

C A B I N E T M I N U T E

Canberra, 5th March, 1963.

Decision No. 675

- Submission No. 552 - Australia's Strategic Position.
- Submission No. 560 - The Strategic Importance to Australia of New Guinea.
- Submission No. 575 - Portuguese Timor and the North Borneo Territories.
- Submission No. 576 - Quadripartite Talks on Indonesia.

The Cabinet, in accepting generally the views expressed in Submission No. 552 "Australia's Strategic Position", noted Indonesia's growth as a military power, her declared opposition to the Malaysian Federation, her hostility to colonial regimes and her use of power in respect of diplomatic aims.

2. The Cabinet agreed that there should be an increase in the present scale of defence programming, in addition to the approvals given under the current three-year programme and subsequent approvals for further military acquisitions, not only to ensure the security of the Australian mainland and East New Guinea, but also to enable us to make an effective and sustained contribution in South-East Asia and to present a deterrent to possible activities by Indonesia inimical to our strategic interests.

3. The Cabinet invited the Minister for Defence to examine as a matter of some urgency, and to submit to it at the earliest opportunity, suggestions for improvements in our defence potential. The Minister was invited to set out objectives capable of being achieved, the time required to achieve them and the manner in which they would be achieved. These suggestions are to relate not only to the provision of additional equipment but are also to canvass proposals for an increase in the manpower available to the Services and the means of achieving such an increase. The Minister was also invited to submit a proposal for the establishment of a general Services base in East New Guinea and to submit suggestions for strengthening the defence - in particular the air defence - of Darwin. (In relation to New Guinea, it was suggested that the Minister consider, inter alia, the provision of a wharf at Wewak, improvements to the air strip at Borham and the sealing of the landing strip at Baru.)

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4. The Cabinet, having in mind not only the possible risk of military involvement with Indonesia, but also the fact that Australia's military strategy is based on the maintenance of a forward position in South-East Asia, agreed that Australia should continue to support the creation of Malaysia and to accept the risk that thereby we may cause tension in our relations with Indonesia. Our diplomacy should, however, be directed towards maintaining a firm but friendly attitude towards this country.

5. The Minister for External Affairs was authorized to seek an early opportunity to make a public statement of Australia's attitude towards Malaysia and, if he judged it desirable, to say in his public statement that, whilst we favour Malaysia, and are completely opposed to outside interference, whether overt or covert, in its formation, Australia recognizes the importance to Indonesia and the Philippines of the proposed Malaysian Federation. Australia should present herself to the Indonesians as quite firm in relation to any aggression, but understanding their legitimate concern about changes in the sovereignty of the territories immediately adjacent to their own.

CIRCULATION:

All Ministers
Depts. Sir Arthur Tange
Sir Roland Wilson
Mr. Hicks
Prime Minister's (Mr. Griffith)

Certified correct.

J. F. Linn
Deputy Secretary to Cabinet.

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