



S E C R E T

AUSTRALIAN EMBASSY
DJAKARTA

In reply quote No. 201/2/1/1

DESPATCH NO. 7/1962

29th July 1962

INDONESIA AND WEST NEW GUINEA

Sir,

I have the honour to refer to my interview with the Acting Foreign Minister of Indonesia, Dr. Leimena, on the evening of 28th July, concerning which I submitted a full report in my telegram No. 566 of the same evening, and to some of the wider issues regarding the current stage of the Indonesian-Dutch dispute over West New Guinea.

2. As background to the discussion with Dr. Leimena reported in my telegram under reference, two considerations might be added.
3. Firstly, Dr. Leimena is a man of transparent honesty, and when he begged me to believe that he was speaking to me as a friend and as a man of peace I took him completely at his word. I believe that between him and myself there is understanding and respect and that all I said to him last night was taken by him as coming from a friend and as the representative of a friendly neighbour. He did not attempt to dispute any of my contentions about the danger and the illogic of further armed action by Indonesia to regain West New Guinea. His plea was simply that we understand the fact of President Soekarno's commitment and that we help the Indonesian Government to find some formula to meet it.
4. Secondly, our discussions and my report of them were vitiated by the fact that Dr. Leimena and his Government are almost incredibly out of touch with what has been happening in Washington over the past several days. On 27th July, for example, Dr. Leimena had not even known that Dr. Subandrio had seen President Kennedy in Washington the previous day. When I saw him last night he had no idea that Dr. Subandrio had decided to stay on in Washington a few more days and not turn up in Djakarta on 30th July. Moreover, I myself spoke, and now write, without the knowledge of certain facts such as whether there had been a clear deadlock between Subandrio and Van Roijen in Washington on the issue of the timing of transfer of administration of West New Guinea, and what was said between Subandrio and Rusk and later President Kennedy about this question and the American reactions to the possible resumption of the use of force by the Indonesians. Nor can I guess whether Subandrio, in announcing on 27th July his planned departure from Washington on 29th July, acted within the scope of his own initiative in the light of his discussions or as the result of some fresh instruction from Soekarno. From

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the discrepancy between the announcement made in Djakarta on 28th July about Subandrio's return in two days' time and the news from Washington that he was to stay there longer, it would appear that Subandrio has discretion to act in the light of new circumstances such, for example, as the jolt which he may have been given by Secretary of State Dean Rusk and President Kennedy in the past few days.

5. The critical situation which loomed up towards the end of the past week was not foreseen in Djakarta this time one week ago, when Indonesian leaders were talking freely of packing their bags for New York to take part in formal negotiations with the Dutch. There was a certain ominous hardening in Soekarno's tone when he made it clear early in the week that Indonesia was demanding "more" than the Bunker plan. There has been some speculation about the influence of the Soviet Deputy Premier Mikoyan during his four-day visit last week-end, but I have no information which leads me to believe that new decisions were taken at that time in the way of accepting Russian support or advice over the prosecution by force of the campaign for West New Guinea.

6. It seems to me more likely that the President, with his own deadline dates approaching, namely 17th August when he must make a major address to the nation, and 5th August by which time he has instructed Subandrio to conclude his discussions with the Dutch, decided that the old tactics of pressure and threats should be reverted to to bring the Dutch the final distance between what they had already agreed to do in the way of agreeing to a handover of administration and what he required to make good his pledge to the people that by the end of 1962 the administration would have come to Indonesia. Subandrio's attitude in Washington, his decision to report back to Djakarta and the ominous rumblings about fresh armed assaults against West New Guinea may all be seen in the context of the continuing war of nerves against the Netherlands.

7. In this war of nerves the Indonesians have proved in the past their willingness and capacity to apply armed force. They are convinced - and it is hard to argue against them - that it was only by the progressive application of force in West New Guinea that the Dutch Government moved in the past few weeks to a position in which it is willing to negotiate for the peaceful transfer to Indonesia of administration of that territory. It is useless for us to argue that such tactics by the Indonesians have been immoral or contrary to their earlier public assurances, because we could not honestly hold that they would have reached so close to their goal of restoring this territory by any other means.

8. Seen from the isolation of Djakarta, therefore, a decision to break off talks and exert some additional and perhaps moderate force does not seem so illogical as seen from the distance of Canberra and Washington. There are Indonesians who would believe that some more force could be applied short of the

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necessity of going to war. Others would say that the risk, or even the certainty of open war, should be accepted. They would argue that they now have the strength to prosecute a war against the Dutch successfully, and that after some initial Indonesian difficulties and losses, the Dutch would give in as they had done previously in the face of superior strength. Such a recourse to arms would bring the displeasure of the United States and, less importantly, that of Australia, but the Western powers would not intervene on behalf of the Dutch. To regain West New Guinea by force would have the advantage of bringing the territory to Indonesia without any conditions or obligations, and with the added prestige that this national aim had been accomplished by Indonesia's own strength and not through the help or mediation of the United States or the United Nations.

9. Such Indonesians as may have been advocating a return to forceful methods might say that they accept the increasing obligations on the Soviet bloc which such methods would impose on Indonesia, and the increasing influence internally of the Indonesian communist party. There are senior advisers in the Indonesian Government who would welcome such a development as an end in itself. Some would even speculate that President Soekarno and Dr. Subandrio themselves would not be averse to such a development in the destinies of their nation because of their basic beliefs that "the winds of change were blowing in favour of the new emerging forces", and that these forces were the Communist bloc and not the Western democracies.

10. Added to all this is the background that all Indonesian civil and Service leaders accept the basic rightness of Indonesia's national claim to West New Guinea, and feel emotionally involved in it. They do not feel that the Dutch are making concessions to them, but that every day in which administration is denied to them means a continuation of an intolerably wrong situation.

11. Taking these considerations into account, and adding to them the first report of Subandrio's return to Djakarta, plus the continuing and authenticated information about the build-up of sea, land and air forces in East Indonesia, the American Ambassador on 26th July was led to make a pessimistic assessment to the effect that if Subandrio returned with no agreement, then we must expect the Indonesians to launch some sort of more substantial land and sea assault in the near future.

12. Mr. Jones is the most experienced and capable foreign diplomat in Djakarta. No-one has worked harder and more skilfully to bring about a peaceful settlement of the West New Guinea dispute, and on several occasions I have been aware of what he has done personally to save the situation from hopeless deadlock and the seeming inevitability of war. His judgment of 26th July that the Indonesian Government

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was prepared to revert to armed action on a considerable scale simply because of a deadlock with the Dutch over the question of timing of the transfer of administration must therefore be taken most seriously, as it evidently was in Washington judging by the tone of what Secretary of State Dean Rusk said to Sir Howard Beale as reported in Washington telegram repeated to us No. 558 of 27th July.

13. I had at that time, and still have, a shadow of doubt about the correctness of the American assessment of that day, although I believe that the shock of what Mr. Jones said had the effect in Washington of leading Secretary of State Rusk, and later President Kennedy, to say things to Dr. Subandrio which could have brought him to a salutary sense of realities. As I saw and still see it, there would be so much illogicality for the Indonesians in a substantial resort to arms at this stage that, even allowing for the emotional nationalism of the Indonesians, they would not seriously undertake it, and what they were engaged in was another effort of brinkmanship similar to what they had successfully indulged in in the past. My arguments with Indonesians that to resort to war in the present circumstances, in which they had obtained the bulk of their requirements from the Dutch, was unnecessary and unethical, are summarised in paragraphs 8 and 9 of my telegram No. 566 under reference, and, as I said, Dr. Leimena made no attempt to refute them. The risk of forfeiting the friendship and respect of Australia was something which I put as a long term consideration and in order of importance after the disastrous consequences on the Indonesian people which could follow armed action. I spoke of the damaging effects on Indonesia of a probable revulsion in American opinion, and the consequent isolation of Indonesia from much needed American economic assistance and military protection from other aggressors.

14. The arguments against a rash resort to arms seem to be so overwhelming that it has been hard for me to imagine that the Indonesians would take a final irrevocable step which would put them in the Soviet camp and outside the Western pale. I was strengthened in this interpretation by the information we had from a reliable Indonesian military informant with close contact with the President, reported in paragraph 5 of my telegram 558, who assured us that there had been no decision for a full-scale assault and that, contrary to some fears, the Indonesians would not use Russian manned sea and air craft. He spoke, however, of a continuance of "nibbling and sabre-rattling" in the event that no agreement were reached with the Dutch. There could, of course, be a major difference of opinion between what the Indonesians on the one hand, and the Americans and ourselves on the other, would be able to accept as "nibbling", let alone the reaction of the Dutch to any resumption of armed hostilities. However, the basic assurance was that President Soekarno and his Government still wished to settle the dispute peacefully and that their postures were to be seen in terms of a tactical pressure on the Dutch.

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15. It may be that the strong words of the Americans in Washington to Subandrio have disabused the Indonesians that they can safely resort to such tactics without upsetting the whole balance of the considerable gains they have so far made in their discussions with the Dutch. It may be also that what Dr. Leimena has said about the minimum which would in his view meet President Soekarno's requirement in his pledge to the people could be developed so as to bring about a satisfactory compromise on the outstanding question of the timing of transfer. I was interested to see from telegram No. 558 of 27th July something of departmental thinking in favour of a speeding up of the period in which the United Nations administers West New Guinea prior to handing it over to Indonesia. Dr. Leimena was reasonable enough in what he said to me about allowing sufficient time - several months - for the Dutch to withdraw from West New Guinea - and not perhaps unreasonable in asking that withdrawal and transfer to Indonesia of at least one centre should be able to be accomplished in the five months remaining of this year.

16. What Secretary of State Rusk, and maybe also President Kennedy, have said to Dr. Subandrio three days ago in Washington brings out once again the fundamental doubts and dilemmas of our whole attitude towards Indonesia. It raises the question again whether the Indonesian leaders at this stage have irrevocably chosen a path which leads them to the side of the Soviet bloc and opposed to the Western powers. Perhaps in Washington and in Canberra thought is being given to the plea of the Netherlands Government that the United States interpose its Seventh Fleet between East Indonesia and West New Guinea and make it clear that a threat to the peace in that area will not be tolerated.

17. As I understand the situation at the moment, in which peaceful negotiations between the Dutch and the Indonesians have not been broken off and there is not a formal Indonesian order for an armed assault, we are not yet faced with such a tragic situation. We are still dealing with an Indonesian Government which is not communist and, while not pro-West, is not committed to the Communist bloc. The advances of the U.S.S.R. in Indonesia by virtue of its open-handed pouring in of armed equipment and advisers and instructors, together with its economic aid, have undoubtedly created a potentially dangerous situation. Indonesians, however, still take the line that this was not what they wanted, nor even what they now want, but that they could not have prosecuted their claim to West New Guinea successfully without this Russian aid and support. It will be hard to reverse the trends now put in operation by this aid, but not impossible if relations with the West are maintained over this critical period.

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18. On the other hand, if the United States Seventh Fleet were to interpose itself in West New Guinea waters, and whether or not there were any armed clash, the United States position in Indonesia would deteriorate drastically, and consequential events could lead to its disappearing completely. This would not be to the interests of Australia or of the West as a whole. Difficult as the game may be to play out in Indonesia, the prize is of fundamental importance to our security and the whole Western position.

19. The effects of an open reversal of the American and Australian attitude in favour of armed support of the Dutch in preserving West New Guinea from Indonesian attacks would be potentially enormous. We would at a stroke be writing off Indonesia as a non-communist friend and ally, and pushing it firmly into a pro-Soviet and pro-communist position. There would be some effects on the Western position in Thailand, Vietnam, Laos and in all of South-East Asia and East Asia if the American forces had this further obligation in East Indonesian waters. The final result could even lead to a retreat of our defence lines from midway in South-East Asia right to the present border between West New Guinea and East Indonesia.

20. The burden of the above argument leads to one difficult and, let us hope, hypothetical conclusion. Even if the worst comes to the worst and the negotiations are broken off in an uncompromising deadlock, and if the Indonesians, contrary to the advice and admonition of their friends, proceed to a further substantial resort to arms, we should in those unpalatable circumstances still resist what would be potent arguments not only in Holland, but in Australia, the United States and the United Kingdom, from public and government quarters, that we give military aid to the Dutch. There would be unnecessary bloodshed, and relations between Indonesia and the Western allies would be deeply affected. Australian public confidence in Indonesia would be shattered for a long time to come. But in the long term we should keep firmly in mind that the prize in the cold war in South-East Asia is not West New Guinea but Indonesia, and that a successful Indonesian campaign against West New Guinea would still leave power in Indonesia in the hands of forces which are substantially non-communist.

21. Australia's other major consideration, second only to the maintenance of relations of confidence, friendship and respect with a non-communist Indonesia, is that the future of the people of New Guinea should be decided in a way which gives the best prospect of stable political conditions in that area. The alternatives facing us and the Dutch seem to be, not whether or not Indonesia gets West New Guinea, but whether it gets it by some or other use of force with the encouragements of its Russian friends and on unconditional terms, or whether it gets it by peaceful settlement with the Dutch under United Nations and United States auspices, in terms which go beyond the

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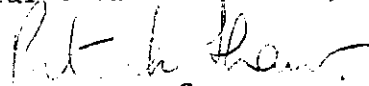
agreed terms of the Bunker proposals in one respect, namely the timing of transfer, but which preserve other and more vital parts of those proposals, namely the provisions regarding United Nations presence and the supervision of a later choice by the people. If the territory were to come to Indonesia as the result of armed action, presumably there would be no conditions, no obligations to have United Nations presence, nor to give the people a free choice. If the territory comes back as the result of a settlement with the Dutch under conditions which the Dutch regard as an unreasonable advance on the Bunker proposals in respect of the timing of the transfer of administration, yet there will remain the other provisions for a continued United Nations interest.

22. One could perhaps be sceptical about the value of such provisions. On the one hand one could argue that the Indonesian Government has not lived up to its past assurances about the use of force in solving the New Guinea issue or, looking back further, that the internationally accepted obligations of a federal State in Indonesia were rejected shortly after President Soekarno had the power to impose his idea of a unitary State. On the other hand, Soekarno and Subandrio have themselves recently put up arguments in the interests of Indonesia itself supporting the idea that the people of West New Guinea should be given the right of free choice.

23. These arguments lead to a plea for continued examination in Canberra and Washington of a means whereby the Indonesian requirement for some gesture in the direction of a transfer of administration by the end of this year can be met. As we ourselves agree, the phased programme envisaged by the Bunker plan does not appear to serve a vital purpose. Even if there were some risk of Australian, American, British and Dutch criticism on the lines that one should not appease an unreasonable demand of the Indonesians based on a self-imposed timetable, yet it would be better to accept such criticism in order to save ourselves from the much more disastrous consequences which could follow a complete denial of the Indonesian emotionally-felt wish to have their flag flying in some town or other in West New Guinea by the end of this year. Otherwise, as I said before, we and the Western allies might find ourselves fighting what would be a war in the wrong place and at the wrong time.

I have the honour to be, Sir,

Your obedient servant,


Patrick Shaw

The Honourable Sir Garfield Barwick, Q.C., M.P.,
Minister for External Affairs,
CANBERRA.

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