

Chapter 6: The Decline and Breakdown of the Policy of Balance, August 1958- January 1959

I

The Australian Government began immediately to try to consolidate its policy of balance. Some preliminary moves were made in Canberra but, as foreshadowed in the Cabinet meeting, the initial thrust was to be made by Casey in his trip abroad. The first leg of this, which took him to Britain and the Netherlands, was more successful than might have been expected, and seemed to confirm, provisionally at least, that the new policy had a future. The second leg in the US was quite different. Casey and his companions were not able to extract from the Americans what they might have hoped but, more importantly, they were brought under the influence of US policy towards Indonesia to the extent that they paid little attention to this failure. Indeed, during Casey's tour of duty in the States, Australian policy began to shift gradually – in relative terms – away from planned equal concentration on WNG and Indonesia to one focussed more on the latter. In spite of this, attempts to juggle the two were furiously continued until the period between December 1958 and January 1959, when pressures were viewed as too great. At this point, and in the most dramatic policy judgement since 1950, WNG was officially deemed less significant than Indonesia.

Persevering with its series of safe token gestures to the Dutch, on 15 August the Menzies Government informed Lovink by letter that Australian authorities were willing to transmit a JIC study on the threat to WNG.¹ This move represented a bare minimum of what might have been expected to give the Dutch some satisfaction. The note said that the JIC paper “cannot be taken to imply any subsequent commitment to...staff talks”, whilst Tange confidentially informed McClure-Smith that “We are trying to avoid being committed to a continual exchange of intelligence”. Added to this, the assessment was to be handed to the Netherlands services attache, “in order to avoid creating [the] impression [that the] document has formal status as [an] expression of [the] Australian Government's views”.

This opening sortie was obviously a ‘softener’ in preparation for Casey's arrival at The Hague. Still, within a week the Australians were reminded that they were far from able to conduct policy in a vacuum. A message was received without warning that the British were re-thinking their willingness to abide by an earlier Australian

¹ The letter is contained in cablegram 152 from Tange to McClure-Smith, 15 August 1958, in A1838/283, TS3036/6/1, Pt 6, NAA.

request not to sell Gannet aircraft to the Indonesians. Even worse, they were now considering the sale of other heavy equipment, and they wanted Australia's opinion. Cabinet was briefed, and Menzies hastily sent off an unhappy note to Selwyn Lloyd, arguing that such weapons might be globally insignificant, but that this was not necessarily the case regarding WNG.² On top of this, he said his Government would be accused of helping the Indonesians if it agreed to the sale of such arms. Claiming that "of all external affairs concerning Australia this one is the nearest and most explosive", he added that if an attack occurred it would be essential for him to be able to say the Government had done nothing to aid or condone the "aggressive arming" of Indonesia. If he could not, "a political upheaval would occur in Australia."

A little earlier, news arrived that the Indonesians had agreed to a \$7 million military assistance package from the US.³ This was allied to significant non-military aid, and represented confirmation of the American decision in late May to turn away from the rebels, and begin supporting elements in the Indonesian army and central government.⁴ The Australians had in fact known before the Cabinet meetings of 12 and 13 August that a deal on military equipment was in the pipeline,⁵ but they were nonetheless disconcerted by its conclusion. Ambassador Jones had told Djuanda at the time that the "US regards assurances [by Indonesia] to mean...that equipment, materials and services will not be used to obtain control of West New Guinea by military forces,"⁶ but, as Tange explained to Beale, Australia felt that "little reassurance is afforded by developments to date".⁷ Pledges of non-violence had not been received from Sukarno, those from Nasution and Djuanda had been ambiguous, and the exchange of notes defining the purpose of the arms transaction were deemed of possibly limited value. Beale was asked to tell the Americans that arms had to "rigidly exclude" those likely to increase capacities *vis-à-vis* WNG, and that the US should tell Sukarno, Nasution, and Djuanda that there must be no resort to force. These requests were aligned with the general drive to create an atmosphere of deterrence, but it is also possible to detect a feeling that the arms race centred on Jakarta was developing to frightening proportions. It is also probable that, within a fortnight of cementing a tightrope policy, a number of

² See minutes of Cabinet meeting, 20 August 1958, and attached cablegram from Menzies to Selwyn Lloyd (British Foreign Secretary), in A4910/XM1, Vol. 7, NAA.

³ See cablegram 1513 from Washington, 14 August 1958, in A1838/277, 3036/6/1, Pt 30, NAA.

⁴ See Kahin & Kahin, *op.cit.*, p. 192.

⁵ See cablegram 1389 from Washington, 4 August 1958, in A1838/277, 3036/6/1, Pt 30, NAA.

⁶ See editorial note in *FRUS*, Vol. XVII, 1958-60, 'Indonesia', p. 260.

⁷ Cablegram 1298 from Tange to Beale, 20 August 1958, in A1838/277, 3036/6/1, Pt 30, NAA.

officials in Canberra were beginning to wonder how well this was adapted to emerging conditions.

Nevertheless, the evidence necessitating a further change was obviously deemed insufficient at this stage. Menzies and Casey charged enthusiastically along the chosen path. In preparation for the latter's talks with the Americans, the Prime Minister spoke to US Ambassador William Sebald in late August.⁸ Developing, as he had with Lloyd, the idea of a domestic "dilemma" presented by the arms deal, Menzies said earlier news of arms sales had been received well in Australia. On the other hand, recent information that landing craft, helicopters, and an anti-submarine vessel were to go to Indonesia meant that "criticism would probably rise very sharply." The Australian Government might then be left with a problem; there would be calls for a pact with the Dutch – and it could be said with "great force" that the Netherlands would abandon WNG without a commitment, the result of which would be Indonesian control of WNG and a shaky ENG – and there would be "the usual uproar by... pacifist elements", supported by many who also claimed WNG was vital. "Worse than this," Menzies went on, "we felt that if we entered into such an obligation, that act might incur the hostility of the United States, with serious consequences."

Menzies' use of the international situation to paint a gloomy picture of the domestic scene, which he in turn depicted as having potentially disastrous effects on the Australian-American relationship, was both cunning and convincing – and it cleared the way for his punch line:

our proposals were, in substance, two. The first was that particular care should be taken not to build up, or even appear to build up, the aggressive capacity of Indonesia. The other was that the United States should use its own influence and the procedures of the United Nations to deter the Indonesians from aggression.

Concluding – and no doubt for dramatic effect – Menzies subtly suggested that having confronted the above dilemma, Australia would be forced to choose the road most feared by authorities in Washington:

To sum it all up, I said that it would be an outstanding calamity if Australia felt compelled into a course unfavourably regarded by the United States; that, in the event of a seriously apprehended threat of attack, an almost irresistible Australia public opinion might require that we support the Dutch; and that, under these circumstances, every effort must be made to prevent any such threat from arising. In this we felt that the United States could play a most powerful part, particularly if she remembered that, just as Formosa was regarded by her a vital to her security, so is New Guinea regarded by us. Indeed, I added, rather more so since it is much closer to our shores.

⁸ See Menzies' account of the conversation, 27 August 1958, in cablegram 1917 from McBride to Casey and Harrison, 27 August 1958, in A1838/277, 3036/6/1, Pt 31, NAA.

Sebald was impressed by Menzies' entreaties. In a telegram to Dulles, he said the PM had spoken with "considerable earnestness" on the domestic difficulties that could face his Government, and spoke of Cabinet being "greatly exercised over [the] Indonesian situation and reports [that the] United States [is] apparently unduly strengthening [the] Indonesia [*sic*] military."⁹

II

Two days later, Casey had his crucial rendezvous with Luns. The Dutch Foreign Minister dominated the first half of the initial talk. He implied that the Netherlands Government was still fully committed to WNG, but pointed to the importance of showing the Dutch public that it was "thinking ahead."¹⁰ Here he emphasized the significance of the cooperative relationship in New Guinea. He indicated a desire to establish a framework linking indigenous representatives from east and west, which would "help give the impression that the populations of the two territories were facing towards each other instead of outwards." Luns was obviously looking to eventual union as a means of extracting the Dutch Government from the dispute without conceding to the Indonesians. He also hinted that the Dutch wanted to place greater responsibility in Australia's hands before the completion of self-determination, saying "the Netherlands had no scruples about sharing some of the attributes of sovereignty with Australia." In terms of the military problem, and perhaps having sensed the unprofitability of pushing the Menzies Government too far, Luns was careful to be less aggressive than in the past. He said he "understood" that Australia could not currently "give to the outside world any guarantee", adding – and this would have pleased Casey – that he believed the Minister "agreed that it was extremely important to give the Indonesians the impression that they would not be allowed to get away with an attack." He did, nonetheless, indicate that the Netherlands would not be satisfied with symbolic gestures, saying it "would be difficult for the Dutch people to see themselves fighting a Far Eastern war alone, or to see all Dutch forces sent to the Far East." In other words, as far as the Dutch were concerned, the question of physical support was still live. At the conclusion of the talk, Luns claimed that "if after...two years we are still alone we are finished", and that

⁹ Telegram from William Sebald (US Ambassador, Canberra) to Washington, 27 August 1958, in *FRUS*, Vol. XVII, 1958-60, 'Indonesia', pp. 272-73.

¹⁰ See record of conversation between Casey, McClure-Smith, Luns, van de Beugel (State Secretary, Netherlands Ministry for Foreign Affairs, initials unidentified), and N. S. Blom (Dutch Government Commissioner for Indonesian Affairs), 29 August 1958, in A1838/277, 3036/6/1, Pt 31, NAA. Also present were Plimsoll, Baron van Tuyll (Secretary-General, Netherlands Ministry for Foreign Affairs), and J. Rookmaker (Director, far Eastern Division, Netherlands Ministry for Foreign Affairs).

“Even token Australian troops would help and I am sure the United States would not oppose such a move from Australia”.¹¹

This was not a path down which Casey was keen to walk. Rather, he had to ensure that deterrence dominated. Perhaps trying to convince Luns that the Liberal Government was both realistic and genuine before moving to the central gambit of his mission, Casey admitted that Australia saw the situation as being more dangerous than it had been before the Indonesian civil war. He also mentioned that in his talks in London, Lloyd and Macmillan had agreed not to supply Gannets and other equipment to Indonesia. Indeed, the British Prime Minister had been persuaded that the US should be the only Western country providing arms to Indonesia. (This was seen as positive by the Dutch because it would allegedly mean the US was “irretrievably committed” to come to their side if WNG was attacked.)¹² Perhaps with some trepidation, Casey then moved to the crux of the matter, announcing that “in Australia’s opinion, what we must concentrate on was creating deterrents.” Distancing Canberra from a material commitment, he said the “United States was in the best position to do this”; if fighting erupted, “it could quickly grow beyond anything Australia or the Dutch could control”. Luns remained placid in response, expressing “great pleasure” over the British reversal, and indicating agreement with the notion of having the US as the sole supplier of arms. He also shared Casey’s assertion that an attack by Indonesia was not imminent.¹³ His only negative observations were that he was not in favour of Casey’s suggestion that WNG be taken to the Security Council, feeling that this might give Indonesia an opportunity to press for negotiations, and nor did he think reference to the International Court was viable.¹⁴

Casey was delighted with this conversation, and others that followed on the same evening and next morning.¹⁵ Luns had not forced the “blunt answer” feared by Menzies, and Dutch ideas for the development of WNG seemed to blend nicely with the ideas floated in Australian circles of using the Papuan population to legitimize Australian political influence. In fact, (in a not unfamiliar manner) in the persuasive company of his Dutch hosts, Casey became more enamoured with clearly advanced

¹¹ See Casey’s account of the talk in cablegram 214 from Casey, 30 August 1958, in A1838/277, 3036/6/1, Pt 31, NAA.

¹² See cablegram 211 from McClure-Smith, 28 August 1958, in A1838/277, 3036/6/1, Pt 31, NAA.

¹³ Conversation between Casey, McClure-Smith, Luns, van de Beugel, and Blom, 29 August 1958, in A1838/277, 3036/6/1, Pt 31, NAA.

¹⁴ Cablegram 214 from Casey, 30 August 1958, in A1838/277, 3036/6/1, Pt 31, NAA.

¹⁵ The additional talks, during which Casey spoke to Prime Minister Drees, appear to have covered the same ground. See Cablegram 2546 from Casey, 2 September 1958, in A1838/277, 3036/6/1, Pt 31, NAA.

Dutch schemes for Melanesia than was warranted by feeling in the Australian Cabinet.¹⁶ However, Menzies was apparently pleased with Casey's effort, as reflected in remark by Allen Brown (Secretary, Australian Prime Minister's Department) that Casey "seemed to have done quite well as he seemed to have left the Dutch in a friendly frame of mind but not to have committed himself on the subject of a military alliance[;]...there would not be any further pressure from the Dutch for some little time."¹⁷ Casey himself, in spite of the problem of more heavy equipment being sent to the Indonesians by the US, must have travelled to Washington with great confidence.

III

His basic assignment, as set by Cabinet, was to persuade the US to be more active in trying to deter Indonesia from using force. In particular, Menzies had suggested in August that it might be possible to get the US to assent to a joint declaration – or a UN resolution – that an attack on WNG would be regarded as an act of aggression. There also seems to have been some hope that the Americans might be brought closer to providing military support in the event of an attack.¹⁸ In a strict sense, these wishes were to be disappointed. The Americans, with their eyes fixed on events in Indonesia, were not willing to come as far as the Australians might have hoped. But disappointment was tempered by two factors. Firstly, the US did exhibit an anxiety to come some way to meeting Dutch and Australian concerns because of its desire to maintain a close relationship with these countries and, secondly, the Australians were gradually brought to believe even more strongly in the necessity of forthright United States policy on Indonesia – a development that caused them to be less critical and demanding of the Americans.

Before Casey arrived in North America, Sebald delivered to Menzies an *aide memoire* ostensibly written in response to Menzies' comments to the Ambassador on 27 August.¹⁹ From its contents, and the timing of its delivery, it seems this paper was intended to remind Australia of the objectives and tactics of American Indonesia policy,

¹⁶ See paragraph 3 in *loc.cit.* Casey may also have been influenced by the presence of Plimsoll, who remained keen on independence for both sides of the island. The Minister's press announcement upon arrival, and almost certainly drafted by Plimsoll, contained a strong statement of Australian support for Dutch sovereignty coupled with self-determination. See cablegram 2510 from London, 29 August 1958, in A1838/277, 3036/6/1, Pt 31, NAA.

¹⁷ See note for file by Allen Brown (Secretary, Australian Prime Minister's Department), 2 September 1958, in A1838/283, TS3036/6/1, Pt 6, NAA.

¹⁸ See the final paragraph on p. 2 of the minutes of the Cabinet meeting of 13 August 1958, in A4910/XM1, vol. 7, NAA.

¹⁹ See text of paper in cablegram 1364 to Washington (repeated to Casey in London), 5 September 1958, in A1838/277, 3036/6/1, Pt 31, NAA.

and to encourage the Menzies Government to identify itself with such issues, as opposed to focussing on WNG and the relationship with the Dutch. The introduction, utilizing flattery and a sense of intimacy, claimed that American policy on Indonesia was well known to Menzies, was essentially in harmony with that of Australia, and therefore “needs no further deliniation.” Reference was then made to Luns’ “deep concern” over a possible attack, and it was rather disingenuously suggested that there were a number of points that could be made to him given an opportunity. It was doubtful that these did not contain a polite message for Australia. In a reminder of the central tenet of US Indonesia policy, it was said that the purpose of arms deliveries was to “strengthen the Army position”, because the “army represents the single most important obstacle to Communist takeover.” In terms of the exact specifications of these arms – and this was an answer to Menzies’ request that weapons not increase (or even appear to increase) the offensive capacities of Jakarta – it was said brusquely that “All military material has direct or indirect offensive potential”, but that “the programme is carefully designed to reduce this potential to a minimum without emasculating it to the point which would render it ridiculous.” The program, the details of which were briefly considered, was said to change “to no significant degree Indonesian potential”, and, at any rate, security rested “rather in the character and orientation of the Indonesian Government and the degree to which the United States and the West can exercise their influence against foolhardy military adventures”.²⁰

Menzies’ other plea to Sebald was that the Americans use their influence and the mechanisms of the UN to deter Indonesia from an attempt on WNG. The above sentence might have been taken positively in this connection, but the US was apparently less enthusiastic than the Australians over blunt comment. “Indonesia”, it was stated, “understands clearly that the United States would oppose the use of force...using arms from any source”, whilst it was thought “repeated Western indications that we hold serious fears that such an attack is contemplated might well lead irresponsible elements to believe that Indonesia has in fact such a capability...and embolden them to dangerous sabre rattling.” Lastly, and amusingly using arguments that the Australians had put to the Dutch, it was claimed that there was no current evidence pointing to Indonesian plans to seize the territory by force, and that repeated assurances had been received from the Indonesians themselves.

²⁰ Repeating a common argument, the *aide memoire* also said that if the West did not provide Indonesia with arms, the communist bloc would.

Menzies would have been encouraged by the implicit assurance that the “United States would oppose the use of force”, and that US authorities were still trying to do what they could to control the offensive capabilities of the Indonesian military. On the other hand, the idea that warnings to the Indonesians could enable “irresponsible elements” to influence Sukarno and Nasution was a little thin, and Menzies would not have been satisfied with US reluctance to keep before the Indonesians the folly of offensive action. At the same time, he would have noted the conspicuous real reason for this reluctance, and the central argument of the memorandum – the paramount importance of building and re-building relationships with Indonesia’s established leaders in order to defeat communism.

On 9 September Casey met with Dulles in Washington. This was a more unequivocally encouraging interaction, though much of what was said by the Secretary of State soon had to be discounted. Casey began by remarking that Australia was not worried about an attack within 6 months to a year, “but there was genuine anxiety...as to what might happen beyond that period.”²¹ What Australia needed was for the US “to exercise the most effective deterrent by placing conditions on any economic or military aid it might extend to the Indonesians.” Casey asked if the Americans could make the provision of further aid over the next 18 months dependent upon an agreement not to use force towards NNG. This could be privately declared, but publicity would be better. Dulles did not reply directly to this, yet he said that

any attack against West New Guinea would, of course, be disastrous and...we would throw our force against such an attack...we do not have Congressional authorization to do so but some way could be found if such developed...there were many things we could do, such as economic sanctions. If Congress were in session we could of course get authorization if necessary for the use of force.

The suggestion of material support in the event of an Indonesian offensive would have surprised Casey given his probable agreement with Menzies’ earlier observation that Australia could not, as Suez had shown, rely on the US in a crisis. To add to this, Dulles hinted that the Americans might do more on the diplomatic side, saying that “it might help...to have more explicit assurances” from the Indonesians if further talks on arms were held. Finally, and continuing along this conciliatory line, Dulles reacted to Casey’s comment (which was an attempt to impress and pressure) that Australia had refused Netherlands calls for a commitment by declaring that “he would not have objected had

²¹ Conversation between Casey, Dulles, and Beale, in *FRUS*, Vol. XVII, ‘Indonesia’, 1958-60, pp. 270-81. For the Australian record, see cablegram 1773 from Washington, 9 September 1958, in A1838/283, TS3036/6/1, Pt 6, NAA.

the Australians given the Dutch such assurances.” Casey must have walked from the State Department believing his success in Europe was set to be repeated across the Atlantic.

The reality, however, was that Dulles was not only ailing physically (and indeed to die towards the middle of 1959), but that during August he had devolved a good deal of responsibility for policy on Indonesia to Assistant Secretary Walter Robertson. Robertson, for his part, was sympathetic to the predilections of Ambassador Jones.²² The Australians were soon given a glimpse at this situation, and forced to treat Dulles’ statements with caution. Speaking to a member of the Australian Embassy, J. G. Mein (head of SW Pacific Affairs, State Department) noted Dulles “had not been briefed” on US attitudes to a Dutch-Australia pact, so his remarks in that regard “should...be treated with reserve.”²³ Similarly, on the US attitude in the event of an attack, he said he “had been surprised that Dulles had said as much as he had”, and he did not support idea of placing conditions on arms deliveries, saying this was an expansion of the earlier Australian line, and that it involved “difficulties” – not to mention that it was “not likely to satisfy the Netherlands.” To cap off these chary observations, Robertson himself told Casey that the notion of prohibiting arms sales from other Western countries (and this had been one of Casey’s enthusiasms since speaking to Luns) was very unlikely to have support in the State Department.²⁴

This resistance to Casey’s intentions began to disturb officials in Canberra. In an instructive cable prior to an ANZUS Council meeting set for early October, Tange indicated there was a concern that Australia should be more careful not to get out of step with the US over Indonesia.²⁵ This concern was not only that irritation of the Americans was generically damaging to the close relationship necessary for effective cooperation in Indonesia. The Australians genuinely believed in what the Americans were doing there – especially with recent signs that the Indonesian central government was responding favourably to Washington’s new approach²⁶ – and the Australians had begun to accept that they had to pay more attention to Indonesian sensitivities if the ‘Reds’

²² This information, and that in the previous sentence, is taken from Kahin & Kahin, *op.cit.*, p. 192.

²³ Cablegram 1797 from Washington, 12 September 1958, in A1838/283, TS3036/6/1, Pt 6, NAA.

²⁴ Conversation between Robertson and Casey, 9 September 1958, in cablegram 1798 from Washington, 12 September 1958, in A1838/283, TS3036/6/1, Pt 6, NAA.

²⁵ Tange to Casey, 30 September 1958, in A1838/283, TS3036/6/1, Pt 6, NAA.

²⁶ On 22 September, Djuanda Kartawidjaja (Indonesian First Vice Prime Minister) had announced that national elections planned for mid-1959 would be postponed – a move that was widely interpreted as being disadvantageous to the PKI, because it was thought elections would show it to be the strongest party, and give it greater influence over the Government. See Kahin & Kahin, *op.cit.*, pp. 194-95.

were to be stopped. In a section indicating both the relational and substantial anxieties of the Menzies Government, Tange wrote:

In general we expect that you may be under some pressure from the Americans to mend fences with Indonesians...the Americans may criticise our attitude as one which restricts the alternatives open to the Indonesians...We have to recognise the possibility of the Indonesians bridling against any suggestions of a Western combination controlling what they received to such an extent that the United States policy now being pursued in Djakarta is prejudiced. We may accordingly have to pick our path with some care. It seems important not to leave the impression that we will respond to all or any pressures the Dutch may be being to bear.

The ANZUS Council meeting of 1 October demonstrated not only greater wariness on behalf of the Australians, but clear indications from the Americans that Indonesia was their priority, and that they were set to increase the intensity of their campaign against the Indonesian communists. Dulles, who had evidently been 'straightened out' by his officers in the interim, began by succinctly describing the reason for US unwillingness to be overly influenced by its allies concerning WNG: "We see the problem of West New Guinea within the context of the larger problem of Indonesia. The big stake in the area is Indonesia itself rather than the problem of West New Guinea."²⁷ He added that US policy in Indonesia had been successful to a fair degree in that the central government had now recognized the peril of communist growth, and was starting to take measures against it, but he felt more had to be done. "The policy that we [have] embarked upon here", he said, "may require us to continue and possibly extend somewhat our military assistance." Certain recommendations from the US Embassy in Jakarta were being considered, and he noted that these broached "some assistance to both the Air Force and the Navy and ...involve a category of goods which could be used for either aggressive or defensive purposes."²⁸ As he explained later, the arms program was necessary because "the nation which supplies military equipment does get a certain control over the country that receives it....And it is far better, we think, that Indonesia should be dependent upon us in that respect than dependent upon the Soviet Union or the Soviet bloc." This basic justification was, of course, an argument the Australians knew well and agreed with, but it was the urgency of the American calls for an escalation of the Cold War in Indonesia, and its consequences for the arms issue, that was striking.

²⁷ Record of ANZUS Council meeting, 1 October 1958, in *FRUS*, vol. XVII, 1958-60, 'Indonesia', pp. 283-90. For the Australian account, see cablegram 1929 from Casey to Menzies and McBride, 3 October 1958, in A1838/283, TS3036/6/1, Pt 6, NAA.

²⁸ Later, Dulles, affirming Robertson's earlier comments, said he did not think the US would agree to being the sole supplier of weapons to Indonesia.

The Americans knew these changes brought with them the potential for disturbing relations with the Dutch and Australians, so they were eager to add a sweetener. Referring to the questions of deterrence and US support, the Secretary said “we do not believe force ought to be used”, and that he had told Luns the US would explore the possibility of enabling the Dutch to “make some statement of our views”. Nevertheless, as Dulles’ further comments showed, this would be governed by the administration’s central aims in Indonesia. He described such a statement as “a delicate thing” because the US did not want to question Indonesian sincerity and “harm...our Indonesian relations”. Thus, no promises could be given to the Dutch. Later in the conversation Casey asked whether the US could, forgetting the idea of tying it to an arms deal, get an assurance from Indonesia “in specific terms”. Although Dulles justified rejection of this by saying he did not “attach a great deal of value to those statements”, the Americans were again concerned that this might work to the detriment of attempts at US-Indonesian *rapprochement*.

On the topic of military reinforcement, Dulles again looked to give the Dutch and Australians some degree of satisfaction, but he could not disguise that this also was subject to limitations. Contrary to the favourable impression given three weeks before, Dulles said WNG did not fall into the same category as the China, Korea, or SEATO areas, whereby the President was able to endorse the use of force without reference to Congress. On the other hand, he went on, the US could hold out the probability of “logistical assistance”, along with diplomatic opposition to Indonesian actions,²⁹ and he tried to give the impression that more active assistance was not impossible, though a decision could only be made at the time.

The ongoing impact of the US attitude on Australia was shown in juxtaposition to the Dutch reaction. A few days after this meeting, the Dutch were given a statement for Luns to use as a summary of his sojourn in the United States. It read:

During the course of conversations with Secretary Dulles in Washington I expressed the deep concern of the Netherlands Government that Indonesia might use military force against Netherlands New Guinea. Mr. Dulles confirmed to me that the United States as its conduct has shown firmly adhered to the principle that force should not be used to effect territorial changes and that the United States considers that this policy is applicable equally to the Taiwan Straits issue and to comparable issues in other parts of the world, including Netherlands New Guinea. Mr. Dulles also emphasised that the United States had no reason to believe Indonesia contemplated resorting to force...In this connection he referred to statements which have been made by the Indonesian Prime Minister, Foreign Minister and other responsible officials.³⁰

²⁹ Responding to a question by Casey, Dulles said that, personally, he would “not be reluctant” to back the Dutch in the Security Council following an attack by Indonesia.

³⁰ See DEA copy of Luns’ statement, 8 October 1958, in A1838/277, 3036/6/1, Pt 32, NAA. The first sentence is taken from teletype message from DEA to McBride, 9 October 1958, in the same file.

The Dutch were not entirely satisfied with this concession. Ambassador van Roijen, when handed the text for transmission to Luns, said “the statement clearly set forth [US] interest and concern with respect to the West New Guinea situation but...it was as if we were merely saying that we were against sin.”³¹ Luns himself was reported to be “satisfied” with the statement, though Baron Van Tuyll (Secretary-General, Netherlands Ministry of Foreign Affairs) told an American representative in The Hague that it “would have been more beneficial had the press been given the statement by [the] Americans instead of by the Dutch.”³²

Australian perspectives were different, and becoming more so daily. Reflecting on the broad outcomes of his visit to the US, Casey was able to write with confidence of American attitudes toward Australian problems over WNG. This confidence not only originated in the conviction that the US was sympathetic to Australia’s plight, but that its response was in substance satisfactory. On the arms issue, for instance, he said in a letter to McClure-Smith that “I believe the Americans are well aware of our concern about all these things, that they are by no means unconcerned themselves, and that, given the dilemma with which they are faced they have so far kept their own programme on a quantitative and qualitative basis which is reasonable”.³³ Likewise, in terms of discouraging an attack, he noted: “We, for our part, consider that the American views on the use of force are likely to have a real deterrent effect on the Indonesians”. Manifesting the widespread nature of such satisfaction in Canberra with the American position, Plimsoll told Lovink:

from a military point of view, the Netherlands would have derived considerable assurance from what had happened in the last few months....Dulles had in effect assured Luns that, in the event of an Indonesian attack on Dutch New Guinea, the Americans would give the Dutch all possible support short of actual combat assistance, in respect of which Dulles could not pledge the United States without Congressional backing....on the whole the Netherlands should think they had got as far as they could expect the Americans to be able to go at this stage.³⁴

The contentment of the Australians might have been thought to testify to the success of their ‘balancing act’ policy, but in fact it spoke more of the shift that had occurred in their own thinking. Their priorities, and therefore the criteria by which they judged accomplishment, had changed. Certainly, set against the original hopes and demands of the Government, Casey’s tour of the US was not particularly reassuring. He had not

³¹ Conversation between Dulles and van Roijen, 8 October 1958, in *FRUS*, vol. XVII, 1958-60, ‘Indonesia’, pp. 294-96.

³² Cablegram 264 from McClure-Smith, 9 October 1958, in A1838/277, 3036/6/1, Pt 32, NAA.

³³ Letter from Casey to McClure-Smith, 26 November 1958, in A1838/1, 3036/6/1, Pt 33, NAA.

³⁴ Conversation between Plimsoll and Lovink, 31 October 1958, in A1838/1, 3036/6/1, Pt 32, NAA.

been able to gain promises to “rigidly exclude” potentially offensive weapons from the US arms program,³⁵ and, in essence, the Americans would do virtually nothing to vigorously deter Indonesia from force for fear of jeopardizing their sensitive post civil war task in the archipelago. The help promised if an invasion did take place was also less significant than it might have seemed. The Australian Defence Committee’s assessment had been that an attack could only be immediately repelled if it occurred within a fully operational allied framework, but logistic support – which was, incidentally, not guaranteed by the US – would be unlikely to prevent a situation in which the Republic could at least gain a foothold in WNG. United States opposition to Indonesia in the Security Council or the General Assembly, which Dulles had virtually promised, would not, in these circumstances, be able to halt momentum towards negotiations.

All this had failed to baulk the Australian Government because its concerns over Indonesia were, perhaps more unconsciously than consciously, growing faster than they were over WNG.³⁶ In other words, prevailing thought in Canberra had begun to move in a direction that would undermine the policy of balance. This did not mean that the Australians had abandoned attempts to hold policy on WNG and Indonesia in tension. They continued to manoeuvre desperately to obtain objectives in both spheres, but they were to feel that they had decreasing room for movement as certain elements of the opposing pressures on the Australian Government increased substantially in the closing months of 1958. More precisely, heightened concern over Indonesia, which had been mainly rooted in the Republic’s internal state, was added to by an apparent sudden downturn in Australian-Indonesian relations, and this was matched by an intensification of Dutch demands upon Australia.

IV

Canberra’s relations with Jakarta had, of course, been particularly poor for some time, but by early October, the DEA were convinced they had worsened considerably. In a cable to Casey on the 9th, McBride wrote that the “general situation is that as a result of press speculation and deliberate Dutch policy[,] Australia has been projected into the position of being the main adversary of Indonesia in respect of New Guinea and its

³⁵ The quotation is taken from Tange’s instructive cable (1298) to Beale, in A838/277, 3036/6/1, Pt 30, NAA.

³⁶ Phelps, *op.cit.*, p. 298 correctly discerns this trend, but his treatment of Australian policy in the critical 1957-58 lacks structure.

programme of building up its armed services.”³⁷ McBride’s message showed that the Dutch had not only encouraged the idea that Australia and the Netherlands had concluded a “gentleman’s agreement” to act in concert if faced with an attack, but also that a provocative statement had been made by Drees saying that the two countries “had plans for development of the whole island, possibly as part of a federation.” The press, for their part, had contended that Casey may have been attempting to achieve a termination of arms sales to Indonesia.

McBride thought the time had come to “examine carefully the state of our relations with Indonesia and see what can be done to avoid further deterioration.” His prescription, showing how Australian policy had started to become skewed towards Indonesia, was that Australia resist Dutch pressure to a greater degree, while building greater understanding with the Republic; Australia’s “need”, he observed, was “some greater freedoms to avoid being pushed into policies which will breed real hostility in Indonesia.” Casey agreed with McBride. In reply, he said that “I too have been concerned at [the] increasing tendency for Australia and Indonesia to be regarded as being in opposite camps”, yet, in proceeding to further define Australia’s difficulties, he also reminded his colleague of the agreed direction of Government policy:

Our dilemma is that we are trying to ride two pretty difficult horses, namely to give sufficient encouragement to [the] Dutch to keep them in New Guinea and at [the] same time not to make [an] enemy of Indonesia. To put this another way, we want to keep West New Guinea out of Indonesian hands and at the same time play along with the American objective of providing Indonesia [*sic*] Army with internal security arms to enable them to control the Communists. I do not see any clear cut answer to this dilemma except to keep going in much the way as we are now. We are going to run into difficulties and embarrassments for a long while to come and probably have to do some zigzagging in the process.³⁸

It was against the background of Netherlands and Indonesian agitation, and uncomfortable attempts to keep Australian policy on an even keel, that a Dutch-Australian conference on administrative cooperation was held in Canberra at the end of October. Ostensibly an outcome of the Netherlands-Australian joint statement of 1957,³⁹

³⁷ Cablegram 627 from McBride to Casey, 9 October 1958, in A1838/277, 3036/6/1, Pt 32, NAA. For Indonesian comment on the state of relations between the Republic and Australia, see cablegram 1948 from Washington, 3 October 1958, in A1838/277, 3036/6/1, Pt 32, NAA.

³⁸ Cablegram 993 from Casey to McBride, 10 October 1958, in A1838/277, 3036/6/1, Pt 32, NAA.

³⁹ See cablegram 711 from Tange to Walker, 27 October 1958, in A1838/277, 3036/6/1, Pt 32, NAA. The Dutch-Australian joint statement of 6 November 1957, released at the same time as the fight against a pro-Indonesian resolution in the UN, consisted of five points. The first was that the Dutch and Australian Governments based their policies on the “interests and inalienable rights” of the inhabitants of WNG, in conformity with UN ideals. The second made it clear that both sides of the island were “geographically and ethnographically related” and that the development of “their respective populations must benefit from cooperation in policy and administration.” The final points elaborated on this theme by stating the determination of both Governments to continue to work together on policy (in a manner which recognized ethnographical and geographical affinity in NG) and administration until the time of self-determination.

the Conference proved awkward for the Menzies Government. Given Cabinet's dominant concerns, the Australian delegation wanted to please the Dutch and encourage developments that would allow the exclusion of WNG from Jakarta's sphere of influence, while concurrently avoiding being railroaded into a scheme that would antagonize Indonesia (or the US). The Dutch, as indicated during Casey's visit to The Hague, were eager for more than this. It was, therefore, not a particularly edifying event. In a memorandum for Casey afterward, Tange spoke of "Dutch complaints that the Australian delegation...had proved unwilling to go as far as the Dutch had hoped", and lamented that "the Netherlands delegation looked primarily for a political decision from the conference: the public announcement of a policy establishing a political organism for the whole island".⁴⁰ Meanwhile, the Indonesians maintained a constant level of excitement against Australia. Reporting on a press conference held by Subandrio, Antara, the official Indonesian news agency, said that it was difficult for Indonesia to "remain indifferent" to the conference, and implied that a military alliance between the parties was in the offing.⁴¹ Expanding on this theme, Subandrio said that if there were "provocative steps" by the other side "the possibility should not be minimized of there being a conflict of arms."⁴²

Such threatening behaviour was only one aspect of Indonesian policy in a period in which Australia had been projected into the front line. Subandrio, as an adept manipulator, and probably sensing Australian discomfort, also held out an olive branch. In a conversation with Ambassador Jones on 22 October, he said he would hate to witness a "gradual build-up of suspicion" between Indonesia and Australia, and "would like to see [a] settlement of all outstanding problems, including the Netherlands New Guinea dispute."⁴³ He was willing to "discuss [the] New Guinea question with Australia on the basis of what was in the common interest of the whole area." Holding out the possibility of a future security arrangement between Australia and Indonesia, Subandrio repeated his ideas to McIntyre a day later.⁴⁴ He remarked that he "would like the opportunity for frank and comprehensive talks with Mr. Casey and other Government

For a verbatim copy of the statement, see attachment to Cabinet Submission No. 922 by P. McBride (as Acting Australian Minister for External Affairs), 4 November 1957, in A4926/XM1, Vol. 37.

⁴⁰ Tange to Casey, 28 October 1958, in A1838/277, 3036/6/1, Pt 32, NAA.

⁴¹ Cablegram 679 from Jakarta, 22 October 1958, in A1838/277, 3036/6/1, Pt 32, NAA.

⁴² There was also a storm over a text obtained by the Indonesians of an alleged military pact between Australia and the Netherlands. See cablegram 2102 from Washington, 23 October 1958, in A1838/277, 3036/6/1, Pt 32, NAA.

⁴³ *loc. cit.*

⁴⁴ Cablegram 685 from McIntyre, 24 October 1958, in A1838/277, 3036/6/1, Pt 32, NAA.

leaders”, and “would not expect these to solve the New Guinea problem immediately but...they would help towards that end”.

The Australians felt bound to respond positively to Subandrio’s feelers, though they were to experience difficulties in trying to maintain symmetry between policy on Indonesia and WNG. On his return to Australia on 25 October, Casey, though making it clear his Government would “stand firm on its position that sovereignty...lay with the Dutch”, said Subandrio “would be very welcome and discussions with him could help clear up misunderstandings.”⁴⁵ Frustratingly, the Dutch were not satisfied with this turn of events. They did not object to the general concept of talks but, fearing that the Indonesians would convey the impression that Australia and Indonesia would do a ‘deal’ on DNG, Lovink requested that it “be made clear in advance...that during Dr. Subandrio’s visit there would be no discussion whatever of Netherlands New Guinea.”⁴⁶ Plimsoll replied that this could not be done, and Luns indicated soon afterward that this was accepted, but the Dutch remained anxious regarding Indonesian motives.⁴⁷ McClure-Smith also spoke of their “present nervousness about Australian intentions” as a result of the invitation to Subandrio and the Australian refusal to give a military guarantee.⁴⁸ According to the Ambassador, there were “some disturbing, if faint, doubts as to whether Australian policy in respect of Netherlands New Guinea might be undergoing re-assessment.”⁴⁹

In an attempt to explain policy to McClure-Smith, whose sympathy for the Dutch was pronounced, Casey revealed that by late November, the Menzies Government, despite numerous discouragements, still felt it should persist with the chosen path. After directly quoting his comments to McBride on the dilemma facing the the Government, he remarked:

I believe this still represents the situation...Our desire is still to see the Dutch remain in New Guinea and to give them all reasonable support to this end. There must naturally be a balancing out of national interests in this matter and what the Dutch think desirable we may not always be able to accept as possible...It is difficult to see in the longer term exactly how the New Guinea problem is going to be solved. All I can say is that we are continuously applying our minds to it and remain sincerely desirous of giving the Dutch all the help we can in dealing with it, within the limits set by Australia’s need to preserve other interests in South East Asia.⁵⁰

⁴⁵ DEA press release, 25 October 1958, in A1838/277, 3036/6/1, Pt 32, NAA.

⁴⁶ Conversation between Plimsoll and Lovink, 31 October 1958, in A1838/277, 3036/6/1, Pt 32, NAA.

⁴⁷ Cablegram 285 from McClure-Smith to Casey, 1 November 1958, in A1838/1, 3036/6/1, Pt 33, NAA.

⁴⁸ Cablegram 782 from W. D. Forsyth (Assistant Secretary, DEA) to Tange, 20 November 1958, in A1838/1, 3036/6/1, Pt 33, NAA. Later, in a letter to McClure-Smith’s chosen successor, Tange referred to the “extraordinary sensitivity” of the Dutch to Subandrio’s visit, which was, by December, planned for February 1959. Tange to Sir Edwin McCarthy (Australian Deputy High Commissioner to the UK), 2 December 1958, in A1838/1, 3036/6/1, Pt 33, NAA.

⁴⁹ Despatch No. 12 from McClure-Smith, 4 November 1958, in A1838/1, 3036/6/1, Pt 33, NAA.

⁵⁰ Casey to McClure-Smith, 26 November 1958, in A1838/1, 3036/6/1, Pt 33, NAA.

Over the next month this policy was subjected to increased pressure, and it cracked. There were a few particular issues that acted as a catalyst for this, but these must be understood against the background of previous months. More particularly, these issues stimulated a Cabinet review, which in turn brought together recent events, the gradual upsetting of the policy of balance, and the bias that had concurrently developed towards an ‘Indo-centric’ approach.

The first of these issues was a decision by the UK Government, contrary to Australia’s previously expressed wishes, to go ahead with the sale of Gannet aircraft to Indonesia. The British Cabinet concluded, furthermore, that it might be profitable to extend arms deliveries to Indonesia well beyond this. The minutes of a UK Cabinet meeting on 4 December read:

It was suggested that the existing ban on the export of ships to Indonesia should also be reconsidered. No uniform policy was now being followed, even among the Western powers, in respect of the export of arms to Indonesia; and we should needlessly damage our economic interests by continuing to withhold supplies if the only result of our withholding them was that they were obtained elsewhere....The Cabinet....Invited the Foreign Secretary to arrange for the Strategic Exports...Committee to review the existing ban on the supply of ships to Indonesia.⁵¹

Menzies was informed of these developments on 7 December, and Cabinet was briefed three days later. In a reply to MacMillan endorsed by Cabinet, the Prime Minister said that Australia’s views had been set out in the cable of 20 August, but that as these had no doubt been considered in London, he would “simply take note that you have decided to proceed”.⁵² In other words, Australia was not happy with the choice made by the British, yet had to accept what was a *fait accompli*.

The British move was not a complete shock to the Australians⁵³ – and in spite of the impression given to MacMillan in the earlier telegram, Menzies knew that the Gannets were useless in an offensive sense – but the significance of the sale was that it was probably interpreted by the Australians as part of a notable escalation of the Western supply of arms to Indonesia. Indeed, British plans were made known shortly after an announcement by Eisenhower that a further military package – this time to the tune of \$14.9 million – had been arranged with the Indonesians. It was only obvious that these circumstances, combined with others, made for a situation that necessitated Cabinet consideration of the WNG question.

⁵¹ 83rd Conclusions, Cabinet meeting of 4 December 1958, in Cab 128, CC (58), PRO.

⁵² See minutes of Cabinet meeting, 10 December 1958, in A4943, vol. 1, NAA.

⁵³ See Casey to McClure-Smith, 26 November 1958, in A1838/1, 3036/6/1, Pt 33, NAA.

One of these additional factors was raised in Menzies' letter to MacMillan; the Australians had come to believe an attack was possible in the immediate future. He wrote:

It will shortly be necessary for my own Government to give the closest possible consideration to the attitude we should adopt if there should be any aggressive movement by Indonesia...either by arms or by infiltration. Our information suggests strongly that there is a real danger of aggressive movement of one kind or another.

In mid-November, L. R. McIntyre (Australian Ambassador, Jakarta) had written that "certain recent reported moves...could be interpreted as indicating Indonesian intentions to use force if other means fail."⁵⁴ After mentioning a "secret report which our friends should have by now and which you should know about", he commented on various rumours such as the Indonesian Navy requesting 600 tons of lubricating oil from Shell, and fervent efforts to obtain parachutes. McIntyre thought these developments could be part of the Indonesian "nerve war", but nevertheless said Casey and Tange "should be aware of them." Then, in late November or early December, the Dutch obtained a record of an alleged talk by Subandrio to Indonesian Heads of Missions in Europe, in which Subandrio claimed that "a new phase would be opened in the campaign to regain West New Guinea early next year and that D-Day was expected to be in March."⁵⁵ He continued:

Precise planning was now in progress and a crisis might be provoked either by the shooting down of a Dutch plane or seizure of a Dutch ship. Use would also be made of infiltration tactics to create a situation in New Guinea which would provide grounds for armed intervention.

According to the Dutch, who notified McClure-Smith soon afterward, this information coincided with intelligence from other sources.

The seemingly real possibility of an Indonesian invasion within a matter of weeks forced the Australian Government to look anew (as Menzies had indicated) at what Australia would do in such circumstances, and this unavoidably involved a review of policy in its entirety. This was to take account of movement towards greater interest in Indonesia, but before it happened, one further coercive factor was placed in Cabinet's path. The Dutch, both genuinely concerned regarding an attack, and determined to force a clear-cut answer from Australia, sent Lovink to ask for supposed no-obligation consultations between the US, Australia, and the Netherlands "on ways and means of providing military assistance to Netherlands forces...within the timetable necessary if

⁵⁴ Cablegram 716 from McIntyre to Casey and Tange, 17 November 1958, in A1838/1, 3036/6/1, Pt 33, NAA.

⁵⁵ Cablegram 311 from McClure-Smith, 9 December 1958, in A1838/283, TS3036/6/1, Pt 6, NAA.

such assistance is to be effective.”⁵⁶ He said that without discussions in advance, aid would not be possible. Lovink also left with Tange a 33-page report on the military threat to WNG, which, though apparently pre-dating Subandrio’s alleged comments, quoted a source saying that Indonesia would attack in the first quarter of 1959.⁵⁷

The Menzies Government was not the only Western power forced by the Dutch to find an immediate answer to the tense atmosphere surrounding WNG. Prior to Lovink’s *demarche*, the Australians heard that the Dutch had approached the British for a guarantee,⁵⁸ and they received news on 24 December that van Roijen had asked the US for secret military talks.⁵⁹ These were proposed to cover an evaluation of respective intelligence assessments of Indonesian intentions, and joint military planning. Knowledge in Canberra that the WNG-Indonesia issue was being intensely scrutinized by two close allies provided further incentive for the Menzies Government to look closely at its attitude to the same question.

VI

Faced with a rapidly changing situation on a number of fronts, Cabinet organized a meeting for 5 January 1959. At this, the “whole Indonesian question” would be considered, whilst, in a specific sense, the Netherlands desire for guarantees and advance consultation would be examined.⁶⁰ Also to be looked at was cooperation between Australia, New Zealand, the UK, and America (and perhaps the Dutch) “in respect of political and diplomatic moves which may be taken in advance of an attack, and if an attack occurs”. In the event, two submissions – one by Defence, and the other by the DEA – were put before Cabinet. The first included a report by the JIC on the likelihood of an Indonesian attack in 1959, and also a revision by the Chiefs of Staff Committee (CSC) of a paper on the military measures that could be taken in such a situation.⁶¹ Apart from recognizing that Indonesia might be hindered by thoughts of possible international reaction, Dutch capacity, and the likelihood of success, the JIC paper contained little to cheer those hoping to hold to traditional Liberal policy. In noting general factors likely to contribute to violence on Indonesia’s part, it was said Sukarno’s power had increased, the moderates were losing influence, and the PKI’s

⁵⁶ Conversation between Tange and Lovink, 22 December 1958, in A1838/283, TS3036/6/1, Pt 6, NAA.

⁵⁷ See “The Indonesian Threat to Netherlands New Guinea”, 14 November 1958, in A1838/283, TS3036/6/1, Pt 6, NAA. The report was of the opinion that the Indonesians could successfully gain a lodgement in WNG.

⁵⁸ Cablegram 3856 from London, 16 December 1958, in A1838/283, TS3036/6/1, Pt 6, NAA.

⁵⁹ Cablegram 2503 from Washington, 24 December 1958, in A1838/283, TS3036/6/1, Pt 6, NAA.

⁶⁰ Cablegram 1842 to Washington, 22 December 1958, in A1838/283, TS3036/6/1, Pt 6, NAA.

⁶¹ Submission No. 11, tabled 5 January 1959, in A5818/2, Vol. 1, NAA.

influence had grown further in the past few months.⁶² Additionally, Nasution had not moved against the “extremists” and might not resist pressure from them for an attack. Arms expansion was also unsurprisingly thought to heighten chances of aggression. As far as the Dutch were concerned, they were thought to be potentially weaker after elections following the fall of the Drees Government – and this too might embolden Jakarta. Recent elections in the US were likewise viewed in a negative light; with fewer Republicans in Congress, the administration might judge that it could not get approval for military action if Western interests were not directly on the line. In terms of current and specific intelligence, the JIC judged there to be no “hard” evidence pointing to an immediate attempt – indeed some of it was consistent rather with an effort to weaken Dutch resolve – but believed “it would be wise to accept as a serious possibility that the Indonesians are planning an attack on Netherlands New Guinea, possibly in March, on a small scale coupled with UN action.”

The CSC assessment on viable military measures was fundamentally the same as the report on this subject of mid-1958.⁶³ That is, without a wider allied framework, the Dutch and the Australians would not be able to prevent a lodgement. The only notable supplement was the estimate that, if the Dutch left, Australia, having advance warning, would be able to move in, and might therefore discourage an attack. There would, nevertheless, be problems for the Australians if they did, and especially if an extended campaign developed. None of this encouraged the Australian Government to either fight alone or get involved in a conflict alongside the Dutch, especially as the Indonesians would probably combine military action with a move in the UN.

The DEA contribution, hastily prepared and less lucid than that of August, ran to a sizeable 38 pages, plus annexes. The introduction listed elements justifying a review of Australian policy as a whole. Indonesia, it was written, “has continued to acquire considerable quantities of armaments”, and its “domestic political situation may deteriorate further to the advantage of the Communists.” On top of this, the chance of an attack in the near future was real. (Later, it was also acknowledged that the Indonesians might be trying to create “an atmosphere of tension – without necessarily invading”, in order to convince the Dutch the costs were too great, and to make members of the UN more willing to vote for negotiations on sovereignty). Regarding the Netherlands, there was a real chance that it might withdraw from WNG. Like the JIC, External Affairs

⁶² For text of JIC conclusions, see also cablegram 1844 to Washington, 23 December 1958, in A1838/283, TS3036/6/1, Pt 6, NAA.

⁶³ See Submission No. 11, tabled 5 January 1959, in A5818/2, Vol. 1, NAA.

thought the end of the Drees' era – an era characterized by determination to hold NG – might have an impact. Furthermore, the Dutch had made it clear they would not fight alone.

The following opening passages, which quoted 1958 decisions on the importance of WNG and Indonesia, revealed concern over both Indonesia and the Netherlands, but especially the former. This was consistent with the gradual undermining of the policy of balance that had occurred since October. Indonesia was deemed to be “by no means lost”, though war over WNG would bring a “sharp and possibly even decisive increase in Communist influence”. In elucidating the significance of Indonesia to Australia itself, and to Australia's position in Asia, it was also judged that policy “must have regard to Australian-Indonesia relations over the long term.” In dealing with Netherlands policy and the request for guarantees, it was simply remarked that it be should assumed the Dutch would leave if they did not get more specific promises from the US, the UK, and Australia, and that Cabinet had to decide whether or not to go further. If the Dutch did withdraw, trusteeship negotiations, or anything commanding a two-thirds majority in the UN, was seen as more likely than outright transfer.

The American attitude was passed over with surprising brevity. Still, there were two points made that would have caught the attention of the Ministers. The first was agreement with the JIC's assessment that US Congressional elections might be important. Dulles had promised logistic support, but elections left “considerable doubt whether, in a situation in which the direct defence of free world interests against Communism was not obviously involved, Mr. Dulles would be able to pursue such a policy effectively.” Another facet of this situation, the paper continued, was that the US might go along with a cease-fire resolution in the UN, which would favour Indonesia.

The latter part of the paper looked more explicitly at courses Australia could follow. A lack of clear policy recommendations is evident though, in contrast to changes that had evolved in Australian thinking, the general impression given was that no great changes should be made to policy. In countering Indonesia, for instance, intense and immediate diplomatic activity was deemed necessary if an attack was imminent. Otherwise, and also on a political level, the Dutch could propose to bring Indonesia into permanent consultation over WNG, a move which the Indonesians would probably reject, but it would show them to be more interested in territorial acquisition than in the welfare of the Papuans. Reference to the Security Council was, broadly speaking, not feasible because Australia had to accept Luns' opposition to the idea. If

fighting began, the situation in the UN was foreseen as very difficult. This was thought to draw attention to the fact that Australia and others would have to react rapidly, before a UN cease-fire or military support from the Bloc or Afro-Asia.

Deterrence was assessed as being likely to work if enough warning of an attack came. Overt aid to the Dutch (either promised or given) was, on the other hand, portrayed as containing many risks, and it was proposed that Australia not go beyond what the British and the US were prepared to give. While consultations on the threat to WNG, which would include the Netherlands, were unavoidable, discussions should be held with the US and UK on the practical limits of support. In doing so, Australia had to bear in mind the dangers of great power conflict on its doorstep.

Long-term issues were given more air than in August. The Dutch might, it was observed, hold on as hoped until a political movement for self-determination emerged, but the likelihood of their withdrawal had increased over the previous year. Apart from supporting transfer, which was assumed to be presently impossible for the Menzies Government, Australia could push to be owners or sole trustees of WNG, but the first was a hopeless prospect, and the second improbable. Rather, an international trusteeship, including Australia, dominated by Indonesia, and charged with self-determination, was the most likely. If the Dutch pulled out, Australia had to be prepared for this contingency by having decided what sort of NG it wanted when self-determination was possible.

VII

The final section consisted of a series of questions for “early decision”. These revolved around problems pertinent to staff talks, a guarantee, a faked incident or attack, deterrence, and long-run issues. Cabinet’s answer to these, and other matters raised in the submission, was generally more decisive than that implied by the DEA. In essence, the Ministers decided that Australia could no longer attempt to have WNG and Indonesia as equally important priorities; the US-Australian fight against communism in Indonesia, to which Australia had begun to pay relatively more attention in recent times, had to be recognized as taking precedence over interests in WNG. The third point “noted” by Cabinet read:

The strategic importance of Indonesia is of greater significance to the United States and to Australia than Netherlands New Guinea and therefore it should be a major objective to keep Indonesia non-Communist and friendly.⁶⁴

⁶⁴ Minutes of Cabinet meeting, 5 January 1959, in A4943, Vol. 1, NAA.

Set against the history of Liberal policy, this was a most dramatic judgement. For most of the 1950s, the maintenance of WNG as a strategic zone was an axiom of Australian foreign policy; Indonesia's only real significance was as a perennial, but third-rate, threat to the physical protection of that zone. To decide that Indonesia itself should become a central focus, and at the expense of WNG, was therefore truly radical. It was a massive conceptual leap for Australian Ministers to see Indonesia not as a nuisance on WNG, but as consideration more innately important than the imperative of buffer policy.

Fear of a communist controlled Indonesia was central to this change. Indeed, it was not a new view of Indonesia's inherent potential that prompted the Australian Cabinet to alter its views on the Republic's strategic significance. The danger of a communist equipped and controlled government in possession of Indonesia's vast human and economic resources looked a far greater threat than a chaotic, neutralist post-colonial regime had with the same natural assets. Already, gravely disturbed by the situation in the Republic, Casey and his Cabinet colleagues were convinced, through further close contact with the Americans, that complete commitment would be needed to defeat what was a great threat.⁶⁵

The particular reality that made communism in Indonesia immediately relevant to WNG, and a choice between the importance of the territory and Indonesia necessary, was that the Australians had come to believe too many elements central to an ideal WNG policy could damage the fight against communism. Here particular 'lessons' of Casey's visit to the US, apart from the general one mentioned above, combined with the pressures since then to critical effect. For instance, Casey had realized as far back as May that refusal to arm Nasution, which would be best for WNG, might also curtail his ability to transform the Indonesian political scene. Afterward, the same point had been rammed home repeatedly by the Americans.⁶⁶ Now, as the Western arms program accelerated, Australia had the option of trying to hinder further deliveries, but was also reminded of the harm this might do to the vital US plan.

A pact with the Dutch was another move that might have been advantageous in connection with WNG – McIntyre had already said Indonesian military plans might be influenced by how the Dutch and Australians were predicted to react – yet this too

⁶⁵ Phelps, *op.cit.*, p. 304, acknowledges the importance the Australians were attaching to the way in which WNG policy was being received in Indonesia, but appears to erroneously ascribe this to a simple desire to follow the American lead (see, for example, *ibid.*, p. 302).

⁶⁶ This was not necessarily explicit, but was always implicit in their defence of the arms program as vital.

could, it was thought, unsettle the Americans, and therefore upset their anti-communist Indonesia policy. This had been the implication of Menzies' comment on 13 August that Australia "did not wish to part company" with the US over a guarantee,⁶⁷ and his reservations would have been strengthened by US refusal during Casey's visit to promise active support for the Dutch. He would also have noted that Mein had made of point of questioning Dulles' assertion that he would not have minded a Dutch-Australian military agreement.

The Australians were also now worried that such an alliance, or any 'over-zealous' manifestation of WNG policy, would disadvantage the Indonesian moderates in their struggle against the PKI. The communists would be able to discredit groups sympathetic to the West as unpatriotic in that they had aligned with a bloc that was preventing realization of a national claim. The Liberal Government was aware that this had been a popular idea in the State Department for many years, but now it had come to share the notion. This change started to become obvious in September as Casey experienced resistance to the idea of placing conditions on arms deliveries.⁶⁸ Extreme Dutch pressure on the issue of a guarantee, culminating in Lovink's most recent approach, compelled the Australian Government to reaffirm and refine the reasons why they had, and would, resist hard-line measures such as a military treaty.

Beyond the communism, and as foreshadowed in the Cabinet meetings and submissions of mid-1958, the problem of an attack on WNG was the other elemental pressure that caused the Australian Government to subordinate traditional WNG policy to Indonesia policy. Indeed, although the Ministers effectively rejected the JIC's assessment by noting that the "U. S. A. and the U. K. had separately concluded that for both political and military reasons an attack...is unlikely within the next six months", they also observed that the Australian military, either alone or with the Dutch, would probably not be able to succeed against Indonesia in circumstances likely to develop – a lodgement in WNG followed by action in the UN. This conviction, and the recognized reality that the "U. S. A. and the U. K. have declined to commit themselves in advance to military action", can only have stimulated the idea that it would be better for Australia to give greater weight to relations with Indonesia before the *fait accompli* of an invasion compelled them to do so. In other words, Australia's physical inability to

⁶⁷ Minutes of Cabinet meeting, 13 August 1958, in A4910/XM1, Vol. 7, NAA.

⁶⁸ See Tange to Casey, 30 September 1958, in A1838/283, TS3036/6/1, Pt 6, NAA. Fears over the effects of a restrictive arms policy, and a Dutch military agreement, seems to be reflected in cablegram 627 from McBride to Casey, 9 October 1958, in A1838/277, 3036/6/1, Pt 32, NAA

defend an area always deemed strategically vital meant that the importance of the power likely to occupy that area in a crisis had to be reassessed in advance.⁶⁹

The strength of Australian concerns over a communist Indonesia at this time, and the fact that Australia was unable to militarily defend WNG, also made the chance of a Dutch withdrawal a live influence in favour of a policy centred on Indonesia. The possibility of the Netherlands leaving had, through most of 1958, been a ‘floating’ pressure – one capable of favouring or damaging orthodox Liberal policy. Hypothetically, the brittleness of Dutch resolve may have stimulated Australia to push a traditional line even more strongly if it had been materially capable and politically willing. By early 1959 the Menzies Government met neither of these criteria. Thus, the prospect of Dutch abandonment gave further reason for Cabinet to pay more attention to Indonesia, which would almost certainly be given at least partial control in any peacefully negotiated transition.

VIII

In spite of the obvious long-term importance of the decision to accord WNG less significance than Indonesia – and that its antecedents had much to do with thoughts surrounding Australia’s future prospects – Cabinet was reluctant to issue edicts with anything more than immediate relevance. One of the reasons for this was that although WNG had been relegated in relation to Indonesia, it had not been deemed unimportant. As long as there was any doubt in the Ministers’ minds that the exclusion of WNG from Indonesia’s sphere of influence would certainly bring about war, irrevocable disturbance to bilateral relations with Indonesia, or contribute in a major way to the rise of communism in the Republic, they did not want to forfeit the possibility of establishing a permanently friendly WNG. Thus, the present aim of Cabinet was to allow the primary importance of Indonesia to influence policy, but not to the extent that the minimum prerequisites for a non-Asian NG were undermined. The ultimate implication of Cabinet’s landmark decision – which involved acceptance of transfer to Indonesia – would remain latent unless a crisis emerged over Indonesia.

This policy of ‘controlled bias’ was evident in Cabinet’s specific instructions. Active steps were to be taken to sustain the Netherlands Administration, and to prevent military penetration (“Australia should intensify diplomatic activity directed towards the

⁶⁹ In setting Australia’s weakness alongside anxieties over communism as the dominant causes of the change in Australian policy, it must be remembered that the second was the preeminent influence – as was implied in Cabinet’s comment that “Military action against Indonesia would advance the interests of Communism in Indonesia.”

preservation of Dutch control...and deterring Indonesia from aggression”), but Australia would not fight for the Dutch (no commitment was to be given in the absence of one by the US and the UK, and this, the Australians knew, meant almost certainly that none would need to be given). Cabinet noted military action would benefit Indonesian communism, and “would have adverse effects upon our relations with Indonesia and other countries of the Afro-Asian group”, yet it evidently believed discreet diplomatic measures – if accompanied by steps demonstrating the eminent reasonability of Australia’s case⁷⁰ – might not have these effects.⁷¹

IX

The new Australian attitude seemed to mark the virtual end, as far as the Government was concerned, of the country as the preeminent power south of Singapore. Aggressive defence of the strategic cushion had always been a badge of Australia’s status – this was thought to be the way any true imperialist power behaved – but now that a ‘friendly’ WNG was more a tenuous and conditional gamble than a dominant pursuit, it must be assumed that faith in the substance behind the symbol had been almost completely undermined.

The causes and features of the Government’s changed outlook on WNG of course suggest such an assumption is well founded; there were obvious links between these elements and the aspects previously inherent to Australia’s pretensions as a middle power. Firstly, the decisive and immediately discernible influence of unease over Indonesia on Cabinet’s groundbreaking decisions contrasts starkly with the aplomb that used to leave its mark on national self-perception. Apprehension concerning super-power conflict in the Indonesian islands, and over the arrival of the Republic’s forces as a real threat, was very different to the arrogance of past years. A feeling of dominance had been replaced by one of enervation. Secondly, indications of dependence on the US and UK prominent in January 1959, and inter-related with anxiety over Indonesia, were antithetical to the independence that formerly fed off confidence *vis-à-vis* Indonesia.

⁷⁰ This idea was exemplified in the decision that Australia encourage others to see the advantage of a solution engineered by the International Court. The idea, with its legalistic tone, appears to have originated with Menzies, and was bound to mean little to the Indonesians.

⁷¹ The only Cabinet exercise at the meeting that unambiguously encompassed an extensive time frame was consideration of the problem of the “most acceptable” form of administration to replace an outgoing Dutch one. The impression given in the record is that the Ministers did not get far along this path. They merely “considered” a number of propositions put forward by Casey. It seems there was little real enthusiasm for this activity at the meeting, perhaps because it was thought the question needed much more careful thought; care had to be taken to square any detailed plan with the new complexities of Australian policy.

The Australians, for example, were now more unwilling than ever to annoy the US and UK over arms or a guarantee, when they had for years berated the Americans for policies that had had no active effect on the dispute.

Such contrasts with the past were partially visible during the period of a 'juggling act' policy, but they had been embryonic, and never brought together with the clarity and finality reflected in the minutes of 5 January – the battle for Indonesia was given definitive weight, US-UK and Asian-Indonesian opinion was given unprecedented attention, and military support for the Dutch was rejected (for the sake of this opinion and because of Australia's impotence) with virtually certain knowledge that the Dutch would get no other backing. Overall, the Ministers revealed a view of Australia as the declining power of offshore SEA, perhaps able to cling to a portion of the old 'empire', but only due to the beneficence of outside forces, and as part of a general reorientation from the politics of influence to those of survival.