

Part II: Australia as a Power in Decline

Chapter 4: Turmoil in Indonesia, and Resultant Changes in the WNG Policies of Interested Powers, 1957-58

I

The established dynamics of the dispute were shattered between late 1957 and mid-1958. The root causes of this complex process revolved around changes in Indonesia's internal situation, which subsequently impacted on the country's external policies and foreign relations. Domestically, the country became increasingly enveloped in conflict during 1957. The tumult of late 1956 – conflict in the Army, attacks on the party system, and regional rebellions – had continued, and by the fall of the second Ali Sastraomidjojo Cabinet in March 1957, the political scene had taken on a thoroughly new complexion. The influence of the parties had been replaced by four nodal points of power: Sukarno, the Army under General Abdul Haris Nasution, regional leaders, and the Indonesian Communist Party (PKI).¹ Between March and the time WNG came before the UN in September, there were a number of important developments. Amongst these was the appointment by Sukarno of an “emergency, extraparliamentary business cabinet”, which contained two PKI sympathizers.² The Cabinet soon put in place a National Council, consisting of non-party (appointed) representatives of the people, which had its origins in a plan announced earlier by the President to bring about a new system of government by consensus. At its formal inception, the Council was officially subordinated to Cabinet, but it was widely viewed as weakening the status of the Cabinet and parliament. The relationship between Java and the outer regions, meanwhile, was convoluted, but generally worsened. Nasution and the Army, for their part, gained from the declaration of a State of War and Siege associated with the regional mutiny; they could now legitimately bring their weight to bear upon the political process. In terms of the PKI, the Party's potential leverage rose considerably when it won 27.4% of the vote in the regional Javanese elections of June, July, and August.

It was this last happening, more than anything, that persuaded US officials that Indonesia was on the verge of falling to communism – convictions which, in turn, radicalized the relationship between Washington and the Jakarta Government.³ A National Security Council edict in early August brought into being a highly secret Ad

¹ Feith, *op.cit.*, p. 548.

² The quotation is contained in *ibid.*, p. 579, and the account of the situation in Indonesia in this paragraph is based on pp. 579-582.

³ A. R. and G. M. Kahin, *Subversion as Foreign Policy: The Secret Eisenhower and Dulles Debacle in Indonesia*, New York, 1995, p. 69.

Hoc Interdepartmental Committee (including Defense, the State Department, and the Central Intelligence Agency) charged with the task of assessing the implications of communist gains. It was also asked to formulate possible courses of action, including those that might be taken “in the event of imminent or actual Communist control of Java.”⁴ The Committee’s work was presented to the NSC at the beginning of September, and became the basis of a new dual orientation in American Indonesia policy. One focus was recommended as being the maintenance of “official diplomatic relations...as near as possible to what they have been in the recent past”, and the other was covert – to “contribute to the establishment of a government able and willing to pursue vigorous anti-Communist domestic policies and actions.”⁵ The latter aim was to be furthered by “exploiting the not inconsiderable potential political resources and economic leverage available in the outer islands, particularly in Sumatra and Sulawesi (Celebes).”⁶ Groups on these islands could then be used to influence the situation in Java, or provide a rallying point against it if it went communist. As part of this procedure, economic and military assistance to Java would be curtailed and extended to the outer regions.⁷ At a NSC meeting on 23 September, John Foster Dulles and his brother, Allen, the head of the CIA, supported the report’s proposals.⁸ Over the next few months, contact between CIA agents and rebel leaders increased, as did the financial and military resources at the disposal of the rebels.⁹

Events in the archipelago also had a significant effect on Indonesia’s Irian policy. Perhaps with knowledge of the usefulness in domestic politics of a more fervent Irian campaign, and genuinely frustrated with a process he had never trusted, Sukarno decided before the 1957 session of the General Assembly that Indonesia would look for more militant alternatives outside the world body.¹⁰ It is likely that no particular plan was laid down at the time, but on the question of leaving, Sukarno remained true to his word. Following defeat in the Assembly – again under the impetus of a failure to secure sufficient Latin-American support – Indonesian Foreign Minister Dr Subandrio

⁴ *ibid.*, p. 90. See also *FRUS*, Vol. XXII, ‘Southeast Asia’, pp. 400-402.

⁵ Kahin & Kahin, *op.cit.*, p. 93. This document may be found in *FRUS*, Vol. XXII, ‘Southeast Asia’, pp. 436-40.

⁶ Kahin & Kahin, *op.cit.*, pp. 93-94.

⁷ *ibid.*, p. 94. See the record of this meeting in *FRUS*, Vol. XXII, ‘Southeast Asia’, pp. 450-53.

⁸ Kahin & Kahin, *op.cit.*, p. 96. References to ‘Dulles’ will hereafter refer to John Foster unless specified otherwise.

⁹ *ibid.*, p. 106.

¹⁰ For evidence in support of this interpretation, see Achmed Sukarno’s (President, Republic of Indonesia) statement in D. S. Lev, *The Transition to Guided Democracy: Indonesian Politics, 1957-1959*, New York, 1966, p. 33. (Lev’s monograph continues to be regarded as one of the better English-language works on Indonesian domestic politics in this period).

declared that “we have no alternative course apart from action outside the United Nations.”¹¹

The fortnight following this statement was a tumultuous one in Indonesia. It is difficult to determine the exact chronology of events, but it is clear that in the days following the vote, many Dutch businesses were seized, and the most of the country’s 46,000 Netherlanders forced to leave. The degree of Government involvement in the immediate period is nebulous. Kahin and Kahin claim that Sukarno, on the day after the UN result, encouraged trade unions and the army to expropriate Dutch properties, but they provide no direct evidence for this claim.¹² However, it is likely that both Sukarno and certain members of Cabinet actively stimulated these actions in some way, as suggested by official threats before the vote, and by contradictory remarks afterward.¹³

At any rate, the involvement of Indonesia’s government was open within a short time. At the end of the first week of December, Cabinet ordered the closure of all Netherlands consulates, and the Foreign Ministry instructed the Netherlands mission to end “all press, cultural and military activities.”¹⁴ The Government also decided at this point to assume control of all Dutch interests already overrun by other organisations, and by December 13, when Nasution formally declared that the army would oversee Dutch interests under martial law, the vast bulk of Dutch property was in the hands of the state.¹⁵

The Australian reaction to the events that reached their ears – and there was some confusion over exactly what was happening in Indonesia¹⁶ – was one of muted displeasure. On 5 December, Casey announced in the House that

Indonesia is not...improving the atmosphere for cooperation with other countries, nor is it strengthening the economic and political basis on which cooperation can be built, when it takes far-reaching and widespread action against Dutch enterprises inside Indonesia. The Netherlands has much that it can contribute towards building Indonesia and it is damaging to Indonesia’s economy and to her standing in the world to lash out at Dutchmen who have been conducting pursuits in Indonesia to the benefit of Indonesia no less than of themselves. I hope that the Indonesian Government may reconsider measures against Dutch interests there, which are creating a most unfortunate impression in other countries.¹⁷

¹¹ Statement by Dr Subandrio (Indonesian Foreign Minister), 29 November 1957, in *The Question of West Irian in the United Nations, 1954-1957*, p. 480.

¹² See Kahin & Kahin, *op.cit.*, p. 111.

¹³ For comment on official Indonesian statements and contemporary assessments of Sukarno’s possible involvement, see Feith, *op.cit.*, p. 584.

¹⁴ See cablegram 470 from L. R. McIntyre (Australian Ambassador, Jakarta), 6 December 1957, in A1838/278, 45/1/4/5/1, Pt 9, NAA. See also telephone conversation between Dr A. Y. Helmi (Indonesian Ambassador, Canberra) and Casey, 6 December 1957, in the same file.

¹⁵ Feith, *op.cit.*, p. 584.

¹⁶ See circular to New Delhi, Kuala Lumpur, Washington, and The Hague, 6 December 1957, and cablegram 470 from McIntyre, 6 December 1957, in A1838/278, 45/1/4/5/1, Pt 9, NAA.

¹⁷ Statement by Casey to Parliament, 5 December 1957, annex to Submission No. 980, in A4926/XM1, Vol. 39.

On the next day, the Indonesian Ambassador to Australia, Dr. A. Y. Helmi, was told by Casey that the Australian Government were “very greatly disturbed” by reports of retaliation against the Dutch,¹⁸ whilst Spender was asked on the 7th to ensure that the Americans were “seized of the seriousness of developments in Indonesia.”¹⁹ Specifically, Casey was worried about violence against Dutch expatriots, and the chance of the Dutch appealing to “other countries” for aid in taking counter-measures against the Indonesians. He was also concerned about the opportunity the chaotic situation in Indonesia appeared to present for communist gains, and hoped the US might use its neutral position in the WNG dispute, firstly to appeal to Sukarno to moderate Government actions against the Dutch, and secondly perhaps to organize a series of diplomatic representations in Jakarta by various governments.²⁰ After a Cabinet meeting on 11 December,²¹ during which a DEA submission on Indonesia was considered, Menzies sent a message to Dulles along similar lines to that of Casey’s.²²

Apart from wider concerns that it highlighted, the preliminary response in Australian circles to the explosion in Indonesia also gave some clues as to how it was thought such a phenomenon would impact upon the WNG dispute. In his telegram to Spender, Casey implied that he believed the Indonesians wanted to bully the Netherlands into discussions over WNG: “You will note”, he wrote, “the indefensible linking of compensations for nationalised property with West Irian settlement”.²³ Sharing the Minister’s impression, Spender predictably expressed this sentiment to the Americans with little subtlety, saying to Christian Herter (US Under Secretary of State) that “it seemed obvious that [the] Indonesians were attempting to force [the] Dutch into negotiations.”²⁴ The Australian Cabinet had a similar view. Menzies’ cable to Dulles observed that “Indonesia, having failed to get the requisite majority in the United Nations, appears now to be resorting to direct action; putting violent pressure upon Dutch residents in order to compel the Dutch Government to concede the Indonesian demand for West New Guinea,”²⁵ A press release by Casey on 12 December essentially repeated the message, though with a little more delicacy.²⁶

¹⁸ Telephone conversation between Helmi and Casey, 6 December 1957, in A1838/278, 45/1/4/5/1, Pt 9, NAA.

¹⁹ Cablegram 1266 from Casey to Spender, 7 December 1957, in A1838/278, 45/1/4/5/1, Pt 9, NAA.

²⁰ For Spender’s *demarche*, see Dulles account of the Ambassador’s conversation with C. Herter (Under Secretary of State, State Department) in *FRUS*, Vol. XXII, 1955-57, ‘Southeast Asia’, pp. 533-34.

²¹ See minutes of Cabinet meeting, 11 December 1958, in A4910/XM1, Vol. 6, NAA.

²² For the Cabinet agenda, and Menzies’ cable, see Submission No. 980, in A4926/XM1, Vol. 39.

²³ Cablegram 1266 from Casey to Spender, 7 December 1957, in A1838/278, 45/1/4/5/1, Pt 9, NAA.

²⁴ See Dulles account of the Ambassador’s conversation with Herter in *FRUS*, Vol. XXII, 1955-57, ‘Southeast Asia’, pp. 533-34.

²⁵ See attachment to submission 980, in A4926/XM1, Vol. 39.

²⁶ See *The Sydney Morning Herald*, 13 December 1957.

These notions may have been correct. After the plenary decision, and as unrest in Indonesia was gaining momentum, Subandrio hinted that Jakarta was willing to talk with the Dutch on issues other than WNG,²⁷ and that on Irian a peaceful solution was still possible, yet he said the initiative remained with the Dutch.²⁸ A State Department official told the Australians that “it was possible that his approach enjoyed Sukarno’s backing”, as “Subandrio was probably among those closest to Sukarno of the present Government.”²⁹ Such a ploy – as the future was to prove – would not have been inconsistent with the President’s character; Sukarno proved adept at operating in a calculating manner whilst expressing strong emotions. Still, it seems likely that the persecution of the Dutch in late 1957 was, as far as Sukarno was concerned, more a manifestation of barely controlled rage than another facet of the tactical game in pursuit of Irian’s liberation. As Walter Crocker (Australian Ambassador, Jakarta, 1955-56) had noted in his diary in 1956, Irian was a “fixed obsession” for Sukarno,³⁰ and after failing to achieve anything in the UN for the fourth consecutive year, his patience snapped.³¹ Dutch persons and economic interests were an accessible part of the otherwise far-flung nation that had become the focus of his antagonism, and his first thought was to strike out vengefully. Certainly, there were no carefully timed representations to outside powers for ‘negotiations’ (as there was to be in late 1961) to suggest that Sukarno had given much thought to the ramifications of the purge on Indonesia’s options in the drive to ‘liberate’ Irian. On top of this, in allowing the virtual liquidation of Dutch influence in such a short period, Sukarno had lost an important bargaining chip at The Hague. He would soon have realized that a re-definition of the tactical requirements of the Irian campaign were needed.

The continuance of conflict in Indonesia between the central government and rebellious outer regions meant that it was some time before adaptations in Indonesia’s Irian policy became obvious. Between December 1957 and mid-1958, Sukarno and his supporters were consumed by the struggle to prevent Indonesia’s fragmentation. Following the decision in Washington during September 1957 to back rebel leaders, the US began to provide funds, and, by November, substantial quantities of arms.³² In early

²⁷ See cablegram 1466 from Washington, 4 December 1957, in A1838/1, 3036/6/1, Pt 28, NAA.

²⁸ See *The Monitoring Digest* report, 10 December 1957, in A1838/1, 3036/6/1, Pt 28, NAA.

²⁹ Cablegram 1463 from Washington, 3 December 1957, in A1838/278, 45/1/4/5/1, Pt 9, NAA.

³⁰ Crocker, *Diaries*, 1 January 1956, mfm G20735.

³¹ Kahin & Kahin subscribe to the idea that Sukarno lost patience in the aftermath of the Assembly’s consideration, though they do not relate this to speculation as to how, or if, he was thinking in terms of Indonesia’s future campaign. See *op.cit.*, p. 111.

³² *ibid.*, pp. 120-21. Earlier accounts understandably fail to identify or explain the important active role of the US during the regional rebellion. See, for example, Haupt, *op.cit.*, pp. 203-205.

December, a decision was made in principle to give active naval and air reinforcement to the dissidents.³³ On top of this, the Americans encouraged the mutineers to declare independence, or a counter-government, over and against rebel voices calling for reformation rather than destruction of the central government.³⁴ The military leaders of the rebellion responded by giving Jakarta an ultimatum on 10 February 1958, and after this was rejected, declared the establishment of the Revolutionary Government of the Republic of Indonesia (or PRRI) on the 15th.

Civil war soon followed, but the Americans were to be disappointed with the early results. In an unexpected move, Nasution, using paratroops to great effect, captured the strategic rebel base of Pekanbaru in Central Sumatra. This proved an important point from which the Government exacted substantial defeats on the PRRI over the next few weeks. In ensuring the safety of Caltex assets and personnel in the area, Nasution also prevented the intervention of US forces which had moved to Singapore.³⁵ Later, on 17 April, Jakarta troops overran the West Sumatran town of Padang, and rebel forces on the island were forced to abandon open fighting, and adopt long-term guerilla warfare.³⁶ They were to continue with this strategy – increasingly unsuccessfully – for three years.³⁷

The focus of open conflict from mid-April onward moved to Sulawesi and the islands of East Indonesia.³⁸ Here the rebels, actively aided by the US, maintained air superiority, and inflicted significant damage on Government *materiel* for a month. However, starting on 10 May, a counter-offensive began that eventually effectively destroyed the rebel air force.

II

These events imposed two critical changes on the nature of the WNG dispute; one direct, the other indirect. The first was that the Americans had to face the reality that they had tried to force Indonesia away from communism, and, in failing, had if anything increased the communist threat. The second was that Jakarta's victory over the rebels gave Sukarno confidence to activate the only remaining means of leverage he had with the Dutch after throwing them out and after failing in the UN – the threat of physically invading WNG.

³³ Kahin & Kahin, *op.cit.*, pp. 121-22.

³⁴ *ibid.*, p. 127-34.

³⁵ For the opening weeks of the conflagration, see *ibid.*, pp. 152-54.

³⁶ *ibid.*, p. 166. See also excerpt of NSC meeting, 1 May 1958, in *FRUS*, Vol. XVII, 1958-60, 'Indonesia', p. 130.

³⁷ Kahin & Kahin, *op.cit.*, p. 166.

³⁸ For this chapter of the conflict, see *ibid.*, pp. 169-74.

The Eisenhower administration began to re-examine, and eventually changed, its approach to the Indonesian ‘problem’. The new US Ambassador to Indonesia, Howard Jones, who had replaced the out-of-favour John Allison in early March, played an instrumental role in this process.³⁹ Soon after arriving in Jakarta – and with full knowledge of the covert aspects of US policy (unlike Allison)⁴⁰ – Jones began to argue for a revision of US policy. On 8 April he cabled that he was “inclined [to] feel our best hope in Indonesia lies with [the] army”, because it was the “only non-powerful Communist political element on Java”.⁴¹ He repeated this argument on 15 April, claiming that aid to rebels in West Sumatra should be a “tactic[;]...a means of bringing leverage on [the] situation in Java to force [a] new political direction on [the] central government”, rather than a sole basis for policy.⁴² On May 8, Admiral Felix Stump, the commander of US forces in the Pacific, added a military voice to the doubts expressed by Jones, and he was soon joined by Admiral Laurence Frost, chief of US Naval Intelligence.⁴³ Dulles – who had earlier begun to have reservations about the aggressive course that had been chosen, but had decided to persist – reacted by proposing a cease-fire between the central government and the rebels “in order to permit the anti-Communist elements in Djakarta to take the contemplated steps in attainment of their objectives which in essence are the same as those of the dissidents.”⁴⁴ The cease-fire period would also enable Nasution to “take such action as he contemplates to bring about a change in the Cabinet and against the Communists.”

Though the first concrete effort by Dulles in a new direction, this sortie proved the product of wishful thinking; the Indonesian First Vice Prime Minister, Djuanda Kartawidjaja, rejected any notion of negotiating with the rebels.⁴⁵ Dulles, for his part, was not prepared to accede to the counter-proposals of Jakarta authorities, or the Ambassador’s appeals to “put [the] brakes on [the] rebel military effort”,⁴⁶ ingenuously instructing Jones to tell Djuanda that “we will explore with Philippine and GRC [Taiwanese] governments [the] Indonesian Government’s allegations that their

³⁹ For Howard Jones’ (US Ambassador to Indonesia) own account of the Irian question as it developed during his tenure, see *Indonesia: the Possible Dream*, New York, 1971, pp. 174-215.

⁴⁰ Kahin & Kahin, *op.cit.*, p. 160.

⁴¹ *ibid.*, p. 174.

⁴² Telegram from Jones to Dulles, 15 April 1958, in *FRUS*, Vol. XVII, 1958-60, ‘Indonesia’, p. 112.

⁴³ Kahin and Kahin, *op.cit.*, pp. 176-77.

⁴⁴ *ibid.*, p. 177. For the full document, see telegram from Dulles to Jones, 13 May 1958, in *FRUS*, Vol. XVII, 1958-60, ‘Indonesia’, pp. 163-64.

⁴⁵ See Kahin and Kahin, *op.cit.*, pp. 177-78.

⁴⁶ For the proposals of the Indonesians and also of Jones, with comments on Dulles’ response, see *ibid.*, pp. 178-79. The complete telegram from Jones to Dulles, dated 15 May 1958, can be found in *FRUS*, Vol. XVII, 1958-60, ‘Indonesia’, pp. 178-80.

nationals are assisting and their territory is being used in support of the rebels”.⁴⁷ He also asked Jones to convey the warning that “as in the case of the US, Philippine and GRC Governments may have difficulty in controlling [the] actions [of] their nationals abroad.” The ramification of this cautioning appears to have been continued support for rebel air superiority in eastern Indonesia, which at that point had not suffered from the concerted central government offensive that was to start a few days later.

It was not until the shooting down of a plane over the East Indonesian town of Ambon – one piloted by an American in possession of documents that provided unquestionable evidence of official US involvement⁴⁸ – that Dulles opted for a reversal of US policy. In late May, it was decided that the administration’s “assets” in Indonesia were the army, and moderates within the central government. Support for the rebels was rapidly phased-out.

This change of heart, which now required substantial efforts at reconciliation, and denoted different methods of defeating communism in the archipelago, had a major impact on US policy towards WNG over the next three years. In the end, it had a decisive effect on the outcome of the dispute itself, but for the moment it was felt in a stricter neutrality. As US-Indonesian relations had declined, active support for the Dutch was seriously considered by Dulles;⁴⁹ now the CIA’s failure dictated absolute avoidance of anything even suggestive of this.

Sukarno’s gravitation towards thoughts of using (or threatening to use) violence was a direct consequence of the Central Government’s military success. The Western powers had indeed been surprised by the proficiency of Nasution’s forces. Explicit evidence is difficult to procure, but Sukarno, never having Irian far from his mind, can hardly have failed to see that the achievements of his forces could have important ramifications for the WNG dispute. It is likely that the period beginning on 16 February with his return from a world tour, and ending with the demise of the rebel air force in Sulawesi in May, was a transitional one in which the notion of invading, or threatening to invade, changed from an idea to a policy. Perhaps reflecting the formation of a new concept in the President’s mind – and yet one that was not quite certain – Subandrio commented privately in March that the dispute had been put “into

⁴⁷ Telegram from Dulles to Jones, 17 May 1958, in *ibid.*, p. 185.

⁴⁸ See Kahin and Kahin, *op.cit.*, p. 179.

⁴⁹ See, for example, Dulles to Herter, 9 September 1957, 656.9813/9-1957, RG 59, DF 1955-59, A2.

the icebox”, but also added that it was “almost certain” that Indonesia would not bring WNG before the UN in 1958.⁵⁰

Another event that gave Sukarno increased confidence to pursue a policy of brinkmanship over NNG was the purchase of substantial quantities of arms from the Soviet Bloc beginning in early 1958. According to a US memorandum of 28 March, an Indonesian military purchasing mission had visited Yugoslavia and other Russian-allied countries and, with \$250 million at its disposal, had purchased a number of aircraft, including 30 MiG-17’s.⁵¹ Beyond this, the Americans were unsure of what else had been ordered, but it soon became clear that the purchases were extensive and continuing, and included heavy equipment.⁵² In September 1959, US intelligence was able to determine that hardware to the value of \$229 million was acquired from communist sources in 1958. These arms had little impact on the civil war – being delivered and made operational too late⁵³ – but they began to increase substantially the Republic’s military capabilities thereafter.

III

Because of their mutual interests, the Dutch and Australians had, like officials in Jakarta and Washington, taken care to relate events in the archipelago to WNG policy. In doing so, however, certain differences, militating against the harmony of 1957, had emerged. In particular, the Dutch were shown to be far less cautious in addressing the new situation than the Australians.

It had not taken long for the Netherlands or Australia to see that factors such as the promise of restoring Netherlands interests in the Republic in exchange for negotiations, which the Australians had held as being the Indonesian strategy at the beginning of the year, were now irrelevant. Indonesian policy was set to be played out on a new level. In late April, Hugh McClure-Smith (Australian Ambassador to the Netherlands) wrote from The Hague:

The question is being asked [here]...whether the success of amphibian operations conducted against Sumatra might not have sinister implications for Netherlands New Guinea. That it shows clearly a capacity which was never believed to exist for Indonesia to support her claim to the territory by force of arms seems undeniable....it would seem clear that the question of the defence of Netherlands New Guinea has taken on a wholly new aspect.⁵⁴

⁵⁰ Savingram 4 from Jakarta, 29 March 1958, in A1838/1, 3036/6/1, Pt 28, NAA. For a similar later comment by Subandrio, see cablegram 243 from McIntyre, 10 April 1958, in A1838/1, 3036/6/1, Pt 29, NAA.

⁵¹ See memorandum entitled ‘Sino-Soviet Bloc Assistance to Indonesia’, 28 March 1958, in *FRUS*, Vol. XVII, 1958-60, ‘Indonesia’, pp. 89-90.

⁵² See Kahin and Kahin, *op.cit.*, p. 161.

⁵³ *loc.cit.*

⁵⁴ McClure-Smith to Casey, 25 April 1958, in A1838/1, 3036/6/1, Pt 29, NAA.

Sharing these anxieties, authorities in Canberra had already moved to re-assess the danger of an Indonesian attack on the territory, although this process was still of a preliminary nature in late April. In early March, the Australian JIC had instructed that the 1957 paper entitled “The Likelihood of Indonesia Gaining Control of Netherlands New Guinea” be revised,⁵⁵ and this was not completed until June.

After mentioning the “delivery of aircraft, ships and other military equipment by Communist countries to Indonesia”, McClure-Smith also raised the obvious policy question flowing from the chance of an Indonesia invasion:

I do not know whether any thought has yet been given to what our attitude would be in the event of an Indonesian attack on Netherlands New Guinea, but I would suggest that it has now become a question on which our minds should be clear to the extent that we can anticipate the governing circumstances...it may be taken for granted that, in the event of an attack on Netherlands New Guinea, the Netherlands would look to us, first and foremost, for support.

The Ambassador’s superiors were loathed to rush into a projection of Australian policy in the absence of a precise assessment by the JIC. Rather, having noted the danger, they sought (and in doing so assumed no immediate emergency would occur) to examine its probability and possible form carefully, and move from there to policy applications. Such caution over WNG was to be repeated over following weeks.

The Dutch, as foreshadowed by McClure-Smith, were not as guarded. Given that WNG was almost their sole focus in the area in the post-expulsion era, they now had little interest in the effects of their policies beyond how these might influence physical retention of the territory. They quickly began an aggressive campaign aimed at stalling, and attaining guarantees of support against, any armed attempt on WNG. On 24 April, Luns spoke to Dulles in Washington, saying that “there was a potential development” in the NNG area that “should be carefully watched”; Sukarno, “after successfully defeating the dissidents[,] might undertake military action against West New Guinea.”⁵⁶ Luns qualified his claim by admitting that the “Dutch Government had no evidence at the present time that Sukarno intended such a move”, but “he wished to raise it because he thought it was a possibility that [the US] should keep in mind.” He did not push for direct military backing, noting that “for the time being they had sufficient forces...to take care of any attack”, but he was laying the ground for later pleas for diplomatic representations to Indonesia by the US.⁵⁷

⁵⁵ See circular note by J. S. Lynch (Co-ordinator, Joint Intelligence Staff), 5 March 1958, in A1838/276, TS3036/6/1, Pt 5, NAA.

⁵⁶ Conversation between Luns and Dulles, 24 April 1955, in *FRUS*, Vol. XVII, 1958-60, ‘Indonesia’, p. 123.

⁵⁷ Consistent with this contention, Tange asked A. H. J. Lovink (Dutch Ambassador, Canberra) on 9 May if Luns’ talk with Dulles about the chance of an invasion was “a precautionary move to try to establish

In relating his conversation with Dulles to Dr E. R. Walker (Australia's Permanent Representative at the UN) shortly afterward, Luns had a similar motive.⁵⁸ Upon returning to Europe, he described his conversation with Dulles to McClure-Smith, and this time it came with a specific request, which the Ambassador conveyed to Casey:

Luns feels it would be very helpful if our Ambassador in Washington were to take an early opportunity to voice similar apprehensions to the State Department...Luns believes this might result in America taking discreet diplomatic action to head off the danger.⁵⁹

A few days later, responding to comments by Dulles in a NATO meeting on the possibility of an attempted invasion of WNG,⁶⁰ Luns "urged that the US make more emphatic to the Indonesian government that there would be no tolerance of an armed attack".⁶¹ Revealing the assumption behind the request, he added that "he was convinced that if the Indonesian government knew this in advance, there would be no such attack." Dulles replied evasively that "he was not entirely sure" such an attack would be bad because it would "expose the disregard by the Indonesian government of the...UN Charter", and as "the permissible reaction to such an attack would be...to give a bloody nose to the Indonesian government." Later he reacted more forcefully, telling the Dutch: "he would not issue [a public] warning to Indonesia when we have no reason to anticipate such an attack on West New Guinea. It was not good international practice to issue such a warning when there was no evidence to justify it."⁶² The Secretary of State had not given up his support for the rebels in Indonesia at this stage, and he was not enamoured with the behaviour of the central government, but growing doubts over the efficacy of rebel forces made him more cautious about offending Jakarta than he might have been a few months before.

A controversy that broke shortly after this exchange brought this wariness into sharp relief. It also showed the growing incompatibility of Dutch and American perspectives, which had been artificially close when Dulles' support for the rebels had been at its apex. On 9 May, a United Press (UP) story accurately describing Dulles comments on Indonesia and WNG to the NATO meeting was printed in Jakarta papers.

American support in the event of that this contingency would come about." Lovink answered in the affirmative. See conversation between Lovink and Tange, 9 May 1958, in A1838/1, 3036/6/1, Pt 29, NAA.

⁵⁸ See cablegram 255 from Dr E. R. Walker (Australian Permanent Representative to the UN), 26 April 1955, in A1838/1, 3036/6/1, Pt 29, NAA.

⁵⁹ Cablegram 111 from H. McClure-Smith (Australian Ambassador, The Hague) to Casey, 3 May 1958, in A1838/1, 3036/6/1, Pt 29, NAA.

⁶⁰ See cablegram 113 from McClure-Smith, 8 May 1958, in A1838/1, 3036/6/1, Pt 29, NAA.

⁶¹ Conversation between Luns and Dulles, 7 May 1958, in *FRUS*, Vol. XVII, 1958-60, XVII, 'Indonesia', p. 144.

⁶² See conversation between Dulles and van Roijen, 13 May 1958, in *ibid.*, p. 170.

Jones was immediately summoned by Subandrio, who “stressed [the] seriousness” of Dulles’ reported statement, and said the “President and Prime Minister...were inclined to react at once with [a] strong statement attacking the United States.”⁶³ Dulles subsequently denied that he had made any statement in NATO as alleged by UP, and said he had made no comment on WNG.⁶⁴ Luns told McClure-Smith that he was “profoundly shocked as well as embarrassed” by Dulles’ repudiation, that he felt it would “encourage the Indonesian Government to launch...an attack”, and that, if he was asked about Dulles’ comments in the Dutch parliament, he “would be compelled to make a statement in accordance with the facts”.⁶⁵ On top of this, and in addition to the earlier request for an Australian warning to the US of the danger of an attack, Luns asked “if there is anything we feel we could do to put matters straight he hopes we shall do it.”

Casey’s reply to Luns’ appeals revealed that the Australians were not prepared to join Luns in his belligerent Washington campaign. In doing so, it again emphasized that the Australian Cabinet was more chary about quick decisions on WNG than the Dutch. In an important instructive cable to McClure-Smith, the Minister quickly rejected Luns’ second request:

we feel that...there would be nothing to gain by complaining strongly about Dulles’ attitude...American policy in regard to New Guinea has recently moved a long way in [the] direction desired by the Dutch and ourselves and we should all be careful not to encourage any setback in this development by saying or doing anything that might antagonise Dulles on this question.⁶⁶

The reasons given here for turning Luns down were spurious. American policy was not evolving in a way favourable to the Dutch-Australian position on WNG. Casey’s explanation was a ruse designed to divert Luns. Nevertheless, the cable was not disingenuous in its entirety. In fact, it provided a reason for differences in approach, and resultant cracks in the Dutch-Australian relationship, that had occurred; some of the fundamental tenets of traditional Liberal WNG policy had been rendered uncertain.⁶⁷ This reason was evident in Casey’s explanation of Australia’s sympathy with Dulles’ plans for a first open attempt to begin dealing with the central government again,⁶⁸ a plan, incidentally, that involved military aid to Nasution:

⁶³ See telegram from Jones to Dulles, 9 May 1958, in *FRUS*, Vol. XVII, 1958-60, ‘Indonesia’, p. 153.

⁶⁴ See cablegram 661 from Washington, 10 May 1958, in A1838/1, 3036/6/1, Pt 29, NAA.

⁶⁵ Cablegram 117 from McClure-Smith, 11 May 1958, in A1838/1, 3036/6/1, Pt 29, NAA.

⁶⁶ Cablegram 80 from Casey to McClure-Smith, 14 May 1958, in A1838/276, TS 3036/6/1, Pt 5, NAA.

⁶⁷ Haupt, *op.cit.*, p. 210, erroneously asserts that Australia was neither involved in aiding the Indonesian rebels, nor moved from a zealous anti-Indonesian position on WNG after the civil war.

⁶⁸ This was the plan embodied in Dulles telegram to Jones of 13 May 1958. See *FRUS*, Vol. XVII, 1958-60, ‘Indonesia’, pp. 163-64. It is surprising that Casey knew of Dulles’ proposals to the extent demonstrated in his cable to McClure-Smith. It seems obvious from Joseph Luns’ (Dutch Foreign

We realise there are risks that the Indonesians might use any military aid they are given by the Americans to mount an attack on Netherlands New Guinea at some future time. But we think there are greater risks in failing to take energetic action designed to check Indonesia's drift towards the Sino-Soviet bloc, which is prepared to give Indonesia aid in any case. Of course any foreseeable Indonesian Government is likely to maintain some kind of pressure on Netherlands New Guinea but a communist government would in addition constitute a threat to security in a much wider sense.

Casey's perhaps unwitting comparisons between the strategic importance of WNG and Indonesia provided a didactic on two points: firstly, Australia was starting to doubt the wisdom of a rigid buffer zone policy and, secondly, the root explanation for this, made applicable because of the irony that arms against the communists could also be used against WNG, was ostensibly anxiety over Indonesia. These phenomena raise interesting questions. Given that, throughout the 1950s, fearlessness regarding Indonesia had instructed independence from the US and UK – and that these elements were united in the conception of Australia as the power of offshore SEA (a concept which was itself manifested in the 'imperialist' behaviour of buffer zone establishment) – it must be wondered whether apparent anxiety over Indonesia was being accompanied by a loss of independence, and thus (as strongly suggested by doubts over buffer zone policy) whether belief in Australia as a middle power was waning. Put more simply, did the change in a portion of a previously united group of factors now indicate a change, or even the inversion, of the whole? Were Australian leaders now acting in accordance with the orthodox historiographical interpretation of Australia as apprehensive and dependent?

IV

It is necessary, of course, to begin by searching for evidence that seeming unease over Indonesia was real. Looking back a few months, such feeling is not difficult to find. Anxieties had been experienced on two fronts by the Menzies Government. On the first, Cabinet had become, beginning in late 1957, intensely concerned about the communist problem in Indonesia – so much so that it had eventually joined the US in its covert support of the rebels. A partial cause of this concern seems to have been, as with the Americans, the PKI's mid-year success in municipal Javanese elections, combined with the central government's unwillingness to act against the communists. At an ANZUS Council meeting in October, Casey (as he recorded in his diary) "expressed [Australia's] concern at the growth of Communist influence in Indonesia and the

Minister) dealings with the US and Australia at the time that Dutch knowledge of US policy was much more limited.

increasingly injurious effects of Sukarno's policies."⁶⁹ Spender, also present, asked if there was "anything the western world, especially the United States" could do to help "arrest this trend", whilst Casey specifically asked if Australia could assist.⁷⁰ They were told by the Dulles brothers that the US had considered giving support to outer island "elements", and that although no firm decision had been made, one might soon be necessary.⁷¹

It is likely Casey left from Washington impressed by the gravity with which the US was approaching the question, and this, along with a letter to Menzies from British Prime Minister Harold MacMillan, in which the "Indonesian situation" was described as "menacing",⁷² would have reinforced already-existent fears within the Australian Cabinet.⁷³ Indeed, Menzies wrote to Dulles suggesting "remedial steps", including "approaches at the highest level" in Indonesia and the termination of aid.⁷⁴ The British and the Americans wanted more drastic measures than this. Soon afterward, following a meeting in Paris between Dulles and British Foreign Secretary Selwyn Lloyd, MacMillan wrote again, warning of an imminent communist takeover in Java "if events follow their present course unchecked."⁷⁵ Though part of the letter remains classified, it is clear that subversive action in support of the rebels was proposed – with the purpose of bringing the Jakarta Government to heel, or at least saving "the outer islands from the wreck." The Australians were invited to join an ad hoc committee of UK and US officials in Washington which would "consider policy and other matters connected with Indonesia."⁷⁶ In reply, Menzies agreed with his counterpart's assessment of the situation – his Government believed "there is a danger that a Communist-dominated Government might achieve power" – and with the concept of covert "dealings with dissident leaders".⁷⁷ From this point, the Australians were willingly dragged into the secret

⁶⁹ Casey, *Diaries*, 4 October 1957, MS6150, Series 4, box 29, Vol. 22, p. 97, NLA. Both Casey and Spender specifically mentioned the Javanese elections. See minutes of the ANZUS Council meeting, 4 October 1957, in *FRUS*, Vol. XXI, 'East Asian Security; Cambodia; Laos', p. 385.

⁷⁰ *ibid.*, pp. 385, 387.

⁷¹ *ibid.*, pp. 386-387.

⁷² Harold MacMillan (British Prime Minister) to Menzies, 12 December 1957, in A6707/1, 34, NAA.

⁷³ Casey discussed "Washington" with Menzies on 11 and 20 November, and with Menzies, Fadden, H. Holt (Australian Minister for Labour and National Service), J. McEwen (Australian Deputy Prime Minister for Trade), and J. McBride (Australian Minister for Defence) on the 21st. See entries of the same dates in Casey, *Diaries*, 4 October 1957, MS6150, Series 4, box 29, Vol. 22, pp. 180, 183, 184, NLA.

⁷⁴ See Dulles to Menzies (Menzies to Dulles not found), 31 December 1957, in cablegram 1369 to Washington, of the same date, in A6707/1, 34, NAA.

⁷⁵ MacMillan to Menzies, 20 December 1957, in A6707, 34, NAA.

⁷⁶ N. Pritchard (position unidentified) to Menzies, 25 December 1957, in A1209/80, 58/5039, NAA.

⁷⁷ Menzies to MacMillan, 31 December 1957, in cablegram SC10 to Washington, of the same date, in A6707/1, 34, NAA.

operations vortex, eventually providing material aid to the rebels in the military conflict with the central government.⁷⁸

The fears that prompted this action were extraordinary within the context Australian thinking on Indonesia since 1950, and they began to transform Australia's perception of itself in relation to the Republic. Certainly, one of the reasons why the Australian Government had not been afraid of Indonesia was that it had viewed Southeast Asian communism through the lens of the 'domino theory'. That is, Indonesia was unlikely to fall to communism unless the mainland states first fell one by one from north to south. This assumption was, for example, implicit in a Defence Committee report of February 1957 that asserted Australia's "first line of...defence lies in South East Asia, and no major threat to her security can develop, nor is she likely to be a primary objective of a major Communist power, whilst Malaya is held."⁷⁹ Now, to the contrary, it seemed that communism might leap-frog Thailand and Malaya. This possibility, which appeared all the more real as the rebel campaign began to flounder, meant that any superiority Australia had over native Indonesian forces could (it was thought) be rendered null and void; Indonesia could become a forward base directly available to Soviet or Chinese forces and weapons systems.

Fear of Indonesia, and coincident change in Australian self-image *vis-à-vis* the Republic, was compounded by the realization that, even if Indonesia did not become communist, Indonesian forces were themselves set to become more of a threat. This was the second aspect of events in Indonesia that disturbed Cabinet. Not only had central government forces demonstrated greater capacity for organization than previously thought, they were, the Australians knew, about to benefit from the acquisition of arms and technical assistance from the Soviet Bloc. The belief that Australian forces would, in the foreseeable future, be far superior to those of the Indonesians had girded Canberra's attitudes towards Jakarta since the beginning of the decade. Now this supposition was open to question as, of course, was the propriety of the confidence which it had bred.

The new anxieties over Indonesia's political and military future were paralleled by changes, at least in the Indonesian context, in the recognized relationship between Australia and its 'great and powerful friends'. Australian policies on issues pertinent to the Republic began to reflect a greater degree of dependence than they had before. Participation in the CIA-led Indonesian operation was a first practical demonstration of

⁷⁸ See Casey to Menzies, probably 12 March 1958, in Kahin & Kahin, *op.cit.*, p. 156.

⁷⁹ See DC Report 31/1957 attached to minutes of meeting of 14 February 1957, in A1838/269, TS696/2/2, Pt 4, NAA.

this. Such cooperative dependence would presumably have been sought in some form even if the narrowing of Australian and Indonesian capabilities had started to occur on its own – for superiority had been a basis of independence – but this was all the more so with the appearance in ‘Australia’s’ area of one of the ‘big’ problems. Communist expansionism had in the past been apparently confined to mainland SEA, and managed by the US and UK within that region. Now that it had come to be seen as a danger in Indonesia, greater British and American superintendence of the Indonesian region, at the expense of Australian independence, had to follow.

Putting growing Australian perturbations over communism and Indonesia’s medium-term military potential together with, on one hand, growing dependence on the US and UK in dealings with the archipelago, and, on the other, doubts over the WNG buffer, it is possible to say that partial breakdown in the belief in Australia as the preeminent power south of Singapore had occurred. It must be judged partial because dependence in terms of WNG had not yet been demonstrated, and nor had the notion of a buffer been abandoned. In other words, Australian foreign policy in SEA had seemingly entered a phase in which it was caught between ‘old’ and ‘new’ perceptions of Australia’s status.