, Howard's later pronouncements of optimism in Habibie's capacity to exert control over the TNI and the militia in East Timor achieved little, and the judgement of history will focus on Howard's reluctance to advocate a much stronger message of condemnation at the meeting and his subsequent actions to avert the coming violence.

Indeed, intelligence reports continued to confirm the TNI's involvement in the militia's activities and to expose detail of the plans to destroy the East Timor infrastructure if the ballot were lost. The extent of the intelligence prompted the dispatch of the VCDF, Air Marshal Doug Riding, to Jakarta in July to impress upon senior TNI officers that the United States, the UN and Australia knew the extent of TNI involvement and the objectives of the proposed militia campaign. Riding's mission was to make clear to senior officers that deniability of TNI's culpability would not work.¹²⁷ The visit was also a practical test of the military relationship between the two defence forces; since 1961 when defence cooperation was first introduced, activities at the individual and operational levels had generated benefits to both defence forces throughout the next 38 years; Australian attempts to develop relationships of trust at the strategic level had produced indifferent results. Exchanges of strategic perspectives were accepted by the Indonesians to be beneficial in a regional sense; however strategic perspectives on the role of the TNI were by their nature commentaries on Indonesian domestic politics to which the TNI was intimately committed. Senior TNI officers considered East Timor a domestic issue, and ADF commentary on Indonesian domestic politics has never been welcomed or encouraged. Riding's visit was therefore unsuccessful; the message was delivered, and nothing changed.

¹²⁶ Transcript of the Joint Press Conference with President Habibie in Bali, 27 April 1999, p.7; Interview Hugh White, 22 May 2001.

¹²⁷ While Downer agreed to the visit; whether John Moore, the Minister for Defence, agreed is unknown. Some senior staff were concerned that in the circumstances too much pressure would be applied to the TNI, which was contrary to the agreed objectives of March 1999. Interview Alan Behm, 9 October 2001; and Interview Hugh White, 2 November 2000.

THE MAYHEM

The violence materialized once the referendum result was announced on Saturday morning, 4 September 1999.¹²⁸ Kopassus troops controlled the airport, separating East Timorese from other nationals to prevent them from departing East Timor; some 3000 Timorese sought refuge in Bishop Bello's residence; over 2000 Timorese attempted refuge under the Red Cross flag in the IRCR compound; by Tuesday, the militia had forced people to flee from Dili; on Friday, six days after the announcement of the result, the UNAMET team quit its Dili compound; and the slaughter and the terror continued, described by one observer as a 'Kosovo-like genocide'.¹²⁹ The number killed will never be accurately known; Downer later calculated that between 200 000 to 300 000 East Timorese were displaced into the mountains, forcibly transferred by sea and land to West Timor and other islands in the Indonesian archipelago or murdered.¹³⁰

The government's actions conveyed a tragic underestimation; Downer held a rare Saturday morning press conference on ballot day, and declared that Australia 'had played an enormous role in making what has happened over the last few weeks possible, an enormous role ... It is also, I think, for the people of East Timor the end of a quarter of a century of turmoil'.¹³¹ Perhaps Downer's words attested to the government's belief that law and order would prevail; he later noted that 'some developments provided a real cause for optimism'; 'voter registration ... proceeded successfully ... and the election day itself ... passed

¹²⁸ The popular ballot, as stipulated by Portugal, Indonesia and the United Nations, was conducted on 30 August 1999, with 78.5 per cent voting for separation. The Report of the Senate Foreign Affairs, Defence and Trade References Committee, *East Timor*, p.1.

¹²⁹ Description of the final days in the compound are described in John Martinkus, 'The thin blue line', *The Bulletin*, 21 September 1999, pp.30-1; see also, Liam Phelan, 'Dili's "Kosovo-like genocide"', *The Australian*, 7 September 1999, p.3 and Robert Garran, 'Freedom vote let out reign of terror', *The Weekend Australian*, 11-12 September 1999, pp.1-2. See also, Dobell, *Australia Finds Home*, pp.73-4.

¹³⁰ Question without Notice, *CPD*, House of Representatives, Volume 229, September 1999, pp. .

¹³¹ Don Greenlees and Robert Garran, 'Militias "cleanse" Dili', *The Australian*, 7 September 1999, p.1; Robert Garran, 'Warm relationship put on ice', *The Australian*, 7 September 1999, p.2. Later, Downer remarked that 'the international community, on balance, thought that the situation would be pretty bad after the announcement of the result, but I do not think the international community quite expected ... the rampant destruction that took place'. Question without Notice, *CPD*, House of Representatives, Volume 229, 20 September 1999, p.7549.

without any major incident'.¹³² The violence had politically embarrassed the Howard government, but misjudgments had occurred.¹³³ To promote an initiative on East Timor with a fragile interim government, which had little legitimacy, was optimistic policy; and the manner of the public comment on Howard's letter could only have embarrassed Habibie and caused him political difficulties. Habibie was a Suharto appointment to the vice-presidency; Suharto was now gone, and Habibie was facing an Indonesian election in circumstances in which his political survival was uncertain. Moreover, the leaking of classified documents confirmed the accuracy of the intelligence warnings to the government of the impending violence and brought into question the government's management of the issue. The government now had to deal with a domestic constituency, which was being fed media suggestions of a foreign policy disaster.

On 7 September 1999, the knowledge that ADF units were on a high readiness notice to deploy became public knowledge, as did the diplomatic machinations to procure Indonesian agreement for a force to enter East Timor to restore peace and security. Detail of the shooting at the Australian Ambassador's car in Dili added to the depth of anti-Indonesian hostility.¹³⁴ Television coverage of 22 armoured personnel carriers undergoing loading into HMAS *Tobruk* in Darwin found its way onto Indonesian television on Wednesday 8 September; and on Friday the Chief of the Defence Force announced that Australia had cancelled a seminar between Australian and Indonesian military officers in response to the killings.¹³⁵ The previous 48 hours confirmed that relations had entered a phase of uncertainty and anxiety, and communications between the two governments suffered: Habibie refused to accept a number of telephone calls from Howard, and he refused to attend the APEC summit in Wellington; and the Minister for Defence, John Moore, was unable to speak with General Wiranto, the Indonesian Armed Forces Commander.¹³⁶

¹³² Downer, 'East Timor 1999', p.7. Downer had previously argued that a referendum would produce a civil war. Greg Sheridan, 'Misjudgments will hurt us, too', *The Australian*, 18 September 1999, p.13. Interview Hugh White, 2 November 2000.

¹³³ Maley suggests that the government was in 'denial' through its 'misjudgments and misreadings' of the political situation in Indonesia and East Timor. William Maley, 'Australia and the East Timor Crisis', *Australian Journal of International Affairs*, Volume 54, Number 2, July 2000, 151-161.

¹³⁴ Robert Garran, 'Aussie troops put on alert', *The Australian*, 7 September 1999, p.2.

¹³⁵ 'A tragedy unfolds', *The Bulletin*, 21 September 1999, p.28.

The public reaction was demanding of government action. At first, television played its part with graphic images of the desertion of Dili, activities around the UN compound and the collapse of civil order.¹³⁷ Timorese activist groups and trade unionists protested in the capital cities; church leaders and aid agencies supported the protests, which generated strident anti-Indonesian fervor. Some Australians called for an invasion of East Timor. Embargoes on Indonesian services were announced; Indonesian ships were refused entry to Australian ports, and bans on postal and telecommunications were imposed on Indonesian businesses in Australia. Over 600 people demonstrated outside a Cabinet meeting in Melbourne, calling on the government to honour assurances that Australia would stand by the East Timorese; and demonstrating Australian hostility, Indonesian flags were burnt outside the Indonesian consulate in Sydney.¹³⁸

Habibie finally agreed that an international peacekeeping force would be permitted to enter East Timor if martial law failed to restore order.¹³⁹ On 9 September 1999, DIO reported to government that the TNI 'had not accepted the inevitability of East Timor leaving Indonesia' and was continuing a 'coordinated process of revenge, destruction of infrastructure and records ... and of both short and longer term destabilisation of East Timor'.¹⁴⁰ Martial law had failed, the violence continued, and Howard admitted to anguish over the behaviour of the militias while maintaining his commitment to the UN agreement that Indonesia still held responsibility for security in East Timor.¹⁴¹ Only an agreed UN resolution, supporting intervention and endorsed by Indonesia, would break the impasse; and any residue of understanding and trust between the two countries disappeared when Howard announced Australia's preparedness to provide forces under an agreed UN resolution.¹⁴² Once Habibie agreed to the deployment, some 2000 Australian troops were dispatched to Dili as part of the multinational force, their role to restore security, to support

¹³⁶ Interview Hugh White, 2 November 2000.

¹³⁷ See, for example, Sian Powell, 'From joy to terror in a week', *The Australian*, 6 September 1999, p1; Don Greenlees, 'The desertion of Dili', *The Australian*, 6 September 1999, p.1.

¹³⁸ 'Violence met with embargo', *The Australian*, 16 September 1999, p.2.

¹³⁹ Parliamentary debate, *CPD*, House of Representatives, Volume 229, 21 September 1999, pp.7619-20.

¹⁴⁰ DIO Intelligence Summary for 9 September 1999, cited in Dobell, *Australia Finds Home*, p.75.

¹⁴¹ Interview of John Howard by Fran Kelly on Radio National, ABC, 10 September 1999.

¹⁴² Habibie agreed to a Chapter 7 enforcement operation through economic and diplomatic pressure from the United States. The occasion of the APEC meeting in Wellington, New Zealand gave Howard the opportunity to gather appropriate support. See Dobell, *Australia Finds Home*, pp.76-7.

UNAMET operations and to facilitate humanitarian assistance. The force was sanctioned but not operated by the UN, its tasks initially approved for a period of four months until conditions were safe for UNAMET to resume its administrative operations.¹⁴³

Political relations between the two countries, which had been gently constructed through the efforts of successive foreign ministers and prime ministers, was in tatters; any remaining domestic support for Indonesia was exhausted, and the violence and Howard's declaratory policy eliminated any lingering notions of a close relationship. Unanswerable questions permeated the remnants of the relationship. What would have happened if Howard's letter was not sent? Was the timing of the letter inappropriate? Did the public release of its contents unduly influence Habibie's decision to hold a ballot as soon as practicable? Would Habibie's proposal for talks on autonomy have produced a less violent outcome? In the light of the DIO assessments of an TNI-inspired campaign of violence, did the government sufficiently press Habibie to accept a peacekeeping operation before the ballot? Policy-making between two dissimilar countries is a cautious art; yet, from the delivery of the letter to the dispatch of peace enforcement troops, the politics of the relationship seemed surreal and hurried in pursuit of an act of self-determination in East Timor.¹⁴⁴ Not one of the four objectives agreed in March had been satisfied; indeed, some senior Australian officials described 1999 as a 'strategic failure, but an operational triumph'. The Australian contribution to INTERFET was an operational success; the circumstances were sufficiently dangerous in the border area, and combat could easily have erupted between Australian and Indonesian forces.¹⁴⁵

¹⁴³ INTERFET consisted of 4500 troops from Australia, 1000 from the Philippines, 1000 from Portugal, 600 from Canada, 500 from France, 400-500 from Malaysia, 400 from South Korea, 350 from New Zealand, 250 from UK and 30-40 from Thailand. The United States provided intelligence and logistic support, even though some 6000 troops were in Australia participating in Exercise *Crocodile 99*. Security Council Resolution 1264-99 is quoted in full in Stephen Romei, 'Drafts diluted to suit Indonesia', *The Australian*, 16 September 1999, p.7. The lack of support from ASEAN nations is analyzed in Peter Alford, 'Feeble response makes mockery of ASEAN claims for solidarity', *The Australian*, 16 September 1999, p.7. American support is detailed in Question without Notice, CPD, House of Representatives, Volume 229, 20 September 1999, p.7553.

¹⁴⁴ Joseph Frankel, *The Making of Foreign Policy. An Analysis of Decision-Making*, Oxford University Press, London, 1963, pp.54-7.

The political relationship had been redefined by Indonesian perceptions of political betrayal. The military relationship fared little better; not since 1966 had Australian forces opposed Indonesian forces, and the new circumstances in East Timor questioned many of the personal relationships that had developed through defence activities.¹⁴⁶ When General Feisal Tanjung announced the end of the Security Agreement, his declaration signalled that trust and understanding had mostly disappeared between the two defence forces.¹⁴⁷ Indonesia subsequently cancelled combined military exercises, and individual training in Australia was reduced although officer attendance at Australian staff colleges continued.¹⁴⁸ Economic assistance also continued even though tensions remained; the Howard government announced new allocations of development assistance of \$A147.236 million for 1999 of which \$A26.002 million was directly allocated to East Timor, and the amounts to Indonesia varied little in succeeding yearly allocations.¹⁴⁹ Indonesian anger did not inhibit acceptance, but the government's continuation of economic assistance was an expression of support for future good relations in spite of the violence in East Timor.¹⁵⁰

THE END OF SECURITY COOPERATION

On 21 September 1999, Howard reviewed the situation in Parliament in response to the Indonesian announcements. He declared that developments in East Timor affirmed 'the home truths about Australia's place in the region':

The first truth is that foreign policy needs to be based on a clear sense of the national interest and on our values. As Palmerston famously observed: 'Nations do not have permanent friends but only permanent interests' ... We should not delude ourselves that relations between countries turn on the personal rapport of leaders, the sentiments of governments or so-called special relationships. Our relationships are most productive when they are realistic, concentrating on mutual interests ... and openly recognizing, where they exist, differences in values and political systems ... National interests cannot be pursued without regard to the values of the Australian community. Australia has

¹⁴⁵ After the ballot, Downer's attempts to downplay TNI involvement in East Timor were partially influenced by operational reasons since any provocation could have lead to fighting along the border. Interview Hugh White, 2 November 2000.

¹⁴⁶ *Ibid.*

¹⁴⁷ Don Greenlees, 'Jakarta severs security ties with Canberra', *The Australian*, 17 September 1999, p.1.

¹⁴⁸ Louise Williams, "'Regret" as joint exercises axed', *The Sydney Morning Herald*, 30 October 1998, p.10. Total annual defence cooperative expenditure in 1999 decreased to some \$A5.234 million. See Appendix 2.

¹⁴⁹ \$A121 million was allocated in 2000-01; and \$A121.5 million in 2001-02. See Aid Budget Summary 2001-02 at www.aisaid.gov.au/budget/summary.cfm, 31 May 2002.

no quarrel with the Indonesian nation. Both countries have an interest in getting on with the other. We share common interests; we are neighbours.¹⁵¹

Howard admitted that 'over the last 25 years, governments of both persuasions have got it wrong on East Timor'.¹⁵² His denial of the importance of personal rapport in the relationship contradicted his regrets in 1995 that Suharto had not visited Australia.¹⁵³ His admission that foreign policy was a continuation of domestic politics was in itself a muddled concept if at the same time he adhered to the discipline of Palmerston's permanent interests, that Australia's security is inextricably linked to the security and stability of Indonesia. He regretted 'that the relationship has been put under strain but the goal in the end is to do the right thing, not to preserve a relationship at all costs'.¹⁵⁴

This was an illusory statement aimed to defuse criticism of the government's responsibility for any part of the violence in East Timor. The criticism was ever widening and now included the accusations that the government had deliberately ignored intelligence assessments.¹⁵⁵ The government's fostering of relations with Indonesia had always been Palmerstonian in nature; before the 1996 federal election, the Coalition had unabashedly and cleverly balanced its policy wishes on Indonesian human rights abuses, East Timor, and defence and economic cooperation with the sentiments of many Australian electors; after the election, the government embraced the relationship in the fashion of its predecessors, forgoing most of its election promises on Indonesia, and reaffirming the pragmatism of national interests, which was only disturbed by the demands of the Australian public who responded to the Indonesian-inspired violence in an unequivocal fashion, urging Australian political and military intervention to secure East Timorese independence. Intervention automatically rendered the relationship impotent; yet, intervention was the product of influences some of which were exacerbated by the actions of the Howard government.

¹⁵⁰ See Appendix 1.

¹⁵¹ Debate on the motion to support the deployment of ADF units to East Timor, *CPD*, House of Representatives, Volume 229, 21 September 1999, p.7620.

¹⁵² Editorial, 'Defence force rethinking now top priority', *The Australian*, 16 September 1999, p.10; Question without Notice, *CPD*, House of Representatives, Volume 229, 27 September 1999, p.7956.

¹⁵³ See p.355.

¹⁵⁴ Cited in Peter Hartcher, 'Deputy without a sheriff shoots from the hip', *The Weekend Australian Financial Review*, 25-26 September 1999, p.9.

¹⁵⁵ See Footnote 117.

After December 1998 the Howard government had generated political and military responses in Indonesia and East Timor that were never previously imagined. The government had never set out to undermine the linkage between Indonesia and East Timor; Howard had always couched self-determination for the East Timorese in terms of Australia's long-term position, 'that the interests of Australia, Indonesia and East Timor are best served by East Timor remaining part of Indonesia'.¹⁵⁶ Once Habibie announced that independence would be granted if supported by a majority of the East Timorese, the Australian position began to lose its relevance. The scramble for a new approach resulted in four objectives, two of which were not new but resonated with the historical spirit of the relationship: to maintain Indonesia's hold on East Timor, and to maintain the quality of the relationship with Indonesia.¹⁵⁷ When the violence started, both objectives were unachievable, and the Howard government adjusted policy in response to a domestic constituency that demanded an end to the violence in East Timor. The deployment of Australian forces into East Timor changed the nature of the relationship to one, Howard declared, was based 'on ends and means' with its accompanying morality 'to do the right thing'.¹⁵⁸ The government's reaction to the violence was understandable for its humaneness; yet, its actions in the pre-ballot period were in sympathy with its deliberate policy, of the 'hard-headed pursuit of the interests which lie at the core of foreign and trade policy - the security of the Australian nation and the jobs and standard of living of the Australian people'.¹⁵⁹ In finally choosing East Timor over Indonesia, the government had forgone 33 years of pragmatism in which the centrality of the relationship with Indonesia had rested on maintaining good relations in the national interest.

¹⁵⁶ Kelly, *Paradise Divided*, p.205.

¹⁵⁷ Interview Hugh White, 22 May 2001.

¹⁵⁸ Howard's consistency in dealing with Indonesia remains singularly incongruous. His declaration, that Australia accepts Indonesian sovereignty over West Papua, could hardly be reassuring to the Indonesian government. For some, the similarities between East Timor and West Papuan are debatable; yet West Papuan independence is a growing intrusion into the 'periphery of the Australian public consciousness', paralleling the East Timor experience. Would a future Howard government 'do the right thing' and support West Papuan independence? Hartcher makes the point that between January and September 2000 Australian major newspapers published 329 stories on West Papua, a reasonably significant number in comparison to the 2700 stories on Yugoslavia. Peter Hartcher, 'Will may turn to won't as West Papua conflict grows', *The Australian Financial Review Weekend*, 28-29 October 2000, p.9.

¹⁵⁹ Commonwealth of Australia, *In the National Interest*, p.58.

To be sure, the circumstances of September 1999 seemed remarkably similar to those of September 1965. After the attempted coup in 1965, the government initiated policies to seek a measured accommodation with the New Order, and economic assistance was offered unconditionally to stabilize the political and social order which was under stress through economic despair and the political turmoil in contending with the remnants of Sukarno's Guided Democracy. Political relations in 1965 were perfunctory because of Confrontation, and defence cooperation had stalled because Australian forces opposed Indonesian forces in Borneo. In 1999, Australian economic assistance continued because the Indonesian economy was in disarray with few signs of an early recovery; and the emerging political system in Jakarta was challenging the remnant influences of Suharto's New Order. The Australian government responded to the violence in East Timor by approving the deployment of ADF units into the troubled province, and these forces now faced Indonesian forces along the boundary between East and West Timor.

Geostrategic factors had not changed. Indonesia was still Australia's most important neighbour; direct threats to Australia and its territories were still more likely to emerge from or through Indonesia; both countries shared an abiding interest in the region's security; and both countries recognized the benefits that a stable Indonesia contributes to the region's stability. These were objectives that all strategic assessments since 1968 had identified in one form or another. Indeed, the 1968 Strategic Basis had proved correct in its assessments of the possible fissure areas in the bilateral relationship: the strategic position of Australia will be weakly based if it depends upon the survival of particular political regimes in Indonesia, and therefore Australian policies must be geared to the possibilities of change; attempts to undermine the effectiveness of the central government of Indonesia and its effective control of the archipelago would disturb national cohesion and stability; and questions on cohesion and stability raised uncertainty about Indonesia's international conduct in the longer term.¹⁶⁰ In these circumstances the 1968 Strategic Basis had predicted that extra defence expenditure would be required; now in 1999, with the resignation of Suharto and the ending of the New Order, the ballot in East Timor, and the

¹⁶⁰ See Chapter 3, in particular pp.150-3.

rupture in the relations, the Australian government found it necessary to increase defence expenditure.¹⁶¹

The failure to manage the relationship during stress underlines the relevance of Buzan's contention that the national security imperative 'of minimizing vulnerabilities sits unhappily with the risks' of formal agreements. Any agreement is weakened when individual national security strategies generate greater importance than those embodied in the agreement.¹⁶² This was clearly the case with the Security Agreement, which was unable to provide adequate mechanisms to stimulate and manage discussion of the East Timor issue. It had been forgotten that the security arrangement was developed by accommodating dissimilar cultures while retaining the principle of common strategic interests. The success of the Agreement therefore rested on shared respect for both cultural differences and common security interests. East Timor undermined both pillars: Indonesian strategic culture defined East Timor as an internal matter and outside the scope of the conflict management processes envisaged in the Agreement; and Australian and Indonesian objectives for East Timor were not always common in nature. As one commentator had predicted when the Security Agreement was announced in December 1995: if the common interests so readily identified by Keating and Indonesian self-interest did not coincide, then the operation of the Agreement became questionable, and the Agreement would be one of the first relationship ingredients to disappear.¹⁶³ This was truly the case.

¹⁶¹ Commonwealth of Australia, *Defence 2000-Our Future Defence Force*, Defence Publishing Service, Canberra, 2000, p.5.

¹⁶² Buzan, *People, States, and Fear*, p.214.

¹⁶³ Interview Hugh White, 2 November 2000.

CONCLUSION

When the news of the attempted coup in Jakarta reached Australia, its significance was lost in the mire of confusion and scarcity of diplomatic reporting on what was happening in Indonesia. Australian intelligence had not alerted the government to the attempted coup; and in the post-coup period the government was faced with new circumstances that its security planning had not envisaged. The fundamental importance of Indonesia to Australia's security had always been recognised and accepted by policy-makers; the enduring geostrategic factors, of Indonesia's proximity and geography, and dissimilar size and cultures, were acknowledged to be central to Australia's security. During Confrontation, the importance of relations had featured strongly in the government's dual policy of support for Malaysia while fostering the political relationship with the Sukarno government, even at times when Australian forces opposed Indonesian forces in combat. After the attempted coup new possibilities emerged; an anti-communist government in Jakarta brought with it the attendant advantages of a friendlier neighbour and the prospects for an improvement in regional stability and security; and the demise of the PKI and its influence in Indonesian domestic politics signalled a diminution of Chinese influence in Australia's neighbourhood. These were advantages that sat well with successive Australian governments in their actions in accommodating Australia's security requirements with the New Order government.

Nonetheless, the residual effects of Confrontation lingered in the degree of ambivalence that Indonesia had presented to Australian security planning. Sukarno's campaign of opposition to Malaysia threatened the stability of Australia's neighbourhood, and his earlier use of force against the Dutch in West New Guinea strengthened perceptions that Australia's regional security requirements could only be met through military alliances with the United States and the United Kingdom. Within 10 years, British military forces had withdrawn from Malaysia and Singapore, and the United States had completed its military withdrawal from Vietnam. In their absence Australian diplomacy was compelled to accept

an increased responsibility for regional stability and adjust to different notions of choice; and an anti-communist government in Jakarta offered new opportunities to explore more intimate security arrangements with Indonesia. As the thesis has shown, the government's reactions to the changed circumstances were initially measured and pragmatic. Hasluck's caution in not accelerating government to government contact reflected in part his suspicion of the surviving remnants of Sukarno and Guided Democracy, the ongoing Confrontation which did not officially end until August 1966 and also his perspectives on the need for containment of Chinese influence, which, he believed, was central to communist expansionism in Indochina. He was equally mindful of the intending withdrawal of British military forces and accepted that American forces would eventually be withdrawn from Vietnam; therefore he believed that some new form of accommodation had to be found with Indonesia.

Australian defence and foreign policy had always shown a disposition to search for special relations, and in the circumstances of the post-coup period the government's actions were no different. Official documents indicate that Hasluck and Gorton unsuccessfully proposed 'some sort of security pact' with Indonesia. A security arrangement with Indonesia offered a measure of security insurance for Australia in the short term after the withdrawal of British forces in 1971 and of American forces from Vietnam. Strategic assessments calculated that Indonesia was incapable of mounting large scale operations against Australia and its territories until at least the late 1980s; therefore, a security arrangement with Indonesia over the intervening period presented few strategic risks; and, for the longer term, programs of economic and defence assistance could be used to secure more substantive relations with Indonesia beyond the 1980s. Labor had raised similar suggestions with Suharto and Malik, although for different reasons; research shows that Labor believed that a viable defence arrangement involving Malaysia and Singapore should include Indonesia since a defence union of Australia's neighbours would negate the necessity to continue the strategy of forward defence and permit the withdrawal of Australian forces from Malaysia and Singapore. These initiatives were all rejected because Indonesia preferred a non-aligned status and a predilection for political and economic stability through its membership of ASEAN.

Alliance rejection did not deter Australian governments from using economic assistance and defence cooperation to promote the legitimacy of the New Order government; and, through Indonesia's improving social cohesion and stability, Australia was able to extract a measure of security from and with Indonesia. Primary source documents reveal that economic assistance was first used as a tool to achieve political outcomes and to influence the shape of new governance structures in the post-coup period. Assistance was unconditional, and given in the form of grants and commodity aid, rather than as loans; its unconditional nature promoted ideals of neighbourly assistance rather than commercial activities, and contributed to an environment of growing confidence and trust at the political level despite irreverent Indonesian criticism of its magnitude from time to time. These measures, however, did not achieve all that was envisaged, but economic assistance was never postponed or reduced; indeed, economic assistance increased over time in spite of the upheavals in diplomatic relations as a result of the 1975 Indonesian invasion of East Timor and the subsequent human rights abuses in the province, from the 1991 Dili massacre, and from the terror and violence after the East Timorese ballot for independence in 1999. There was never rigorous government discussion to vary economic assistance; even in 1999 when relations reached their lowest, economic assistance was deemed too important because of its contribution to Indonesian societal cohesion. Successive Australian governments were cognisant of the alternatives to social cohesion - of disorder, instability and possible militarism - and preferred to encourage the Indonesian government with all its imperfections.

Alliance rejection also moulded fresh attempts to engage Indonesia in different regional security arrangements. After Hasluck's and Gorton's unsuccessful efforts, the Whitlam government attempted to secure ASEAN support through Indonesia for an expanded Asia Pacific arrangement in the fashion that Spender had defined in 1950. Whitlam's objectives reflected Labor party policy, which sought a new and larger regional organisation to replace associations such as SEATO and ASPAC; for Labor, Australia's security environment could be improved through participation in mutual defence arrangements with other nations of South East Asia to encourage 'greater trade, cultural, sporting, social, political and trade

union relations between Australia and all nations of Asia'.¹ Whitlam's diplomatic initiative failed as did Fraser's attempts to engage Indonesia through closer relations with ASEAN. There was initially little Indonesian support for Australian dialogue with ASEAN; Australia was never offered membership of ASEAN, and Australia had not been invited to participate in the regional deliberations that eventually established ASEAN. Indeed, Indonesia and ASEAN saw little need for more intimate relations between the Association and Australia though later Australia, along with other nations, became a 'dialogue partner' of the regional organisation. The conclusion for Australian governments was unambiguous; if security could not be progressed through an arrangement with Indonesia, or through other regional organisations, then more admirable bilateral relations would have to be constructed on stronger political, economic and defence bases that could be capable of preserving relations in times of political difficulties.

Defence cooperation was reinstituted in 1967 through the pragmatic spirit of realist politics. The primary sources indicate that Australia required overflight and refuelling permission to transport troops to and from Vietnam as well as to rotate Mirage jet aircraft to and from Malaysia. In reciprocation of Indonesian approval, the Australian government agreed to an Indonesian request to re-introduce defence cooperation. Hasluck's cautious approach in re-establishing the bilateral relationship permeated the new forms of military cooperation, which were not aimed at enhancing Indonesia's security forces but were developed in order to improve relations between the two defence forces through 'visits, exchange of service students, simple joint exercises and in other ways'.² Defence cooperation contributed a number of advantages: it was a means of intelligence collection, which satisfied the requirements to monitor the preparedness of Indonesian forces to undertake large scale operations against Australia and its territories; in a symbolic manner, it also promoted the credibility of the New Order government; it improved confidence and trust between the two defence forces; and it initially satisfied Australia's requirement for overflight and refuelling permission. The primary source material indicates that defence cooperation was first

¹ Beazley, 'Post-Evatt Australian Labor Party attitudes to the United States alliance', Appendix J, titled '1967, 1969 and 1971 Federal Conference decisions on defence policies and regional security arrangements', pp.366-7, 371.

expanded, not at the instigation of the Australian government but at the request of the United States government, which was concerned at the possible effects on regional stability from the American withdrawal from Vietnam since a stronger Indonesia was believed to be essential to counter unpredictable changes in regional security. The expansion included the supply of operational Sabre jets, jet maintenance support equipment, training of air crew and supply staff, and the establishment of an air base. Successive governments continued the program's expansion by progressively improving Indonesia's maritime surveillance capabilities through additional aircraft and patrol boats, additional training, and for the first time combined maritime exercises. The thesis also draws attention to the linkage between an expanded defence assistance program and Labor's policy objective to withdraw Australian military units from Malaysia and Singapore from 1973.

Government sensitivity to defence cooperative activities persisted throughout the period. The research shows that Hasluck directed that the announcement of the resumption of defence cooperation was not to be publicised; he had also restricted government publicity on the resumption of economic assistance because of anticipated community criticism. During the time of the Indonesian invasion of East Timor, the Whitlam government concealed the provision of additional maintenance support for the Sabre jets in October 1975, and the Fraser government approved the secret transfer of Nomad maritime surveillance aircraft to Indonesia in early 1976. The secrecy surrounding the decisions reflected the political imperatives of the moment since criticism of Indonesia through a withdrawal of military support for the Sabres was considered inappropriate in the tense and critical time of the first covert invasion of East Timor; and by 1976 the killing of the five Australian-based newsmen at Balibo, combined with the reporting of other massacres in East Timor, generated public disquiet over ongoing defence activities with Indonesia. These concerns eventually led to a parliamentary enquiry into the relationship between defence cooperation and human rights issues, but little changed. Most other government modifications to defence cooperation were publicly announced, and by the end of 1973 Indonesia was the largest recipient of Australian defence assistance outside of Papua New

² Cablegram 507, Hasluck to Rusk, 19 February 1968, DEA file 3034/10/1 Part 31, CRS A1838/280, NAA; see also Chapter 2, pp.88-95.

Guinea. As the research indicates, the range and magnitude of all the defence cooperation activities were never immense. Indeed, the systemic nature of ambivalence in Australian defence planning acted as a latent inhibitor to unrestricted military assistance but the intent and scale of assistance was successful in promoting relations over some 30 years. Had defence relations been less than satisfactory, then Keating would not have been able to initiate discussions on a security agreement in 1994; and in 1999 when Australian and Indonesian forces opposed each other in the border area of East Timor, the potential for conflict was high, but manageable through the personal relationships that had developed from defence cooperative activities.³ To be sure, the outcomes of defence cooperation were marred by the odium of human rights abuses that were instigated by a military whose two-fold roles were founded on the doctrine of *dwifungsi* – a military force for the defence of the Republic as well as an active social-political force in the running of the nation. Defence assistance to one role is automatically provided to the other; and public awareness that any army-related skills training did have some intrinsic value for internal security operations only soiled the intent of defence cooperation. It did not matter that most defence cooperation involved specialist training in non-lethal areas because, for many Australians, the legacy of human rights abuses by the Indonesian military during the New Order period overwhelmed the advantages that accrued from defence cooperation. This was recognised in 1998 by the Howard government, which reacted to the revelations that Kopassus troops were involved in new human rights abuses in Jakarta by cancelling special forces training for ‘technical reasons’.⁴

Cancellation of defence cooperation was used by the New Order government to register anger and protest over the publication of the Jenkins articles on the Suharto family. The publishing of the articles fractured the political component of the bilateral relationship in 1986, and defence cooperation ceased at Indonesia’s insistence. Resumption had to await a

³ General Cosgrove later remarked on the advantages of 40 years of defence cooperation:

My Australian officers in INTERFET were able to establish co-operative relations with Indonesian counterparts in East Timor because they had either trained in Indonesia, learned *Bahasa*, or had hosted Indonesian personnel who had trained in Australia ... The ADF’s engagement with the Indonesian armed forces over the past decades did have a pay-off in East Timor.

See Cosgrove, ‘One Mission Accomplished: What’s Next?’, p.100.

⁴ Louise Williams, ‘“Regret” as joint military exercises axed’, *The Sydney Morning Herald*, 30 October 1998, p.10.

rebirth in the political relationship in 1988 before a new framework of assistance could be negotiated. Research shows that the new framework, which was negotiated between Evans and Alatas, was based on the principle that Australia and Indonesia shared, with other South East Asian nations, a primary concern for regional peace, security and stability. The concept of common security interests was promoted to neutralise notions of systemic ambivalence towards Indonesia, and Indonesia has always been viewed with suspicion by many Australians. Strategic policy documents had concluded that direct military threats to Australia would be conducted 'from or through' the Indonesian archipelago; and, in geostrategic terms, this would never change. What could change was Indonesia's military capabilities and intent to undertake large-scale military operations against Australia or its territories. Primary sources show that all strategic assessments undertaken between 1968 and 1997 concluded that Indonesia had neither the capabilities nor the intent to carry out such operations. The Indonesian government was more focused on looking north towards China and inwards to its internal security in order to maintain the social and political cohesion of the Republic. Such was the rationale for the promotion of common security interests, which gave governmental justification to the proliferation of defence cooperative activities from 1989, after the end of the Cold War.

The significance of the increase in defence contact lay in its contribution to the building of mutual trust and confidence through the sweep of personal relationships that was generated between the two defence forces. Optimising personal relationships in the Javanese style improved the potential to progress initiatives. This was not always the case; Gorton and Whitlam experienced relationship difficulties from their indifference to the subtleties in their relationships with Suharto and Malik when proposing new security arrangements. Whitlam recovered sufficient diplomatic standing for Suharto to reward him with an invitation to make an informal visit to Indonesia; by 1974, the political relationship had reached a level of trust and understanding with which Suharto felt sufficiently comfortable to authorise briefings for Australian officials on the Indonesian political and military intentions for East Timor. Howard was similarly aware of the importance of personal relationships, encouraging Suharto to visit Australia and, in the Javanese fashion, exercising the traditional Javanese senses to establish his prime ministerial credentials during his first

State visit in 1996. Howard, however, undermined his personal relations through his letter to Habibie, which communicated Australian support for Indonesia's sovereignty of East Timor and indicated a process that would legitimize Indonesia's authority in the eyes of the international community without jeopardizing its authority. The research shows that the letter disturbed the niceties of diplomacy between the two leaders, and relations never recovered, to the detriment of the East Timorese. Fraser was equally unable to recover in the short term his credibility with the New Order after his 'leaked' conversations with Hua Kuo-feng, the Chinese Premier, indicated that he believed the Indonesian regime 'could not be effective'.⁵ He was never one to make the same mistake again, and eccentrically modified his political behaviour during and after his 1976 visit to Indonesia to re-establish relations through gradualism and secrecy in preparing Australians for *de jure* recognition of Indonesian incorporation of East Timor.

During the time of the Keating government, bilateral relations reached their zenith. The thesis details how the Keating-Suharto relationship advanced the security relationship through the secretly-negotiated *Australia-Indonesia Security Agreement*. Good personal relationships seemed to enhance the elements of trust and understanding that underpinned the Agreement. To be sure, the Agreement was a political declaration for domestic and regional consumption that Australia and Indonesia shared common security interests in the post-Cold War period that were not predicated on defence against a common enemy. Its intent centred on consultation: the two governments agreed to consult on a regular basis about matters affecting their common security; to consult each other in the case of adverse challenges to either party; and to promote, in accordance with the policies and priorities of each, cooperative activities in the security field. The study shows that the objectives of the Agreement were generally accepted throughout Australia, but the manner of its negotiation intensified the depth of suspicion and distrust of the government's policies on Indonesia. Indeed, the odium from the government's reactions to the 1991 Dili massacre seemed to be matched by the resentment of the secrecy surrounding the negotiation phase of the Agreement.

⁵ See Warren Beeby, 'Secrets leak stuns Fraser', *The Australian*, 24 June 1976, pp.1, 11

The Security Agreement had been accepted by Howard; during his State visit to Indonesia, he had worked assiduously to diffuse any residue of misunderstanding from his electioneering promises; and he had communicated the political conviction that the signing of the Agreement has sent a strong message ‘that at a time of strategic change Australia and Indonesia are committed to co-operating in order to promote regional security’.⁶ Howard had joined Keating in supporting the concept of shared strategic interests on which the Agreement rested. As such, he had not departed from the ‘basic continuity’ of previous governments, and he was not hesitant in declaring that Australia was better placed in ‘explaining’ to the Clinton Administration the situation in Indonesia and to help the United States develop a ‘proper understanding of the nature of the Indonesian polity’.⁷ The research, however, shows that it was Howard’s poor understanding of the Indonesian polity that contributed to the diplomatic chaos of East Timor in 1999. The Security Agreement endorsed the concept of regular consultations on common security interests and on matters affecting their common security. In accordance with the Agreement, the Howard government was correct in raising East Timor in December 1998 as a matter affecting Australian and Indonesian common security; new political circumstances in Jakarta offered new opportunities to remove East Timor as an ‘irritant’ in the relationship. Howard’s policy, like the policies of previous governments, had always been focused on securing East Timor’s incorporation into Indonesia but perhaps over 10 years, during which time the East Timorese could be convinced of the benefits of incorporation.⁸ Incorporation could then emerge from a conditional act of self-determination after a ‘substantial period of autonomy’.⁹ Howard’s failure rested on the manner of his communication to Habibie; the letter between two heads of government invalidated the niceties of diplomatic behaviour; the letter usurped the traditional senses of talking, friendship, hearing and confidentiality in establishing the moment of understanding; and the letter represented a political practice, more associated with the Australian than Indonesian polity in achieving quick outcomes.

⁶ Cited in Michael Gordon and Patrick Walters, ‘Howard embraces Indonesia’, *The Australian*, 17 September 1996, p.1.

⁷ Cameron Forbes and Don Greenlees, ‘Minister attacks US shortcomings in Asia’, *The Australian*, 9 October 1997, p.6.

⁸ Interview Hugh White, 22 May 2001; and Kelly, *Paradise Divided*, p.205.

The research shows that the possible outcomes were not anticipated by the Howard government, and the rush to repair the damage only strengthened Habibie's determination to hold a ballot as soon as practicable.

The political decision to contribute military forces to East Timor was based on a convergence of prevailing domestic concerns over the extent of the violence and of the moral justification for self-determination. The research shows that human rights abuses in Indonesia had not always angered the Australian community. The anti-communist purges after the attempted coup were far larger and more extreme than the violence in East Timor and were ignored by most Australians; indeed, the government was sufficiently confident in its approach to ignore the purges because they represented a rebalancing away from communist influence in Jakarta. By 1999 circumstances had changed; the Australian community had tolerated some 30 years of misgivings and suspicion of government policies in managing bilateral relations since the Indonesian invasion of East Timor; once the violence began after the ballot for independence, the government was not prepared to ignore the overwhelming public clamour to stop the violence. Intervention also presented a distraction to circumvent its political mistakes, which included a disregard of intelligence reports that had predicted the violence, but intervention also meant an end to bilateral trust and understanding and the termination of the Security Agreement. The wheel had turned; and, once again, the Australian government was faced with the task of re-establishing security cooperation with Indonesia.

Security Theory and Practice

The thesis also offers some reflections on the linkages between contemporary theories of security and the practice of security policy-making in the period under review. The immediate period after the attempted coup of September 1965 saw the Australian government locked into the traditional preoccupation with extant and new collective security arrangements in managing the fall-out from the British withdrawal from Malaysia and Singapore. The post-Vietnam security environment dominated by the United States'

⁹ Don Greenlees and Richard McGregor, 'Howard reverse on East Timor', *The Australian*, 12 January 1999, p.1. See also 'Downer shores up Timor position', *The Australian* 12 January 1999, p.2.

withdrawal and Nixon's declaratory Guam doctrine of self-reliance for nations in East and South East Asia only added to the uncertainty of the moment, and energized Gorton and Hasluck in their efforts to seek a closer relationship with Indonesia in some form of non-aggression pact or collective regional security arrangement, either to 'balance' Indonesia or 'to work with her'.¹⁰ The elements of change, however, were ever present, and both Hasluck and Gorton accepted the 1968 Strategic Review approach that embraced 'political, economic and social objectives equally with the military'.¹¹ The 1968 Strategic Review had mirrored some of the strands of cooperative and common security that Spender and Menzies had earlier accepted and which later would be the subject of advocacy by international relations analysts. Hasluck would initiate defence cooperation, economic assistance and a range of social and cultural measures that encompassed the broader notion of a 'community of interests'; and his framework would become the basis for cooperative activities of future Australian governments with the New Order government.¹²

The idea for a more substantive cooperative security arrangement did not lose its appeal. Whitlam's 1973 initiative of a broad regional arrangement reflected the decisions taken at the 1967, 1969 and 1971 Federal Labor Conferences to enhance Australia's security environment through 'participation in mutual defence arrangements with other nations of South-East Asia', consistent with the United Nations Charter and Australia's existing alliances, and parallel with the introduction of policies to encourage 'greater trade, cultural, sporting, social, political and trade union relations between Australia and all nations of Asia'. Labor's approach heralded the requirement for a new regional organization to foster a broader and more inclusive form of regional cooperation. The proposal had never really been forgotten, and there were some like Shann, Waller and later Renouf, who recalled the debates in the 1950s and the prompt in Spender's 9 March 1950 speech of the need for a broader, less defensive-oriented Pacific grouping. Spender had then noted the importance

¹⁰Cabinet Submission 306, 'Strategic Basis of Australian Defence Policy - 1968', CS file C306, CRS A5868/2, NAA.

¹¹ *Ibid.*

¹² These included new commercial relationships, student exchanges, cultural visits, informal visits by senior Australian experts and officials 'passing through' Jakarta, a layered program based on the 'free exchange of peoples, ideas and skills'. 'Working Paper on Indonesia', 25 August 1966, DEA file 3034/10/1, CRS A1938/280 Part 28, NAA; 'Annual Report 1966', 16 May 1967, DEA file 3034/10/21 Part 1, CRS

of 'positive aims' through the 'promotion of democratic institutions of higher living standards and increased cultural and commercial ties', which signalled a more comprehensive diplomatic package for the Asia Pacific region and promoted security in a much broader sense, along the lines of later cooperative security theory.¹³ Suharto's less than satisfactory rejection of Whitlam's proposal resulted in the suspension of diplomatic activities to engage Indonesia in some sort of security arrangement. All that Whitlam, and later Fraser, could now do was to strengthen the functioning of regional organisations, such as ASEAN and FPDA, through confidence building measures of increased economic, defence and cultural assistance. Diplomatic attempts at broader and more comprehensive arrangements would have to await the later development of new regional mechanisms.

The 1980s, moreover, saw a convergence between theory and practice as newer conceptions of international and regional security evolved with the growing recognition of national security strategies that could be adopted under the 'umbrella' of cooperative and common security arrangements.¹⁴ The convergence between theory and practice paralleled the deepening discourse on security in the 1980s, fed in part from the changing geopolitical circumstances in Europe and the Asia Pacific region, which more easily permitted national security objectives to be achievable through broader cooperative action.¹⁵ Indeed, the actions of successive Australian governments reflected this shift, and the agent of change was initially Foreign Minister Evans who generated a personal influence that enmeshed theory and practice. He oversaw the development of *Australia's Regional Security*, which was focused to give weight to the notion of comprehensiveness in the conduct of international affairs. The document had at its centre the multi-dimensional nature of policy responses that could thwart a possible major attack from or through a protective barrier of traditional diplomacy, politico-military capabilities, economic and trade relations and development assistance, which extended also to immigration, education and training, cultural relations, and information activities. Evans regarded the large variety of policy instruments to be mutually reinforcing contributions to Australian security – in effect, a

A1838/321; and 'Annual Report, 1st July 1967 – 30th June 1968', DEA file 3034/10/1 Part 30, CRS A1838/280, NAA.

¹³ Ministerial Statement, *CPD*, House of Representatives, Volume 206, 9 March 1950, pp.622-9.

¹⁴ Bayliss, 'International Security in the Post-Cold War Era', p.209.

new template of non-military aspects of security for regional security cooperation, based on the more practical aspects of comprehensive and common security strategies. What was compelling in *Australia's Regional Security* was the concept that Australia should not guarantee its security through military means alone, and that some form of overarching framework was needed to guide the extent of practical measures, such as defence cooperation and security-related dialogue, to nurture improved 'conceptual compatibility' with non-Australian initiatives, especially from within ASEAN and the newly-formed APEC. Accordingly, he directed that the only way to advance Australia's regional security initiative was to give impetus to non-military aspects of security cooperation.¹⁶

By the early 1990s Australian security practices with Indonesia had most of the trappings of comprehensive and common security strategies. Australian security with Indonesia was cushioned through a fabric of political, social, economic and military interrelationships that supplied ballast to the ongoing management of issues between two unequal neighbours; and the Security Agreement, which was negotiated over a 17-month period, embodied the essential elements of cooperative and common security theory through Australian attempts to achieve security with Indonesia, not against it. The new approach coincided with the advocacy of those international relation analysts who suggested that nations should view their own security interests to be compatible with the security interests of their neighbours.¹⁷ The weakness of this approach rested on the assumption that, given the competitive nature of the international system, nations are actually able and prepared to accept a more cooperative international environment in times of tension while maintaining their independent identity and their functional integrity.¹⁸

Keating had initiated the negotiations for a security agreement with Indonesia on the basis that a future arrangement needed to accommodate common security interests and dissimilar cultures. The East Timor violence demonstrated that both Australia and Indonesia were not

¹⁵ *Ibid.*, p.210.

¹⁶ See, in particular, Chapter 6, pp.305-6.

¹⁷ Bayliss, 'International Security in the Post-Cold War Era', p.195.

¹⁸ *Ibid.*

prepared to respect the principle of shared security interests. Even before the violence the avowedly 'realist' Howard government was a much less credible partner; and when Indonesia's national security strategies generated greater importance to those embodied in the Security Agreement, then acceptance of shared security interests evaporated because the Indonesian government policies on East Timor eventually clashed with the Howard government's approach to East Timorese independence. In these circumstances the Security Agreement lost its utility.¹⁹ Equally, the thesis offers evidence to support the contention that the element of strategic culture played its part in conflict management during the New Order period. The relationship between political culture and external behaviour does have its roots in the diplomatic skills that emerge from the culture of society to influence the manner of response during a political crisis. The thesis shows that the thread of dissimilar cultures influenced political outcomes throughout the New Order period and reinforced the axiom that knowledge of values, religion and governance can assist in diplomatic security endeavours.

¹⁹ *Ibid.*, p.214.

**BILATERAL AID/ OFFICIAL DEVELOPMENT ASSISTANCE
INDONESIA
1965-1999
(\$A millions)**

1965-66	1.073 (1)	1982-83	43.692
1966-67	1.178	1983-84	42.918
1967-68	1.490	1984-85	56.714
1968-69	5.972	1985-86	76.029 (2)
1969-70	11.504	1986-87	65.579
1970-71	14.720	1987-88	70.224
1971-72	15.607	1988-89	89.120
1972-73	17.988	1989-90	88.090
1973-74	23.238	1990-91	98.041
1974-75	21.367	1991-92	107.914
1975-76	22.866	1992-93	115.613
1976-77	24.584	1993-94	127.706
1977-78	22.525	1994-95	130.637
1978-79	29.279	1995-96	135.109
1979-80	36.000	1996-97	129.876
1980-81	38.396	1997-98	102.684
1981-82	39.837	1998-99	97.091
		1999-00	147.236 (3)

Notes:

1. From 1965 to 1984, the amount represents bilateral aid expenditure only, calculated for the Australian fiscal year and expressed in current prices. Sometimes government announcements on bilateral aid were not fully expended, which sometimes produced inconsistencies between projected and actual expenditure.
2. From fiscal year 1984-85, aid is expressed as Official Development Assistance (ODA), which includes direct bilateral aid, regional aid and multilateral aid. In some years, ODA might include allocations to country and regional assistance, student subsidies, multi-city programs, trade development schemes, assistance to NGO and international organizations, and emergency aid.
3. Includes a direct allocation of \$A26.002 million to East Timor.
4. From 1946 to 1965, bilateral aid to Indonesia totaled \$A13.400 million in 1965 prices.

Source:

1. Minute, Statistical Services Section, AusAID, 15 December 2000.

**COMPARISON DEFENCE COOPERATION/COOPERATIVE
EXPENDITURE
INDONESIA AND SELECTED COUNTRIES
1966 - 2000
(\$A million)**

	Indonesia	Malaysia	Singapore	PNG	Total (2) DC funds
1966-67	-)	7.563	0.473	-	8.036
1967-68	-) (1)	4.993	1.098	-	6.091
1968-69	-)	4.620	1.623	-	6.243
1969-70	-)	6.520	1.683	-	8.203
1970-71	-)	3.540	1.453	-	4.993
1971-72	-)	3.705	0.522	-	4.227
1972-73	3.763	5.523	0.917	-	10.306
1973-74	5.108	3.986	1.744	-	10.334
1974-75	5.565	3.931	1.260	77.784 (3)	88.646
1975-76	6.259	4.038	0.723	27.791	26.844
1976-77	6.596	3.891	0.699	13.968	25.368
1977-78	7.209	4.050	0.551	14.565	26.952
1978-79	7.183	3.963	0.394	11.511	24.599
1979-80	9.589	2.876	0.699	14.179	30.044
1980-81	11.935	3.909	1.175	15.245	37.914
1981-82	8.627	3.954	1.236	16.654	39.676
1982-83	10.184	4.859	1.594	17.280	44.209
1983-84	8.902	5.744	1.617	16.447	45.644
1984-85	9.953	5.613	1.322	16.031	45.331
1985-86	8.333	5.999	1.503	19.105	50.099
1986-87	4.963	6.186	1.363	22.909	54.609
1987-88	2.836 (4)	5.836	0.724	24.253	57.538
1988-89	Nil	7.096	1.258	27.372	60.596
1989-90	Nil	6.897	0.831	37.886	74.200
1990-91	0.530 (5)	7.135	0.801	52.886	93.014
1991-92	1.816	7.206	1.214	37.172	75.193
1992-93	3.041	8.574	1.361	28.178	76.071
1993-94	2.448	7.154	1.186	21.442	77.095
1994-95	5.789	6.503	1.980	19.727	77.904
1995-96	6.058	4.366	1.203	14.865	76.427
1996-97	7.117	5.610	0.975	11.661	68.496
1997-98	5.300	5.700	0.800	19.600	63.400
1998-99	6.014	6.355	0.480	11.781	62.732
1999-2000	5.234	6.200	0.246	7.986	55.101

Notes:

1. For the period, 1964-1971, expenditure was included in the Annual Budget allocations for the Departments of Defence, Navy, Army and Air Force, and is not available. Unfortunately, inconsistencies/discrepancies exist in the post-1971 figures; where inconsistencies exist, the last figure tabled in Parliament is used.
2. Total Defence Cooperation funding also includes allocations to Thailand, the Philippines, Fiji, Tonga, Solomon Islands, Vanuatu, Kiribati, and Western Samoa.
3. DCP total to PNG includes \$A70 million in ADF assets transfer to PNG on independence in 1975. In 1975-76 an additional \$A4 million in assets was transferred to PNG.
4. DCP assistance to Indonesia formally ended in 1988 at the request of the Indonesian government.
5. The amount was obtained from *CPD*, Senate, 24 March 1992, p.1011. Bilateral cooperation re-commenced with Indonesia in 1992-93, under the new name of Bilateral Cooperative Activities.
6. In comparison, United States biennial military aid to Indonesia (\$US millions):

1978 – 58.100	1986 – 21.054
1980 – 33.100	1988 – 5.800
1982 – 42.200	1990 – 1.791
1984 – 47.500	1991 – 27.094

In response to the 1991 Dili massacre, Congress froze training aid in 1992; from 1993, small amounts of assistance were provided through individual Service budgets.

Sources:

1. Department of Defence Submission Number 25 to Senate Standing Committee on Foreign Affairs and Defence, 'Australia's Defence Cooperation with its Neighbours in the Asian-Pacific Region', *Parliamentary Paper 316/1984*, Australian Government Printing Service, Canberra, 1984.
2. Department of Defence, *Cooperative Defence Activities with Asia*, Defence Public Relations, Canberra, April 1993.
3. Alan Shephard, *Australia's Defence Cooperation Program*, Research Paper Number 4, Parliamentary Research Service, Department of the Parliamentary Library, Canberra, 1993.
4. Alan Shephard, *A Compendium of Australian Defence Statistics*, Australian Defence Studies Centre, University College, Australian Defence Force Academy, Canberra, 1995.
5. Department of Defence, *Defence Annual Reports 1993-1994 to 1999-2000*, Canberra, ACT.

Appendix 3

**COMPOSITION OF DEFENCE COOPERATION
EXPENDITURE - INDONESIA**

1972-1999 (1)

(\$A millions)

	Loan Personnel to (Indonesia)	Patrol Boat	Training/ Visits (Australia)	Projects Equipment	Survey/ Mapping	Nomad Project
1972-73	-	0.015	-	2.632	0.755	-
1973-74	-	1.035	0.275	2.502	0.956	0.340
1974-75	-	1.587	0.168	1.592	0.883	0.975
1975-76	-	0.238	0.183	2.160	1.083	2.595
1976-77	-	0.175	0.141	2.438	2.550	1.292
1977-78	0.136	0.054	0.176	1.989	2.128	2.726
1978-79	0.108	0.074	0.220	2.742	2.408	1.631
1979-80	0.594	0.023	0.770	2.810	3.377	2.015
1980-81	0.265	0.169	0.681	2.606	1.958	6.256
1981-82	0.407	1.383	0.634	1.067	1.659	3.377
1982-83	0.353	1.733	0.899	3.153	2.692	1.354
1983-84	0.248	2.775	1.094	2.717	2.204	0.264
1984-85	-	-	1.109	8.845	-	-
1985-86	-	1.15	1.200	5.536	0.438	-
1986-87	-	<i>End</i>	0.198	2.130	0.342	2.293
1987-88	0.098		-	2.738	-	-
1988-89	-		-	-	-	-
1989-90	-		-	-	-	-
1990-91	-		0.432	-	<i>End</i>	-
1991-92	0.486		1.330	-		-
1992-93	-		2.170	-		0.676
1993-94	0.282		1.582	0.353		-
1994-95	1.190		4.412	0.187		0.231
1995-96	0.405		6.058	0.187		0.383
1996-97	1.031		4.175	0.223		
1997-98	0.100		0.200	1.900		
1998-99	1.254		4.566	0.194		
1999-2000	1.531		3.928	0.295		

Note:

1. Over the 27 years of the table, changes in accounting methodology in the Department of Defence introduced inconsistencies in the allocation of expenditure. The table was produced as accurately as possible using the best available basis for comparison purposes.

Sources:

1. Department of Defence Submission Number 25 to Senate Standing Committee on Foreign Affairs and Defence, 'Australia's Defence Cooperation with its Neighbours in the Asian-Pacific Region', *Parliamentary Paper 316/1984*, Australian Government Printing Service, Canberra, 1984.
2. Department of Defence, *Cooperative Defence Activities with Asia*, Defence Public Relations, Canberra, April 1993.
3. Alan Shephard, *Australia's Defence Cooperation Program*, Research Paper Number 4, Parliamentary Research Service, Department of the Parliamentary Library, Canberra, 1993.
4. Department of Defence, *Defence Annual Reports 1993-1994 to 1997-1998*, Canberra, ACT.

MAJOR COMBINED OR RECIPROCATED EXERCISES BETWEEN AUSTRALIA AND INDONESIA 1973- 1999

1973		The first combined naval exercise held in November in the Timor Sea.
1974		Reciprocal combined naval exercise held in the Jervis Bay area.
1975		HMAS <i>Brisbane</i> exercised with Indonesian warships in the Java Sea.
1977		Combined maritime exercise in the Coral Sea, near Cairns.
1980	<i>New Horizon 80</i>	Maritime exercise, Java Sea.
1982	<i>New Horizon 4</i>	Maritime exercise, Java Sea.
1984-85	<i>New Horizon 84</i>	Maritime exercise, near Darwin
1985-86	<i>New Horizon 5</i>	Maritime exercise, Java Sea.
1987-91		No combined exercises held.
1991-92	<i>New Horizon 6</i>	Also known as <i>Cakrawala Baru</i> , maritime exercise, Java Sea.
1992-93	<i>Ausindo</i>	Annual tactical air transport exercise, C-130.
	<i>Ausina Patrolex</i>	A series of combined patrol boat exercises in the Timor Sea.
	<i>Kakadu</i>	Regional fleet concentration period near Darwin to improve interoperability of the ADF and regional maritime forces. Indonesia accepted invitation to send observers.
	<i>Night Mongoose</i>	Australian special forces training in Indonesia.
	<i>Kookaburra</i>	Kopassus special forces practising counter-hijacking techniques in Western Australia.
1993-94	<i>Ausina 1/94</i>	Interoperability maritime surveillance exercise
	<i>Ausina Patrolex</i>	Two exercises involving patrol boats cooperation and interoperability, off Darwin.
	<i>New Horizon VII/93</i>	Maritime exercise, Timor and Arafura Seas.
	<i>Elang Ausindo</i>	Dissimilar air combat tactics training, in Indonesia.
	<i>Rajawali Ausindo</i>	Training of air crews in tactical air transport operations.
1994-95	<i>Night Komodo</i>	Australian special forces training (parachuting, communications, weapons practice and navigation) in Indonesia.
	<i>Kookaburra</i>	Kopassus special forces practising counter-hijacking techniques in Western Australia.
	<i>Ausina 3/94</i>	Maritime surveillance exercise in Arafura and Timor Seas.

	<i>Ausina Patrolex</i>	Two combined maritime and surveillance exercises in Arafura Sea.
	<i>Elang Ausindo</i>	Dissimilar air combat tactical missions exercise.
	<i>Rajawali Ausindo</i>	C-130 tactical air transport crew exercise with Indonesia.
	<i>Ausina 95-1</i>	Maritime surveillance exercise in Arafura and Timor Seas.
	<i>Kakadu-2</i>	Regional fleet concentration period near Darwin to improve interoperability of the ADF and regional maritime forces.
1995-96	<i>Elang Ausindo</i>	Dissimilar combat air tactics training, in Indonesia.
	<i>Rajawali Ausindo</i>	Tactical air transport exercise.
	<i>Cassowary</i>	Previously called <i>Ausina Patrolex</i> ; two held in June and July in the Timor Sea.
	<i>Night Komodo</i>	Australian special forces exercise in Indonesia practising war roles.
	<i>Kookaburra</i>	Kopassus special forces practising counter-hijacking techniques in Western Australia.
	<i>Kangaroo 95</i>	Indonesian participation in the multi-national exercise in Australia.
1996-97	<i>Elang Ausindo</i>	Dissimilar air combat tactics missions, in Indonesia.
	<i>Rajawali Ausindo</i>	Tactical air transport training for Indonesian C130 crews, in Indonesia.
	<i>Close Country Training</i>	Training of TNI-AD students in close country techniques, in Indonesia.
	<i>Cassowary 97</i>	Combined patrol boat exercise, Arafura Sea between Ambon and Darwin.
	<i>New Horizon VIII-96</i>	Cooperation and interoperability in anti-air warfare, anti-surface warfare, Java Sea.
1997-98	<i>Albatross Ausindo</i>	Combined air maritime surveillance operations.
	<i>Cassowary 97 and 98</i>	Maritime minor war vessels exercises; to enhance combined operations.
	<i>Elang Ausindo</i>	Basic air defence training, including airmen to airmen talks.
	<i>Kakadu III / 1997</i>	Regional fleet concentration period near Darwin to improve interoperability of the ADF and regional maritime forces.
	<i>New Horizon 98</i>	Patrol and fleet cooperation exercise to improve combined procedures.
	<i>Rajawali Ausindo</i>	C-130 tactical air transport interoperability exercise for crews.
1998-99	<i>Cassowary 99-01</i>	Minor war vessels exercise, Banda Sea.
	<i>Albatross Ausindo</i>	Combined maritime surveillance exercise, Timor Sea.
	<i>Rajawali Ausindo</i>	Combined tactical air transport/air drop exercise.
	<i>Elang Ausindo</i>	Airmen to airmen talks and air defence command post exercise.

<i>Indonesia/Surabaya</i>	Focused harbour training and sea exercise to practise interoperability. PASSEX.
<i>Trisetia 98/99</i>	Tactical level exercise between armies to practise interoperability.
<i>Albatross Ausindo99</i>	Combined maritime exercise to practise maritime surveillance in the Timor Zone of Cooperation from Bali.
<i>Indonesia/Jakarta</i>	Focused harbour training and combined sea exercise program. PASSEX.
<i>Indonesia/ Surabaya</i>	Focused harbour training and combined sea exercise program. PASSEX.

Note:

1. Where discrepancies exist between the public record and secondary sources, parliamentary records (between 1980 and 1990) and *Defence Annual Report* series of publications from 1990 are used as the authoritative sources.

Sources:

1. Question on Notice Number 5192, *CPD*, House of Representatives, Volume 154, 6 May 1987, pp.2751-60, which contains detail of all combined exercises with Indonesia from 1980 to 1987.
2. Question on Notice Number 1310, *CPD*, House of Representatives, Volume 164, 21 December 1988, pp.3909-13, which includes detail for the year 1988-89.
3. Question on Notice Number 140, *CPD*, Senate, Volume 140, 18 September 1990, pp.2519-23, which covers the period 1989-90.
4. Department of Defence, *Defence Annual Reports*, 1990-91 to 1997-98, Canberra, ACT.
5. Desmond Ball and Pauline Kerr, *Presumptive Engagement. Australia's Asia-Pacific Security Policy in the 1990s*, Allen & Unwin, St Leonards, 1996, pp.133-42.

**SUMMARY OF INDONESIAN PERSONNEL
ON TRAINEE/STUDY VISITS
IN AUSTRALIA 1968-1999**

1968	1	1983-84	81
1969	21	1984-85	127
1970	43	1985-86	Not known) (4)
1971	91	1986-87	Not known)
1972	240	1987-88	-)
1973	164	1988-89	-) (3)
1974	141	1989-90	-)
1975	126	1990-91	14
1976	81	1991-92	52
1977	47	1992-93	90
1978	81	1993-94	120
1978-79 (1)	63 (23)	1994-95	128
1979-80	60 (21)	1995-96	129
1980-81	43 (27)	1996-97	125
1981-82	66 (28)	1997-98	111
1982-83	80 (11)	1998-99	137

Notes:

1. From 1968 to 1978, numbers reflected a calendar year; after 1978, the numbers were compiled for the fiscal year. For 1978 and 1979, there is some overlap.
2. Italic numbers indicate the total of personnel on short study visits to Australia rather than personnel on formal courses.
3. Information for 1987-1990 does not distinguish Indonesian statistics within the South East Asian program, which totalled:
1987-88 - 798 personnel
1988-89 - 629 personnel
1989-90 - 564 personnel
4. Departmental files do not contain accurate figures for the two years, although a total of 22 may have undertaken training in Australia.

Sources:

1. From 1968 to 1982-83, see Submission 25, Report of the Senate Standing Committee on Foreign Affairs and Defence, 'Australia's Defence Co-operation with its Neighbours in the Asian-Pacific Region', *Parliamentary Paper 316/1984*, October 1984.
2. For 1985 to 1994, see the *Defence Annual Report* series of publications.
3. From 1994-95 to 1998-99, information provided from Strategy and Ministerial Services Division, Department of Defence, 2 November 2000, corrected in accordance with the information supplied in the preparation of the Report of the Senate Foreign Affairs, Defence and Trade References Committee, *East Timor*, Senate Printing Unit, Canberra, December 2000, p.202.

BIBLIOGRAPHY

Unpublished Government Records - National Archives of Australia

Prime Minister's Department and Cabinet Office / Department of Prime Minister and Cabinet.

- CRS A1209 Correspondence Files, annual single number files, classified, 1957-
- CRS M2576 Folders of papers maintained by R.G. Menzies, 1949-1967.
- CRS A4940 Cabinet Files, Menzies and Holt Ministries, 1949-1967.
- CRS A4943 Seventh Menzies Ministry – Folders of decisions of Cabinet and Cabinet Committees (first and second series), 1958-1963.
- CRS A5619 Cabinet files, single number series with 'C' prefix, 1949-1972.
- CRS A5827 Eighth Menzies Ministry – copies of Cabinet submissions and associated decisions, 1963-1966.
- CRS A5839 First Holt Ministry – folders of decisions of Cabinet and Cabinet Committees, 1966.
- CRS A5841 First Holt Ministry – copies of Cabinet submissions and associated decisions, 1966.
- CRS A5842 Second Holt Ministry – copies of Cabinet submissions and associated decisions, 1967.
- CRS A5872 Second Gorton Ministry – copies of Cabinet submissions and associated decisions, 1968-1969.
- CRS A5869 Third Gorton Ministry – copies of Cabinet submissions and associated decisions, 1970.
- CRS A5908 McMahon Ministry – copies of Cabinet submissions and associated decisions, 1971.
- CRS A5909 McMahon Ministry – copies of Cabinet submissions and associated decisions, 1972.

Department of External Affairs/ Foreign Affairs/Foreign Affairs and Trade

- CRS A1838 Department of External Affairs and Foreign Affairs, correspondence files 1948-1969 and selected documentation 1974-75.
- CRS A2536 Master set of departmental briefs on ministerial visits, international talks.
- CRS A4231 Bound volumes of dispatches from overseas posts, 1940-
- CRS A4311 Cumpston collection of departmental records.
- CRS A4359 Correspondence files, multiple number series, Djakarta/Jakarta, 1951-
- CRS A6364 Master set of inwards cablegrams, 1950-1973.
- CRS A6366 Master set of outwards cablegrams, 1950-1973.
- CRS A6367 Master set of Top Secret inwards and outwards cablegrams, 1954-1972.
- CRS A10463 Correspondence files, multiple number series, Djakarta/Jakarta, 1971-1975.

Department of Defence

- CRS A5954 'The Sheddon Collection' – Records accumulated by Sir Fredrick Sheddin, Secretary, Department of Defence.
- CRS A3688 Correspondence files, multiple number series with 'R' prefix, 1913-1995.

Published Official or Government Records

Australia

- Commonwealth of Australia, *Defending Australia. Defence White Paper 1994*, Australian Government Publishing Service, Canberra, 1994.
- *In the National Interest. Australia's Foreign and Trade Policy White Paper*, National Capital Printing, Canberra, 1997.
- *Defence 2000. Our Future Defence Force*, Defence Publishing Service, Canberra, 2000.
- Commonwealth Parliamentary Debates*, House of Representatives and the Senate, the Commonwealth Government Printer, Canberra, 1950, 1964-2000.
- Joint Parliamentary Committee on Foreign Affairs, 'Australia's Foreign Policy', *Parliamentary Paper Number 3*, The Government Printer of Australia, Canberra, March 1973.

- Interim Report from the Joint Committee on Foreign Affairs, 'Australia's Relations with Indonesia', *Parliamentary Paper Number 36*, The Government Printer of Australia, Canberra, 1974.
- Joint Committee on Foreign Affairs and Defence, *Threat to Australia's Security – Their Nature and Probability*, Australian Government Printing Service, Canberra, 1981.
- Report from the Joint Committee on Foreign Affairs and Defence, *Australia-United States' Relations. The ANZUS Alliance*, Australian Government Publishing Service, 1982.
- *Australia and ASEAN. Challenges and Opportunities*, Australian Government Printing Service, Canberra, 1984.
- Report from the Joint Standing Committee on Foreign Affairs, Defence and Trade, *Australia's Defence Co-operation with its Neighbours in the Asian-Pacific Region*, Australian Government Printing Service, Canberra, 1984.
- *Australia's Relations with Indonesia*, Australian Government Printing Service, Canberra, November 1993.
- *Sharpening the Focus: Report on a Seminar on the Simons Committee Report*, Australian Government Printing Service, Canberra, October 1997.
- *Australia and ASEAN: Managing Change*, Australian Government Printing Service, Canberra, March 1998.
- Report of the Senate Foreign Affairs, Defence and Trade References Committee, *East Timor*, Senate Printing Unit, Canberra, December 2000.
- Current Notes on International Affairs*, Commonwealth Government Printer, Canberra, 1962-1972.
- Australian Foreign Affairs Record*, Australian Government Publishing Service, Canberra, 1973-1988.
- Australian Foreign Affairs and Trade. The Monthly Record*, Ambassador Press, Canberra, 1988-1991
- Insight. Australian Foreign Affairs and Trade Issues*, Overseas Information Branch, Department of Foreign Affairs and Trade, Canberra, 1993-1997.
- Department of Foreign Affairs and Trade, *Ministerial Seminar- Regional Security*, Canberra, 1 March 1991.

Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy. Australia and Indonesian Incorporation of Portuguese Timor 1974-1976*, Melbourne University Press, Melbourne, 2000.

Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy. The ANZUS Treaty 1951*, Pirie Printers, Canberra, 2001.

Department of Defence, *Australian Defence Review*, Australian Government Publishing Service, Canberra, March 1972.

—— *Australia's Strategic Planning in the 1990s*, Directorate of Publications, Canberra, 27 November 1989.

—— *Strategic Review 1993*, Defence Centre-Canberra, December 1993.

School of Military Survey, *The Chronology of the RA Survey Corps*, Bandiana, 1979.

Australian International Development Assistance Bureau, 'Australia's Development Cooperation Program with Indonesia', *International Development Issues*, Number 23, Australian Government Publishing Service, Canberra, October 1991.

International

The Colombo Plan For Co-operative Economic Development in South and South-East Asia: Meetings in Saigon of the Consultative Group 1957, Kim Lai An-Quan Printers, Saigon, October 1957.

The Colombo Plan For Co-operative Economic Development in South and South-East Asia: Proceedings of the Meetings of the Consultative Group 1958, Government of the United States, Seattle, November 1958.

The Colombo Plan Technical Co-operation Scheme, Report For 1958-59 By The Council For Technical Co-operation In South And South-East Asia, Ceylon Government Press, Colombo, October 1959.

Indonesia - a country study, Fifth Edition, Federal Research Division, Library of Congress, Washington, DC, 1993.

The September 30th Movement – The Attempted Coup by the Indonesian Communist Party, The State Secretariat of the Republic of Indonesia, Jakarta, 1995.

Report of the Bank of Indonesia for the Financial Years 1960-1965, Jakarta, 1967.

Oral Histories – Oral History Section, National Library of Australia

T.K. Critchley AO (High Commissioner to Malaysia 1963-66; Ambassador to Bangkok 1969-74; Ambassador to Jakarta 1978-81) - Oral TRC 2981/7.

Alan Renouf (Ambassador to Lisbon 1969-70; Secretary, Department of Foreign Affairs 1974-75; Ambassador to Washington 1977-79) - Oral TRC 2981/6.

Sir Keith Shann CBE (Ambassador to Jakarta 1962-66) - Oral TRC 1857.

Sir Arthur Tange AC CBE (Secretary, Department of External Affairs, 1954-65; Secretary, Department of Defence, 1970-79) - Oral TRC 1023, 2482, 2447.

Interviews and Correspondence

General J.S. Baker AC (Retd.), (Director, Defence Intelligence Organization, 1989-92; Vice Chief of the Defence Force, 1992-95; Chief of the Australian Defence Force 1995-98).

Hon. Kim C. Beazley, (Minister for Defence 1984-1990; Deputy Prime Minister 1995-96; Leader of the Federal Australian Labor Party 1996-2001).

Allan Behm, (Head, Strategy and Ministerial Services, formally International Policy Division, Department of Defence 1995-2000).

Hon. Sir Allen Fairhall KBE (Minister for Defence 1967-69).

Lieutenant Colonel W.T. Foxall (Retd.), (Commanding Officer, 4th Field Regiment, Royal Australian Artillery, 1988-89; Military Assistant to the Army Land Commander, 1990; Staff Officer Grade 1, (Operations), Land Headquarters, 1991-92).

Hon. Sir Gordon Freeth KBE (Minister for External Affairs 1969).

Air Marshal R.G. Funnell AC (Retd.) (Assistant Chief Defence Force Policy 1983-85; Vice Chief Australian Defence Force 1986; Chief of Air Staff 1987-92).

Rt. Hon. Sir John Gorton GCMG (Prime Minister of Australia 1968-71; Minister for Defence, 1971).

General P.C. Gration AC OBE (Retd.) (Chief of the General Staff, 1986-88; Chief of the Australian Defence Force 1988-94, Prime Minister's emissary 1994-95).

Hon. Sir James Killen KCMG (Minister for the Army 1969-71; Minister for Defence, 1975-82).

Harold M. Loveday MBE (Ambassador to Jakarta 1966-69).

Brigadier K.B.J. Mellor (Retd.), (Assistant Defence Adviser 1975-76; Head, Australian Defence Staff 1993-95, Australian Embassy, Jakarta).

A.R. Parsons AO (Counselor Australian Embassy, Jakarta, 1965-68).

Hon. R.F. Ray, (Minister for Defence 1990-96).

Brigadier C.A.M. Roberts AM CSC (Retd.), (Commander, Northern Command 1996-99).

Brigadier M.J.W. Silverstone, CSC (Commanding Officer, SAS Regiment, 1995-96; Director, Land Warfare Studies Centre, 1997-98; Commander, Northern Command, 2001-02).

Admiral R.M. Sunardi, (Special Advisor to the Indonesian Minister of Defence and Security 1994-97).

Sir Arthur Tange AC CBE (Secretary, Department of External Affairs, 1954-65; Secretary, Department of Defence, 1970-79).

Brigadier J.J. Wallace AM (Retd.), (Regimental postings in SAS Regiment 1975-78 and 1982-83; Commanding Officer SAS Regiment 1989-90; Commander, Headquarters Special Forces 1993-95).

Hugh White, (Senior Adviser to the Minister for Defence, 1986-90; Senior Foreign Affairs and Defence Adviser to the Prime Minister, 1990-91; Deputy Secretary, Strategy and Intelligence, Department of Defence, 1995-2000).

Hon. E.G. Whitlam AC QC (Prime Minister of Australia 1972-75).

Books

Aikin, Don, (Editor), *The Howson Diaries – The Life of Politics. Peter Howson*, The Viking Press, Ringwood, 1984.

Albinski, Henry S., *Australia's External Policy under Labor*, University of Queensland Press, Brisbane, 1977.

Arndt, H.W., *The Indonesian Economy: Collected Papers*, Chopmen Publishers, Singapore, 1984.

Aspinall, Edward, Aspinall, Herb and van Klinken, Gerry, (Editors), *The Last Days of President Suharto*, Monash Asia Institute, Monash University, 1999.

Ayers, Phillip, *Malcolm Fraser*, Heineman, Melbourne, 1987.

Babbage, R., *Rethinking Australia's Defence*, Queensland University Press, St Lucia, 1980.

—— *A Coast too Long*, Allen & Unwin, Sydney, 1980.

Ball, D. & Wilson, Helen, (Editors), *Strange Neighbours. The Australia-Indonesia Relationship*, Allen & Unwin, North Sydney, 1991.

—— & Kerr, P., *Presumptive Engagement – Australia's Asia-Pacific Policy in the 1990s*, St Leonards, 1996.

—— and McDonald, Hamish, *Death in Balibo – Lies in Canberra*, Allen & Unwin, St Leonards, 2000.

Barclay, Glen St. J., *Friends in High Places: Australia-American diplomatic relations since 1945*, Oxford University Press, Melbourne, 1985.

- Barnett, David, with Pru Goward, *John Howard. Prime Minister*, Penguin Books, Ringwood, 1997.
- Barwick, G., *A Radical Tory – Garfield Barwick's Reflections and Recollections*, Federation Press, Annadale, 1995.
- Baylis, J., (Editor), *British Defence Policy in a Changing World*, Croom Helm, London, 1977.
- and Smith, Steve, (Editors), *The Globalization of World Politics. An Introduction to International Relations*, Oxford University Press, 1997.
- Beale, Howard, *This Inch of Time – Memories of Politics and Diplomacy*, Melbourne University Press, Carlton, 1977.
- Beard, Charles A., in collaboration with Smith, G.H.E., *The Idea of National Interest – An analytical study in American Foreign Policy*, Greenwood Press, Westport, 1934.
- Beddie, B.D., (Editor), *Advance Australia – Where?* in association with the Australian Institute of International Affairs, Oxford University Press, Melbourne, 1975.
- Bell, Coral, (Editor), *Agenda for the Nineties. Studies of the Contexts for Australian Choices in Foreign and Defence Policy*, Longman Cheshire, Melbourne, 1991.
- Blewett, Neal, *A Cabinet Diary. A personal record of the first Keating government*, Wakefield Press, Kent Town, 1999.
- Booker, Malcolm, *The Last Domino – Aspects of Australia's Foreign Relations*, Sun Books, Melbourne, 1976.
- Booth, Ken and Trood, Russell, *Strategic Cultures in the Asia Pacific Region*, St. Martin's Press, New York, 1999.
- Bourne, Kenneth, *The Foreign Policy of Victorian England 1830-1902*, Oxford University Press, Oxford, 1970.
- Boyce, P. J. and Angel, J. R., (Editors), *Independence and Alliance: Australia in World Affairs 1976-80*, Australian Institute of International Affairs, Allen & Unwin, North Sydney, 1983.
- Bresnan, John, *Managing Indonesia – The Modern Political Economy*, Colombia University Press, New York, 1993.
- Broinowski, A., *Understanding ASEAN*, Macmillan Press, London, 1982.

- Brown, C., (Editor), *Indonesia – Dealing with a Neighbour*, Allen & Unwin, St Leonards, 1996.
- Bundy, Barbara K., Burns, S.D., and Weichel, Kimberley V., (Editors), *The Future of The Pacific Rim: Scenarios for Regional Cooperation*, Praeger Publishers, New York, 1994.
- Bunting, Sir John, *R.G. Menzies - A Portrait*, Allen & Unwin, North Sydney, 1988.
- Burnett, A. Young, Thomas-Durell. & Wilson, C., *The ANZUS Documents*, The Australian National University, Canberra, 1991.
- Buszynski, J., *SEATO – The Failure of an Alliance Strategy*, Singapore University Press, Singapore, 1983.
- Buzan, Barry, *People, States and Fear: The National Security Problem in International Affairs*, Wheatsheaf Books, Sussex, 1983.
- Wæver, Ole, and de Wilde, Jaap, *Security: A New Framework For Analysis*, Lynne Rienner Publishers, Colorado, 1998.
- Calwell, A.A., *Labor's Role in Modern Society*, Cheshire-Lansdowne, Melbourne, 1965.
- Cameron, Clyde, *The Cameron Diaries*, Allen & Unwin, North Sydney, 1990.
- Camilleri, J., *Australian-American Relations: the Web of Dependence*, Macmillan, Melbourne, 1980.
- Carey, Peter and Carter Bentley, G., (Editors), *East Timor at the Crossroads: the Forging of a Nation*, University of Hawaii Press, Honolulu, 1995.
- Catley, Bob, Dugis, Vinsensio, *Australia Indonesia Relations since 1945 – The Garuda and the Kangaroo*, Ashgate Publishing, Aldershot, 1998.
- Cheeseman, G., *The Search for Self-Reliance – Australian Defence Since Vietnam*, Longman Cheshire, Melbourne, 1993.
- & Bruce, R., (Editors), *Discourses of Danger and Dread Frontiers-Australian Defence and Security Thinking after the Cold War*, St Leonards, 1996.
- Clements, Kevin, (Editor), *Peace and Security in the Asia Pacific Region*, The Dunmore Press Limited, New Zealand, 1993.
- Chenery, H.B., *et al.*, *Towards a Strategy of Development*, Rotterdam University Press, Rotterdam, 1967.

- Clark, C., (Editor), *Australian Foreign Policy: Towards a Reassessment*, Cassell, Melbourne, 1973.
- Clements, K., (Editor), *Peace and Security in the Asia Pacific Region*, The United Nations University Press, Tokyo, 1993.
- and Wilson, Christine, (Editors), *UN Peacekeeping at the Crossroads*, Peace Research Centre, The Australian National University, Canberra, 1994.
- Coombs, H.C., *Trial Balance*, Macmillan, Crows Nest, 1981.
- Cotton, James, (Editor), *East Timor and Australia – AIIA Contributions to the Policy Debate*, in association with the Australian Institute of International Affairs, Australian Defence Study Centre, Canberra, 1999.
- and Ravenhill, John, (Editors), *Seeking Asian Engagement. Australia in World Affairs 1991-95*, Oxford University Press in association with the Australian Institute of International Affairs, Melbourne, 1997.
- Coulthard-Clark, C.D., *Australia's Military Map-Makers. The Royal Australian Survey Corps 1915-96*, Oxford University Press, South Melbourne, 2000.
- Cramer, Sir John, *Pioneers, Politics and People – A Political Memoir*, Allen & Unwin, Sydney, 1989.
- Cribb, R. & Brown C., *Modern Indonesia – a History since 1945*, Longman, London, 1995.
- Crossman R., *The Diaries of a Cabinet Minister*, Hamilton and Cape, London, 1975.
- Crouch, Harold, *The Army and Politics in Indonesia* (revised edition), Cornell University Press, Ithaca, 1988.
- Dahm, B., and Draguhn, W., (Editors), *Politics, Society and Economy in the ASEAN States*, Wiesbaden, 1975.
- Daly, Fred, *From Curtin to Hawke*, Sun Books, South Melbourne, 1984.
- Dennis, Peter & Grey, Jeffrey, *Emergency and Confrontation: Australian Military Operations in Malaya and Borneo 1950-1966*, Allen & Unwin in association with the Australian War Memorial, Sydney, 1996.
- Dibb, Paul, (Editor), *Australia's External Relations in the 1980s. The Interaction of Economic, Political and Strategic Factors*, Croom Helm Australia, Canberra, 1983.
- Dickens, P., *SAS Jungle Frontier – 22 Special Air Service Regiment in the Borneo Campaign 1963-1966*, Arms and Armour, London, 1983.

- Dobell, Graeme, *Australia Finds Home. The choices and chances of an Asia Pacific journey*, ABC Books, Sydney, 2000.
- Dorril, Stephen, *MI6: Fifty Years of Special Operations*, Fourth Estate, London, 2000.
- Downer, A., *Six Prime Ministers*, Hill of Content, Melbourne, 1982.
- Downs, Ian, *The Australian Trusteeship of Papua New Guinea 1945-75*, Australian Government Printing Service, Canberra, 1980.
- Edwards, P.G., *Prime Ministers and Diplomats – The Making of Australian Foreign Policy 1901-1949*, Melbourne, 1983.
- with Gregory Pemberton, *Crises and Commitments. The Politics and Diplomacy of Australia's Involvement in Southeast Asian Conflicts 1948-1965*, Allen & Unwin in association with the Australian War Memorial, Sydney, 1992.
- *A Nation at War: Australian Politics, Society and Diplomacy during the Vietnam War 1965-1975*, Allen & Unwin in association with the Australian War Memorial, Sydney, 1997.
- Evans, Gareth & Grant, Bruce, *Australia's Foreign Relations – In the World of the 1990s*, Melbourne University Press, Melbourne, 1991.
- Feith, Herbert, and Castles, Lance, (Editors), *Indonesian Political Thinking, 1945-1965*, Cornell University Press, Ithaca, 1970.
- Firth, Stewart, *Australia in International Politics – an introduction to Australian foreign policy*, Allen & Unwin, St. Leonards, 1999.
- Forrester, Geoff, May, R.J., (Editors), *The Fall of Soeharto*, Crawford House Publishing, Bathurst, 1998.
- Frankel, Joseph, *The Making of Foreign Policy – An Analysis of Decision-Making*, Oxford University Press, London, 1963.
- Freudenberg, Graham, *A Certain Grandeur. Gough Whitlam in Politics*, Sun Books, Melbourne, 1978.
- Geertz, Clifford, *The Religion of Java*, Glencoe Press, Illinois, 1960.
- *Agricultural Involution*, University of California Press, Berkley, 1963.
- Glassburner, B., (Editor), *The Economy of Indonesia: Selected Readings*, Cornell University Press, Ithaca, 1976.

- Goldsworthy, David, (Editor), *Facing North – A Century of Australian Engagement with Asia. Volume: 1901-the 1970s*, Melbourne University Press, Melbourne, 2001.
- Grant, Bruce, *The Boat People. An 'Age' Investigation*, Penguin, Melbourne, 1979.
- *Indonesia*, New Edition, Melbourne University Press, Carlton, 1998.
- Grant, Don and Seal, Graham, (Editors), *Australia in the World. Perceptions and Possibilities. Papers from the 'Outside Images of Australia' Conference*, Black Swan Press, Perth, 1994.
- Greenwood, Gordon and Harper, Norman, (Editors), *Australia in World Affairs 1950-1955*, the Australian Institute of International Affairs, F.W. Cheshire, Melbourne, 1957.
- *Australian in World Affairs 1956-1960*, the Australian Institute of International Affairs, F.W. Cheshire, Melbourne, 1963.
- *Australia in World Affairs 1961-1965*, the Australian Institute of International Affairs, F.W. Cheshire, Melbourne, 1968.
- *Australia in World Affairs 1966-1970*, the Australian Institute of International Affairs, F.W. Cheshire, Melbourne, 1974.
- Gurtov, Mel, *Global Politics In The Human Interest*, Lynne Reinner Publishers, Boulder, 1991.
- Halberstam, David, *The Best and the Brightest*, Barrie & Jenkins, London, 1972.
- Hardjono, Ratih, *White Tribe of Asia – An Indonesian View of Australia*, Clayton Victoria, 1992.
- Haas, Michael, *The Asian Way to Peace, A Study of Regional Cooperation*, Praeger, New York, 1989.
- Hasluck, Nicholas, (Editor), *The Chance of Politics*, The Text Publishing Company, Melbourne, 1997.
- Hasluck, Paul, *A Time for Building: Australian Administration in Papua New Guinea 1951-1963*, Melbourne University Press, Melbourne, 1976.
- *Mucking About: An Autobiography*, University of Western Australia Press, Perth, 1977.
- *Diplomatic Witness – Australian Foreign Affairs 1941-1947*, Melbourne University Press, Melbourne, 1980.
- Hawke, Bob, *The Hawke Memoirs*, William Heinemann, Melbourne, 1994.

- Hayter, T., *Aid as Imperialism*, Penguin, Hamondsworth, 1971.
- Henderson, W., *West New Guinea: The Dispute and its Settlement*, Seton University Press, New York, 1972.
- Hill, Hal, *The Indonesian Economy Since 1966: South East Asia's Emerging Giant*, Cambridge University Press, Cambridge, 1996.
- Hillsman, Roger, *To Move a Nation*, Doubleday, New York, 1967.
- Hobsbawm, Eric, *On History*, Weidenfeld & Nicolson, London, 1997.
- Hodge, Errol, *Radio Wars – Truth, propaganda and the struggle for Radio Australia*, Cambridge University Press, Cambridge, 1995.
- Hancock, Ian, *John Gorton: He Did It His Way*, Hodder, Sydney, 2002.
- Horne, Donald, *Into the Open – Memories 1958-1999*, Harper Collins Publishers, Sydney, 2000.
- Hough, Richard L., *Economic Assistance and Security*, National Defense University Press, Washington, 1982.
- Hudson, W.J., (Editor), *Australian In World Affairs 1971-1975*, in association with the Australian Institute of International Affairs, Allen & Unwin, North Sydney, 1980.
- Hughes, John, *The Indonesian Upheaval*, D. McKay Company, New York, 1967.
- Inglis, K.S., assisted by Jan Brazier, *This is the ABC - The Australian Broadcasting Commission 1932-1983*, Melbourne University Press, Melbourne, 1983.
- Jenkins, David, *Suharto and his Generals. Indonesian Military Politics 1975-1983*, Monogram Number 64, Cornell Modern Indonesia Project, Ithaca, 1984.
- Jones, H.P., *Indonesia: The Possible Dream*, Hoover Institution Press, New York, 1971.
- Joske, Sir Percy, *Sir Robert Menzies 1894-1978 – a new, informal memoir*, Angus & Robertson, Sydney, 1978.
- Kaplan, Morton A., *System and Process in International Politics*, John Wiley Press, New York, 1957.
- Karni, Rahardi S., (Editor), *The Devious Dalang – Sukarno and the so-called Untung-Putsch. Eye-witness Report by Bambang S. Widjanarko. Verbatim Testimony Of Colonel Bambang S Widjanarko On The October 1965 Purge Of The Indonesian General Staff*, Interdoc Publishing House, The Hague, 1974.
- Keating, Paul, *Engagement. Australia Faces The Asia-Pacific*, Macmillan, Sydney, 2000.

- Kelley, Jonathon and Bean, Clive, (Editors), *Australian Attitudes. Social and Political Analyses from the National Social Science Survey*, Studies in Society, Allen & Unwin, North Sydney, 1988.
- Kelly, Paul, *The Hawke Ascendancy. A Definitive Account of its Origins and Climax 1975-1983*, Angus & Robertson, Sydney, 1984.
- *The end of certainty – The story of the 1980s*, Allen & Unwin, St Leonards, 1992.
- *November 1975*, Allen & Unwin, St Leonards, 1995.
- *Paradise Divided. The Changes, the Challenges, the Choices for Australia*, Allen & Unwin, St Leonards, 2000.
- Kennan, George F., *American Diplomacy*, University of Chicago, Chicago, 1984.
- Kerr, John, *Matters for Judgement. An Autobiography*, Macmillan, Adelaide, 1978.
- Kerr, Pauline, Sullivan, David, and Ward Robin, *A Select Bibliography of Australia's Foreign Relations, 1975-1992*, Department of International Relations, Research School of Pacific and Asian Studies, The Australian National University, Canberra, 1994.
- Kiernan, Colm, *Calwell – A Personal and Political Biography*, Nelson, Melbourne, 1978.
- Killen, D.J., *Killen. Inside Australian Politics*, Methuen Haynes, North Ryde, 1985.
- Kingsbury, Damien, *The Politics of Indonesia*, Oxford University Press, Melbourne, 1998.
- (Editor), *Guns Ballot Boxes: East Timor's Vote for Independence*, Monash Asia Institute, Melbourne, 2000.
- Klare, Michael T., and Thomas, Daniel C., *World Security: Challenges for a New Century*, St. Martin's Press, New York, 1994.
- Knight, J., and Hudson, W.J., *Parliament and Foreign Policy*, Canberra Studies in World Affairs, The Australian National University and the Australian Institute of International Affairs, Canberra, 1983.
- Koch, Christopher, *The Year of Living Dangerously*, Random House, Sydney, 1978.
- Kosit, H., (Editor), *Indonesia: The Sukarno Years*, Facts on File, New York, 1967.
- Krause, Keith, and Williams, Michael C., (Editors), *Critical Security Studies: Concepts and Cases*, University of Minnesota Press, Minneapolis, 1997.
- Lanyei, George A. and McWilliams, Wilson C., (Editors), *Crisis and Continuity in World Politics*, Random House, New York, 1966.

- Lee, David and Waters, Christopher, (Editors), *Evatt to Evans. The Labor Tradition in Australian Foreign Policy*, Allen & Unwin, in association with the Department of International Relations, The Australian National University, Canberra, 1997.
- Leifer, Michael, *Indonesia's Foreign Policy*, Allen & Unwin, London, 1983.
- Levi, Werner, *Australia's Outlook on Asia*, Angus and Robertson, Sydney, 1958.
- Lipschutz, Ronnie D., (Editor), *On Security*, Columbia University Press, New York, 1995.
- Lowe, David, *Menzies and the 'Great World Struggle' – Australia's Cold War 1948-1954*, UNSW Press, Sydney, 1999.
- Lowry, Robert, *The Armed Forces of Indonesia*, Allen & Unwin, St Leonards, 1996.
- Mackie, J.A.C., *Konfrontasi. The Indonesian-Malaysian Dispute, 1963-66*, Oxford University Press, Kuala Lumpur, 1976.
- (Editor), *Indonesia: The Making of a Nation, Indonesia: Australian Perspectives Volume 2*, Research School of Pacific Studies, The Australian National University, Canberra, 1980.
- Maher, Michael, *Indonesia – An eyewitness account*, Viking, Ringwood, 2000.
- Main, J.M., *Conscription: the Australian Debate 1901-1970*, Cassell, Melbourne, 1970.
- Malik, J. Mohan, (Editor), *Australia's Security in the 21st Century*, Allen & Unwin, St Leonards, 1999.
- Marr, David, *Barwick*, Allen & Unwin, Sydney, 1980.
- May, Brian, *The Indonesian Tragedy*, Routledge & Keagan, London, 1978.
- May, R.J., (Editor), *Between Two Nations – The Indonesian-Papua New Guinea Border and West Papua Nationalism*, Robert Brown Associates, Bathurst, 1986.
- McKie, R., *The Emergence of Malaysia*, Greenwood Press, Westport, 1963.
- McMullen, Christopher J., *Mediation of the West New Guinea Dispute, 1962 – A Case Study*, Institute for the Study of Diplomacy, School of Foreign Service, Georgetown University, Washington, 1981.
- Meaney, N., *Australia and the World - A Documentary History from the 1870s to the 1970s*, Longman Cheshire, Melbourne, 1985.
- Mediansky, Fedor, (Editor), *The Military and Australia's Defence*, Longman Cheshire, Melbourne, 1979.

- and Palfreeman, A.C., *In Pursuit of National Interests – Australian Foreign Policy in the 1990s*, Pergamon Press, Sydney, 1988.
- Menadue, John, *Things You Learn Along the Way*, David Lovell Publishing, Melbourne, 1999.
- Millar, T.B., (Editor), *Britain's Withdrawal from Asia – Its Implications for Australia*, Strategic and Defence Studies Centre, The Australian National University, September 1967.
- *Australia's Defence*, Melbourne University Press, Carlton, 1969.
- *Foreign Policy – Some Australian Reflections*, Georgian Press, Melbourne, 1972.
- (Editor), *Australian Foreign Minister: The Diaries of R.G. Casey*, Collins, London, 1972.
- *Australia in War and Peace. External Relations 1788-1977*, Australian National University Press, Canberra, 1978.
- Modelski, George, (Editor), *The New Emerging Forces: Documents on the Ideology of Indonesian Foreign Policy*, The Australian National University, Canberra, 1963.
- Mody, Nawaz B., *Indonesia under Suharto*, Apt Books, New York, 1987.
- Montgomery, John D., *The Politics of Foreign Aid*, Praeger, New York, 1962.
- Morgenthau, Hans, *Politics and Nations. The Struggle for Power and Peace*, Alfred. A. Knopf, New York, 1967.
- Mott, William H., *Military Assistance – An Operational Perspective*, Greenwood Press, Westport, 1999.
- Myrdal, G., *Asian Drama – An Inquiry into the Poverty of Nations*, Penguin, Harmondsworth, 1968.
- Neustadt, Richard E., May, Ernest R., *Thinking in Time – The Uses of History for Decision Makers*, The Free Press, New York, 1988.
- Osborne, Robin, *Indonesia's Secret War: The Guerilla Struggle in Irian Jaya*, Allen & Unwin, North Sydney, 1986.
- Osgood, Robert E., *Ideas and Self Interests America's Foreign Policy*, University of Chicago Press, Chicago, 1953.
- Palmer, Ingrid, *The Indonesian Economy Since 1965 – A Case Study of Political Economy*, Frank Cass and Company, London, 1978.

- Parsons, Alf, *South East Asian Days*, Centre for the Study of Australia-Asia Relations, Uniprint, Brisbane, 1998.
- Pemberton, G., *All the Way: Australia's Road to Vietnam*, Allen & Unwin, Sydney, 1987.
- Penders, C.L.M., *The Life and Times of Sukarno*, Oxford University Press, Kuala Lumpur, 1974.
- Phillips, D., *Ambivalent Allies*, Penguin Books, Melbourne, 1988.
- Pollock, Tom, *Fighting General: Public and Private Campaigns of General Sir Walter Walker*, Collins, London, 1973.
- Porter, Robert, *Paul Hasluck – A Political Biography*, University of Western Australian Press, Nedlands, 1993.
- Prasser, Scott, Nethercote J.R., Warhurst John, (Editors), *The Menzies Era – A Reappraisal of Government, Politics and Policy*, Hale & Iremonger, Sydney, 1995.
- Reid, Alan, *The Power Struggle*, Shakespeare Head Press, Sydney, 1968.
- *The Gorton Experiment*, Shakespeare Head Press, Sydney, 1971.
- Renouf, Alan, *The Frightened Country*, Macmillan, South Melbourne, 1979.
- *Malcolm Fraser and Australian Foreign Policy*, Australian Professional Publications, Sydney, 1986.
- Richelson, Jeffrey T. and Ball, Desmond, *The Ties That Bind: Intelligence Cooperation Between the UKUSA Countries – United Kingdom, the United States of America, Canada, Australia and New Zealand*, Allen & Unwin, Sydney, 1985.
- Robison, Richard, *Indonesia – The Rise of Capital*, Asian Studies Association of Australia, Allen & Unwin, North Sydney, 1986.
- Roskin, Michael G., *National Interest: From Abstraction to Strategy*, Strategic Studies Institute, U.S. Army War College, Carlisle, 1994.
- Rowley, C.D., *The Destruction of Aboriginal Society*, Penguin, Ringwood, 1974.
- Sandole, Dennis J.D., and van de Merwe, Hugo, (Editors), *Conflict Resolution Theory and Practice: Integration and Application*, Manchester University Press, Manchester, 1993, p.204.
- Santamaria, B.A., *Against the Tide*, Oxford University Press, Melbourne, 1981.
- *Santamaria. A Memoir*, Oxford University Press, Melbourne, 1997.

- Schwarz, Adam, *A Nation in Waiting – Indonesia in the 1990s*, Allen & Unwin, St. Leonards, 1994.
- Scott, Keith, *Gareth Evans*, Allen & Unwin, Maryborough, 1999.
- Scott, Roger and Richardson, J., *The First Thousand Days of Labor*, Volume 1, Australasia Political Science Association, Canberra, 1976.
- Sharp, Nonie, *The Rule of the Sword – The Story of West Irian*, Arena Printing Company, Malmsbury, 1977.
- Sheenan, Michael, *The Balance of Power, History and Theory*, Routledge, London, 1996.
- Shelly, Nancy, (Editor), *Whither Australia? A Response to Australia's Current Defence Policy*, Commission on International Affairs of the Australian Council of Churches, Canberra Times Publishing, Canberra, 1990.
- Singh, Bilveer, *Civil-Military Relations Revisited – The Future of the Indonesian Armed Forces (ABRI) in Indonesian Politics*, Crescent Design Associates, Singapore, 1999.
- Smith, Michael Joseph, *Realist Thought from Weber to Kissinger*, Louisiana State University Press, Baton Rouge, 1986.
- Spender, Sir Percy, *Exercises in Diplomacy. The ANZUS Treaty and the Colombo Plan*, Sydney University Press, Sydney, 1969.
- *Politics and a Man*, Collins (Australia), Sydney, 1972.
- Stackhouse, John, ... *from the dawn of aviation – The Qantas Story 1920-1995*, Focus Publishing, Double Bay, 1995.
- Stargardt, A.W., *Australia's Asian Policies - The History of a Debate 1839-1972*, Institute of Asian Affairs, Hamburg, 1977.
- Starke, J.G., *The ANZUS Treaty Alliance*, Melbourne University Press, Melbourne, 1965.
- Sulaiman, Idris F., Sofyan, G. Hanafi, Smith, Shannon Luke, (Editors), *Bridging the Arafura Sea: Australia-Indonesia Relations in Prosperity and Adversity*, Development Issues Number 10, National Centre for Development Studies, Asia Pacific Press, Canberra, 1998.
- Tan, T.K., (Editor), *Sukarno's Guided Democracy*, Jacaranda Press, Brisbane, 1967.
- Taylor, John G., *Indonesia's Forgotten War: The Hidden History of East Timor*, Zed Books, London, 1987.

- Toohy, Brian and Wilkinson, Marian, *The Book of Leaks*, Angus & Robertson, Sydney, 1987.
- Trengove, Alan, *John Grey Gorton – An Informal Biography*, Cassell, Sydney, 1969.
- Uren, Tom, *Straight Left*, Random House, Milsons Point, 1994.
- Wah, Chin Kin, *The Defence of Malaysia and Singapore - The transformation of a security system 1957-1971*, University Press, Cambridge, 1983.
- Walsh, Richard and Munster, George, *Secrets of State*, Walsh and Munster (an imprint of Angus & Robertson), Sydney, 1982.
- Warner, Dennis, *Reporting South-East Asia*, Angus & Robertson, Sydney, 1966.
- Watson, Don, *Recollections of a Bleeding Heart. A Portrait of Paul Keating PM*, Random House Australia, Milsons Point, 2002.
- Watt, A., *The Evolution of Australian Foreign Policy*, Cambridge University Press, London, 1968.
- Weller, Patrick, *First Among Equals. Prime Ministers in Westminster Systems*, George Allen & Unwin, Sydney, 1985.
- Whitlam, Gough, *The Whitlam Government 1972-1975*, Penguin Books, Ringwood, 1985.
- *Abiding Interests*, University of Queensland Press, St. Lucia, 1997.
- *My Italian Notebook*, Allen&Unwin, Crows Nest, 2002.
- Wilkes, John, (Editor), *Australia's Defence and Foreign Policy*, Proceedings of 30th Summer School, Australian Institute of Political Science, Angus and Robertson, Sydney, 1964.
- Williams, Pamela, *The Victory. The Inside Story of the Takeover of Australia*, Allen & Unwin, St Leonards, 1997.
- Wilson, Harold, *The Labour Government 1964-1970: A Personal Record*, Weidenfeld and Nicolson, London, 1971.
- Young, Thomas-Durell, *Australia, New Zealand, and United States Security Relations, 1951-1986*, Westview Press, Boulder, 1992.

Articles, Reference and Working Papers, Chapters and Speeches

- Albinski, H.S., 'Australian Labor and Foreign Policy', *Australian Outlook*, Volume 37, Number 3, December 1983, pp.155-9.

- Anwar, Dewi Fortuna, 'Indonesia's Foreign Policy after the Cold War', *Southeast Asian Affairs 1994*, Institute of Southeast Asian Studies, Singapore, 1994, pp.150-5.
- 'The Rise in Arms Purchases: Its Significance and Impacts on Southeast Asian Political Stability', *The Indonesian Quarterly*, Volume 12, Number 3, Third Quarter, 1994, pp.247-59.
- Arndt, H.W., 'Aid and the Official Conscience', *The Australian Quarterly*, Volume 41, Number 4, December 1969, pp.43-8.
- 'Australian Economic Aid to Indonesia', *Australian Outlook*, Volume 24, August 1970, pp.129-39.
- 'Survey of Recent Developments', *Bulletin of Indonesian Economic Studies*, Volume 10, Number 1, The Australian National University, Canberra, 1975.
- Asian Development Bank, *Asia Development Outlook: 1998*, Oxford University Press, Oxford, 1998.
- Ball, Desmond, 'The Politics of Defence Decision Making in Australia: The Strategic Background', *Reference Paper Number 93*, The Strategic and Defence Studies Centre, The Australian National University, Canberra, March-April 1979.
- and Bateman, Sam, *An Australian Perspective on Maritime CSBMs in the Asia-Pacific Region*, Working Paper Number 234, Strategic and Defence Studies Centre, The Australian National University, Canberra, 1991, pp.18-21.
- and Horner, David, (Editors), 'Strategic Studies in a Changing World: Global, Regional and Australian Perspectives', *Canberra Papers on Strategy and Defence*, Number 89, Strategic and Defence Studies Centre, The Australian National University, Canberra, 1992.
- 'Strategic Culture in the Asia-Pacific Region', *Working Paper*, Strategic and Defence Studies Centre, Canberra, 1993.
- 'The Political-Security Dimension of Australia and the Asia-Pacific Region', *Indonesian Quarterly*, Volume 12, Number 3, 1994, pp.227-46.
- 'Arms and Affluence: Military Acquisitions in the Asia-Pacific Region', *International Security*, Volume 18, Number 3, Winter 1993/1994, pp.81-95.

- ‘The Agenda for Cooperation’, a Paper Prepared for the Australian College of Defence and Strategic Studies 1995 Conference, *Asia-Pacific Security: The Challenges Ahead*, Canberra, 27-28 November 1995.
- Beeson, Mark, ‘APEC: nice theory, shame about the practice’, *The Australian Quarterly*, Volume 68, Number 2, Winter 1996, pp.35-48.
- Birmingham, John, ‘Appeasing Jakarta’, *Quarterly Essay*, QE2, 2001.
- Broinowski, Alison, ‘Asian Perceptions of Australia’, Australian Cultural History Conference, Sydney, 26 June 1989.
- Brown, Gary, ‘Index to Parliamentary Questions on Defence’, *Canberra Papers on Strategy and Defence*, Number 58, Strategic and Defence Studies Centre, The Australian National University, Canberra, 1989.
- ‘Defending Australia: Issues in Australia’s Post-Cold War Defence Policy’, *Research Paper Number 19*, Parliamentary Research Service, Canberra, 1994/95.
- and Frost, Dr. Frank, Sherlock, Dr. Stephen, ‘The Australian-Indonesian Security Agreement: Issues and Implications’, *Research Paper Number 25*, Parliamentary Library Service, Canberra, 1996.
- ‘Problems in Australian Foreign Policy: January-June 1996’, *Australian Journal of Political Science*, Volume 42, Number 3, 1996, pp.331-44.
- Buzan, Barry, ‘From International System to International Society: Structural Realism and Regime Theory Meet the English School’, *International Organization* 47, Number 3, Summer, 1993, pp.327-52.
- Campbell, David, ‘Australian Public Opinion on National Security Issues’, *Working paper Number 1*, Peace Research Centre, The Australian National University, Canberra, 1986.
- Cotton, James, ‘The “Haze” over Southeast Asia: Challenging the ASEAN Model of Regional Engagement’, in *Pacific Affairs*, Volume 72, Number 3, Fall 1999, pp.331-51.
- ‘“Part of the Indonesian World”: Lessons in East Timor policy-making, 1974-76’, *Australian Journal of International Affairs*, Volume 55, Number 1, 2001, pp.119-31.

- Cosgrove, Peter, 'One Mission Accomplished: What's next?', *The Sydney Papers*, Winter 2000, Volume 12, Number 3, p.100.
- Cribb, Robert, (Editor), *The Indonesian Killings 1965-1966: Studies from Java and Bali*, Monash Papers on Southeast Asia, Number 21, Centre for Southeast Asian Studies, Monash University, Clayton, 1990.
- Dalrymple, Rawdon, 'Perspectives on Australian Foreign Policy 1996', *Australian Journal of International Affairs*, Volume 51, Number 2, 1997, pp.243-5.
- Dibb, Paul, 'Issues in Australian Defence', *Australian Outlook*, Volume 37, Number 3, December 1983, pp.160-6.
- Djiwandono, J. Soedjati, 'Defence Cooperation Between Member-States of ASEAN', *The Indonesian Quarterly*, Volume 14, Number 4, Fourth Quarter, 1996, pp.339-51.
- Downer, Alexander, 'East Timor in 1999', *Australian Journal of International Affairs*, Volume 54, Number 1, April 2000, pp.5-10.
- Dupont, A., 'Australia's Threat Perceptions - A Search for Identity', *Canberra Papers on Strategy and Defence*, Number 82, Strategy and Defence Studies Centre, Canberra, 1991.
- 'New Dimensions of Security', Paper prepared for the Joint SDSC and IISS Conference on 'The New Security Agenda in the Asia Pacific Region, Canberra, 1-3 May 1996, pp.6-12.
- 'The Australia-Indonesia security agreement', *Australian Quarterly*, Volume 68, Number 2, Winter 1996, p.51.
- East, Lieutenant Colonel C.H.A., 'SESKOAD: A Unique Experience', in *Australian Army Journal*, Number 200, January 1966, pp.3-9.
- Eldridge, Philip J., *Indonesia and Australia: The Politics of Aid and Development Since 1966*, Development Studies Centre Monograph Number 18, The Australian National University, Canberra, 1979.
- Evans, Gareth, 'Making Australian Foreign Policy', *Australian Fabian Society Pamphlet*, Number 50, Australian Fabian Society, Melbourne, 1989.
- 'Cooperative and Intra-state Conflict', *Foreign Policy*, Volume 96, 1994, pp.10-11
- and Dibb, Paul, *Australian Paper on Practical Proposals for Security Cooperation in the Asia Pacific Region*, Department of Foreign Affairs and Trade and the

Strategic and Defence Studies Centre, The Australian National University, Canberra, 1994.

Feith, Herbert, 'Symbols, Ritual and Ideology in Indonesian Politics', Conference Paper presented to the Australian Political Studies Association, August 1962.

Goldsworthy, D., 'Australia and Africa: New Relationships', *Australian Quarterly*, Volume 45, Number 4, December 1973, pp.58-72.

—— 'Analysing Theories of Development', *Working Paper Number 12*, Centre for South East Asian Studies, Monash University, Melbourne, 1977.

—— 'Perspectives on Australian Foreign Policy', *Australian Journal of International Affairs*, Volume 50, Number 2, 1996.

Goodfellow, Rob, 'Ignorant and hostile: Australian perceptions of Indonesia', *Inside Indonesia*, Number 36, September 1993, pp.4-6.

Grant, Bruce, 'Towards a New Balance in Asia', *Foreign Affairs*, July 1969, pp.711-20.

Hänggi, Heiner, 'ASEAN and the ZOPFAN Concept', *Pacific Strategic Papers*, Institute of Southeast Asian Studies, Singapore, 1991, pp.16-7.

Harries, Owen, 'Mr. Whitlam in Australian Foreign Policy', *Quadrant*, Volume 17, Number 4, July-August 1973, pp.55-64.

Hayden, W.G., 'Australia and the Asian Region', *Australian Outlook*, Volume 37, Number 3, December 1983, pp.150-4.

Healy, A., 'A Time for Building – Australian Administration in Papua New Guinea, 1951-1963. By Paul Hasluck', *The Journal of Pacific History*, Volume 13, Part1, 1978.

Hegarty, David and Polomka, Peter, (Editors), 'The Security of Oceania in the 1990s', Volume 1, *Canberra Papers on Strategy and Defence*, Number 60, Strategic and Defence Studies Centre, The Australian National University, Canberra, 1989, pp.71-3.

Hogan, W.P., 'Furthering Asian Development', *The Australian Quarterly*, Volume 41, Number 3, September 1969, pp. 30-42.

Hookey, Helen and Roy, Denny, (Editors), 'Australian Defence Planning: Five Views from Policy Makers', *Canberra Papers on Strategy and Defence*, Number 120, Strategic and Defence Studies Centre, The Australian National University, Canberra, 1997.

- Horner, David, 'The Australian Army and "Confrontation"', *Australian Outlook*, Volume 43, Number 1, April 1989, pp.61-76.
- Jennings, Peter, 'Australia and Asia-Pacific Regional Security', *Working Paper Number 267*, Strategic and Defence Studies Centre, The Australian National University, Canberra, 1992.
- Kailis, M.G., 'Aid to Indonesia', Paper to 44th ANZAAS Congress, Perth, 1970.
- Kaplan, Robert D., 'The Coming Anarchy', *The Atlantic Monthly*, Volume 273, Number 2, 1994, pp.44-76.
- Keating, Paul, Speech by the Prime Minister to the Foreign Correspondents Association, Sydney, 11 November 1994.
- Kerr, Pauline and Mack, Andrew, 'Security Studies in Australia in the 1990s', *Working Paper 1994/2*, Department of International Relations, Research School of Pacific and Asian Studies, The Australian National University, Canberra, 1994.
- Killen, D.J., 'Defence Policy', *Pacific Defence Reporter*, March 1976, pp.7-9.
- Leifer, Michael, 'Problems and Prospects of Regional Cooperation in Asia: The Political Dimension', *Indonesian Quarterly*, Volume 4, 1976.
- Levi, D., 'Indonesia: The Year of the Coup', *Asian Survey*, Volume 1, Number 2, February 1966.
- Liberal Party of Australia, *A Confident Australia*, Canberra, January 1996.
- Lim, David, 'The Jackson Report on Australia's Aid: The Underlying Framework', in *Australian Outlook*, Volume 39, Number 1, April 1985, pp.19-22.
- Lubis, Mochtar, 'Report from Indonesia', *Current Affairs Bulletin*, Volume 14, 1 January 1968, pp.42-8.
- Mack, Andrew, 'Defence verses Offence', *Australian Outlook*, Volume 41, Number 1, April 1987, pp.3-9.
- Malik, Adam, 'Promise in Indonesia', *Foreign Affairs*, Volume 46, Number 2, January 1968, pp.292-300.
- 'Indonesia's Foreign Policy', *The Indonesian Quarterly*, October 1972.
- Marshall, Alistair, 'Australian Public Opinion and Defence: Towards a New Perspective', *Working Paper Number 92*, Peace Research Centre, The Australian national University, Canberra, 1990.

- Meaney, N.K., 'Alfred Deakin's Pacific Agreement Proposal and its Significance for Australian-Imperial Relations', *Journal of Commonwealth Political Studies*, November 1967, pp.200-13.
- Millar, T.B., 'Changes in the Formal Structure of Foreign Policy Consideration', *Australian Outlook*, Volume 37, Number 1, April 1983, pp.26-8.
- Morgenthau, Hans, 'A Political Theory of Foreign Aid', *American Political Science Review*, Volume 56, Number 2, June 1962, pp.301-9.
- Mortimer, Rex, 'Unresolved Problems of the Indonesian Coup', *Australian Outlook*, Volume XXV, Number 1, April 1971.
- Mráze, Jan, 'Javanese Wayang Kulit in the Times of Comedy: Clown Scenes, Innovation, and the Performance's Being in the Present World, Part 2', in *Indonesia*, Southeast Asia Program Publications, Cornell University, Number 69, April 2000, pp.107-75.
- Niessl, R.A., 'The Relevance of the Defence Cooperation Program', *Australian Defence Force Journal*, Number 130, May/June 1998, pp.49-54.
- Nichterloin, Sue, 'Australia: Courtier or Courtesan? The Timor Issue Revisited', *Australian Outlook*, Volume 36, Number 1, April 1982, pp.46-9.
- Nixon, Richard, 'Asia after Viet Nam', *Foreign Affairs*, October 1967, pp.111-25.
- O'Neill, R.J., 'The Army in Papua New Guinea', *Canberra Papers on Strategy and Defence*, Number 10, Canberra, 1971.
- Panglaykin, J., and Arndt, H.W., 'Survey of Recent Developments', *Bulletin of Indonesian Economic Studies*, Volume 4, 1966, pp.1-35.
- Peacock, A., Conference Paper, 'Australia and South-East Asia – An Alternative View', Australian Institute of International Affairs, Melbourne, May 1975.
- Prasetyono, Edy, The Regional Focus of Australia's Defence Policy – An Indonesian Perspective, *Working Paper Number 15*, Australian Defence Studies Centre, Canberra, July 1993.
- Robie, D., 'Terror in Timor', *NZ Monthly Review*, March 1992, pp.14-8.
- Rochijat, Pipit, 'Am I PKI or Non-PKI', *Indonesia*, Number 40, October 1985, pp.37-55.
- Sargent, T.C., 'Operation Mandau: The Royal Australian Survey Corps in Indonesia, 1970', in *National Bulletin of Survey Corps Association*, Volume 7, September 1971, pp.32-43.

- Simon, Sheldon S., 'The Indochina Imbroglia and External Interests', *Australian Outlook*, Volume 37, Number 2, August 1983, pp.89-93.
- Somare, A., 'The Emerging Role of Papua New Guinea in World Affairs', 25th Roy Milne Memorial Lecture, Melbourne, 14 June 1974.
- Stent, W.R., 'The Jackson Report: A Critical Review', in *Australian Outlook*, Volume 39, Number 1, April 1985, pp.33-8.
- Sukma, Rizal, 'Indonesia's *Bebas-Aktif* Foreign Policy and the Security Agreement with Australia', *Australian Journal of International Affairs*, Volume 51, Number 2, 1997, pp.231-41.
- Ullman, Richard, 'Redefining Security', *International Security*, Volume 8, Number 1, Summer 1983, pp.132-5.
- Viviani, Nancy, 'Australians and the Timor Issue: II', *Australian Outlook*, Volume 32, Number 3, December 1978, pp.239-47.
- 'Australia-Indonesia Relations –Bilateral Puzzles and Regional Perspectives', *Australian Outlook*, Volume 36, Number 3, December 1982, pp.26-31.
- Walsh, Maximillian, 'You ain't seen nothing yet', *Quadrant*, Volume 12, November-December 1968, pp.18-9.
- Kenneth Waltz, 'Realist Thinking and Neorealist Theory', *Journal of International Affairs*, Volume 44, Number 1, 1990.
- Wanandi, Jusuf, 'Indonesia's International Role', *The Indonesian Quarterly*, Volume 13, Number 3, Third Quarter, 1994, pp.227-31.
- Weatherbee, Donald E., 'Southeast Asia at Mid-Decade: Independence through Interdependence', *Southeast Asian Studies 1995*, Institute of Southeast Asian Studies, Singapore, 1995, pp.3-27.
- Willis, I., 'P.M.C. Hasluck, A Time for Building: Australian Administration in Papua New Guinea 1951-1963', *Labor History*, Number 23, May 1977.
- Woodard, Gary, 'Best Practice in Australia's Foreign Policy: Konfrontasi', *Australian Journal of Political Science*, Volume 33, Number 1, 1998, pp.85-99.

Theses

- Beazley, Kim C., 'Post-Evatt Australian Labor Party Attitudes to the U.S. Alliance 1961-72: An analysis of the effects of selected Australian foreign policy and defence issues on the evolution of Australian Labor Party attitudes to the United States alliance, 1961-1972', *MA Thesis*, University of Western Australia, Perth, 1974.
- Crossman, William Michael Fancourt, 'Indonesian Defence Policy in Transition, 1963-1995', *B.A. (Honours) Thesis*, University of Queensland, St Lucia, 1996.
- Dee, Moreen, 'In Australia's Own Interests. Australian Foreign Policy During Confrontation', *Ph.D. Thesis*, University of New England, Armidale, 2000.
- Haupt, M., 'Australia's Relations with Indonesia 1945-1962', *Ph.D. Thesis*, Fletcher School of Law and Diplomacy, Medford, Massachusetts, 1970.
- Hein, Gordon Robert, 'Soeharto's Foreign Policy: Second Generation Nationalism in Indonesia', *Ph.D. Thesis*, University Of California, Berkeley, 1986.
- Markin, Terrance C., 'The West Irian Dispute: How the Kennedy Administration Resolved that 'Other' Southeast Asian Conflict', *Ph.D. Thesis*, The John Hopkins University, Baltimore, 1996.
- McGovern, K., 'Australian Government Policies towards Indonesia 1965-1972, *B.A. (Honours)*, University of Queensland, St. Lucia, 1975.
- McKinnon, N., 'Australian Foreign Policy 1957-1965: a study of four foreign ministers', *B.A. (Honours) Thesis*, University of Queensland, St Lucia, 1975.
- Polomka, P., 'A study of Indonesian foreign policy with special reference to military involvement', *Ph.D. Thesis*, University of Melbourne, Melbourne, 1973.
- Sulistyo, Hermawan, 'The Forgotten Years: The Missing History of Indonesia's Mass Slaughter (Jombang-Kediri 1965-1966)', *Ph.D. Thesis*, UMI Dissertation Services, Arizona State University, 1997.
- Toohey, S., 'Revolution and Confrontation: Australia's Relations with Indonesia 1963-1966', *B.A. (Honours) Thesis*, University of Sydney, Sydney, 1996.
- Urquhart, D.A.K., 'Australia's Military Aid Programs 1950-1990', *M.A. (Honours) Thesis*, University College, University of New South Wales, Australian Defence Force Academy, Canberra, 1990.

Verrier, J.R., 'Australia, Papua New Guinea and the West New Guinea Question 1949-1969', *Ph.D. Thesis*, Monash University, Melbourne, 1976.

Viviani, Nancy, 'Australian Attitudes and Policies Towards Indonesia', *Ph.D. Thesis*, The Australian National University, Canberra, 1973.

Periodicals and Newspapers

The Age

The Australian (including the weekend edition)

The Australian Financial Review (including the weekend edition)

The Bulletin

The Canberra Times

The Courier-Mail

The Far Eastern Economic Review

The Jakarta Post

The National Times

The Nation Review

The Sydney Morning Herald

The Sun-Herald

Tempo

Academy Library
Policy-making and pragmatism :
thesis
2002 Boyle
BARCODE: 361934