

# The Giant Next Door

The evolution of Australian Government threat perceptions of Indonesia within the policy development process, 1957-1965



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A thesis submitted for the Degree of Master of Philosophy of The Australian National University

February 2017

## **Declaration**

I declare that the ensuing thesis is the result of my own work and that where reference is made to the work of others, due acknowledgement is provided.

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28 February 2017

## Abstract

Between 1957 and 1965 the Australian Government's threat perceptions of Indonesia changed from viewing it as a weak but relatively friendly country, to eventually see it by 1965 as posing a 'direct threat' to Australia's security. This thesis analyses how this transition in threat perception occurred within the three-stage policy development process of the Menzies Government. In doing so the thesis links the broader historical literature analysing Australian policy during the period with the more generalised literature analysing the Australian Government's strategic perceptions of Indonesia.

By analysing the policy development process the thesis is able to make broader conclusions regarding Australia's strategic history and the way it has perceived threats. The thesis demonstrates that between 1958 and 1964, Indonesia was the most prominent threat in Australian defence planning, frequently being debated and discussed ahead of Communist China, even though it never rivalled the China threat in sheer magnitude. Indonesia was mostly conceived as being a 'low-level' threat, but this nevertheless led to a significant shift in Australian defence planning in the late 1950s and early 1960s. The result was a push to create 'self-supporting' forces and a focus on the defence of the Australian continent and its maritime approaches, well before these ideas matured and became better known in the 1970s under the 'Defence of Australia' concept. Finally, the rise of the Indonesia threat caused a significant rift in Australian defence planning, with the Department of Defence chaired Joint Planning Committee preferring to focus on the worst-case scenario of a strong and hostile Indonesia while, in contrast,

the Department of External Affairs chaired Joint Intelligence Committee preferred to focus on the more likely scenario of a low-level Indonesia threat. This difference in focus aggravated tensions in Australia's defence planning regarding whether to focus on developing Australia's maritime deterrent capabilities, more suited to resisting a strong and hostile Indonesia, or to focus on developing the Australian Army, more suited towards responding to low-level contingencies on the New Guinea-Indonesian border.

Although Defence and External Affairs remained attentive to providing Cabinet with accurate analysis of Indonesia's evolving capabilities and intentions, at times the reliability of their assessments was cast into serious doubt by events such as the Indonesian Civil War, the escalation of the West New Guinea dispute, and Sukarno's 'Year of Dangerous Living'. Such events tended to cause a general converging of threat perceptions across the Government's policy machinery towards recognising an increased Indonesia threat, whilst fostering lingering uncertainty regarding Indonesia's current and future capabilities.

## Acknowledgements

I offer my heartfelt thanks to the many SDSC staff who have supported this project from inception to completion. Professor Hugh White provided initial support and inspiration for the project. Dr. Garth Pratten kept faith and saw the diamond in the rough during the dark days, which were many, patiently building a sure foundation. Stephan Frühling provided valuable insight and constructive feedback on many occasions during the foundation building phase. Professor David Horner and Professor Joan Beaumont provided key insights on earlier drafts. Professor Paul Dibb's enthusiasm and interest in the project has been a reassuring support throughout, as has the presence of Dr. Brendan Taylor. My thanks to Dr. Jean Bou whose guidance kept a steady hand on the plough during the last lap, and to Dr. Amy King, who provided a valuable third perspective on the final drafts. I offer my special thanks to Dr. Luigi Tomba. My parents have been resolute in your support, I honour you. I thank my beautiful wife Mijina for your tireless support and the thousands of words of encouragement, this would not have been possible without you. Last but not least, I thank Jesus, God of Nations, who bore my burdens, who did not lose faith in me, even when I lost faith in him. To the peace and prosperity of Australia and Indonesia I dedicate this thesis.

This research was kindly supported by an Australian Research Training Program (RTP) Scholarship.

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# Abbreviations and Acronyms

ANZUS	Australia New Zealand United States Security Treaty
ARA	Australian Regular Army
CIA	Central Intelligence Agency
CMF	Citizen Military Force
COSC	Chiefs of Staff Committee
HMAS	Her Majesty's Australian Ship
JIC	Joint Intelligence Committee
JPC	Joint Panning Committee
NAA	National Archives Australia
NST	National Service Training
PIR	Pacific Islands Regiment
PKI	Indonesian Communist Party
PRRI	Revolutionary Government of the Republic of Indonesia
RAAF	Royal Australian Air Force
RAN	Royal Australian Navy
UN	United Nations
UNSC	United Nations Security Council
US	United States



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# Introduction

Threat perceptions have been recognised since antiquity as playing a prominent role in international relations and the ancient Greek historian Thucydides argued in *History of the Peloponnesian War* that the 'inevitable' and 'real reason for war' between Athens and Sparta was 'the growth of Athenian power and the fear which this caused in Sparta'.<sup>1</sup> Within modern scholarship, in 1958 the distinguished American strategist J. David Singer re-emphasised the importance of threat perceptions in the formulation of a government's defence and foreign policies, composing the iconic formula 'threat perception = estimated capabilities x estimated intentions', a formula which has been reconfirmed by Janice Gross Stein as the bedrock of threat perception analysis.<sup>2</sup>

Following in Thucydides and Singer's footsteps, in 1991 the Australian defence scholar Alan Dupont emphasised the importance of threat perceptions as a guiding force in Australia's strategic history, arguing that in the nineteenth century Australian threat perceptions were first directed towards Britain's other European rivals, and that by the close of the nineteenth century the diversifying distribution of power in the international system had led to the inclusion of Asian

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<sup>1</sup> Thucydides, *The Peloponnesian War*: a new translation by Martin Hammond, Oxford World's Classics, Oxford University Press, Oxford, 2009, p. 13.

<sup>2</sup> J. David Singer, 'Threat Perception and the Armament Tension Dilemma', *Journal of Conflict Resolution*, Vol. 2, No. 1, 1958, p. 94; Janice Gross Stein, 'Threat Perception in International Relations', in Leonie Huddy, David O. Sears and Jack S. Levy (eds.), *The Oxford Handbook of Political Psychology*, Second Edition, Oxford University Press, Oxford, 2014, p. 370.

countries in this Australian threat perception narrative.<sup>3</sup> Like Dupont, Neville Meaney, the ‘doyen of Australian strategic history’, has noted that in the twentieth century Australia’s threat perceptions of Asia were initially directed towards Imperial Japan, embodying the ‘Yellow Peril’, and later towards Communist China, the ‘Red Peril’. However, both Meaney and Dupont nominated a third but less well-known candidate, Indonesia, as a relatively recent entrant into Australia’s threat perception narrative.<sup>4</sup>

Sitting astride Australia’s northwest approaches, the Indonesian archipelago’s geographic proximity to Australia has determined that it play a key role in Australian strategic considerations. But during 1957-1965 the importance of the Indonesian archipelago changed from being the location where a threat to Australia would most likely move through, to also being a location where a threat to Australia might originate from. This thesis sets out to examine what drove this shift in threat perception and how it developed within the Australian Government’s multi-layered policy development process.

In the past thirty years a collection of Australian defence strategists and scholars including Harold Crouch, Paul Dibb, Richard Brabin-Smith, Hugh White and Alan Renouf have argued that the Australian Government’s strategic perceptions of Indonesia constitute a complex mosaic, composed from a collection of threat perception factors including military capabilities, national power, strategic intentions, identity and geography.<sup>5</sup> These authors note that when the

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<sup>3</sup> Alan Dupont, *Australia’s Threat Perceptions: A Search for Security*, Canberra Papers on Strategy and Defence, No. 82, SDSC, ANU, Canberra, 1991, Preface.

<sup>4</sup> Neville Meaney, *Australia’s Changing Perception of Asia*, The Japan Foundation Papers, No. 2, Sydney, March 1997, p. 4; Hugh White, ‘Australia’s different defence policy: review essay’, *Survival*, Vol. 51, No. 5, 2009, p. 173.

<sup>5</sup> Harold Crouch, ‘Indonesia and the security of Australia and Papua New Guinea’, *Australian Outlook*, (The Australian Journal of International Affairs), Vol. 40, No. 3, 1986; Hugh White, ‘The New Strategic Relationship: A note of caution’, in John Monfries (ed.), *Different Societies, Shared Futures: Australia, Indonesia and the region*, Institute of

Indonesian Republic declared independence on 17 August 1945, Australia for the first time in its history had to consider its relationship with the government of a large Asian country as a next-door neighbour. In comparison to the collection of small, weak colonies and states that had inhabited Australia's near north, Indonesia in contrast represented something of a giant next-door. Of Australia's near neighbours Indonesia, were its strategic potential to be developed, was the only state close enough and large enough that could plausibly threaten Australia.

In addition to anxieties about Indonesia's potential Meaney, White and Renouf have noted that the Indonesian Republic was problematic to Australia because it occupied something of a grey area in Australia's network of alliances.<sup>6</sup> While Australia could count on its major allies for support in a conflict with Asia's other giants, Indonesia's relative weakness compared to Australia's major allies meant that it did not invoke in them the same degree of anxiety as it did in Australia. These contrasting perspectives of Indonesia were poignantly described by Alan Renouf, who argued that it was 'doubtful' if the United States would support Australia in a conflict with Indonesia, and thus 'in her relationship with Indonesia, Australia is therefore on her own; she cannot follow anyone and there is no one to follow her'.<sup>7</sup> Further compounding the Australian Government's strategic anxiety towards Indonesia was its contrasting identity and foreign policy interests. While the Dutch had been a Western presence in the Indonesian archipelago, Indonesia's different ethnic, religious and cultural identity to that of Australia

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Southeast Asian Studies, Singapore, 2006, p. 45; Paul Dibb and Richard Brabin-Smith, 'Indonesia in Australian Defence Planning', *Security Challenges*, Vol. 3, No. 4, 2007, pp. 67-94; Alan Renouf, *The frightened country*, MacMillan, Melbourne, 1979.

<sup>6</sup> Hugh White, 'Northern Exposure: What Indonesia's rise means for Australia', *The Monthly*, June 2013, <http://www.themonthly.com.au/issue/2013/june/1370181600/hugh-white/what-indonesia-s-rise-means-australia>, accessed 9 October 2014.

<sup>7</sup> Alan Renouf, *The Frightened Country*, MacMillan, Melbourne, 1979, p. 399.

triggered Australian anxieties derived from its position as a sparsely populated Western outpost located next to populous Asia.

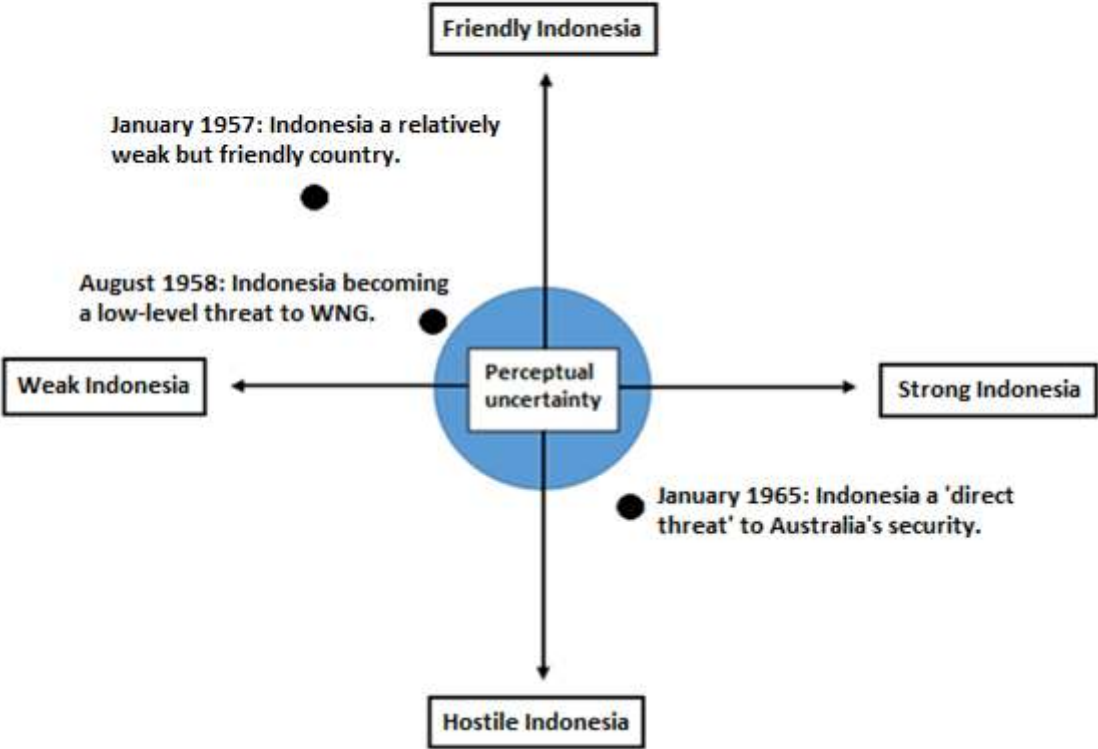
Following Indonesian independence, the Australian Government's concerns about its new northern neighbour had initially focused on the problems of a weak Indonesia, vulnerable to both domestic and foreign Communist influence, and the potential for a balkanised Indonesia to emerge if Indonesia's multi-ethnic society began to unravel. These anxieties, coupled with the Indonesian Republic's complex relationship with other great powers, further heightened the Australian Government's concerns that Southeast Asia's largest state might become a key prize of the Communist bloc during the Cold War, bringing hostile great powers to Australia's front door.

This fear changed after 1957 when the Australian Government began to view Indonesia as posing a direct threat to Australia's national security. Beginning in 1958, Indonesia's acquisition of Soviet arms, its demonstration of military proficiency against internal rebels, and its increasingly aggressive foreign policy, first towards the future of West New Guinea and then towards the proposed state of Malaysia, forced the Australian Government to re-evaluate both Indonesia's military capabilities and its strategic intentions. As a result, Canberra had to contemplate the prospect of a relatively strong and hostile Indonesia, motivated by either Communism or Sukarno's militant nationalism, pursuing strategic interests that posed a direct threat to Australia's security.

Using Singer's formula 'threat perceptions = estimated capabilities x estimated intentions', this transition in the Australian Government's threat perceptions of Indonesia can be

represented on a multi-axis plot (Figure 1.), with one axis representing the Australian Government's evolving perceptions of Indonesian capabilities, a 'strength or weakness' scale, while the opposing axis represents the Government's evolving perceptions of Indonesian intentions, what can be described as a 'friendliness or hostility scale'. As can be clearly seen on the multi-axis plot, due to Indonesia's growing capabilities and firming strategic intentions, the Australian Government's perceptions of Indonesia steadily moved during 1957-1965 from viewing Indonesia as a relatively weak but friendly state, to viewing it by January 1965 as a state with intentions and capabilities sufficient to pose a 'direct threat' to Australia's security.

**Figure 1. The Australian Government's evolving threat perceptions of Indonesia, 1957-1965.**





However, at the same time there was a high degree of uncertainty within the Australian Government's policy machinery concerning both the scale of Indonesia's capabilities, and in determining its strategic intentions. As a result, between 1958 and 1964 the Australian Government's strategic perceptions of Indonesia loitered in what can be described as a 'zone of perceptual uncertainty'. This thesis will analyse how notions of Indonesian strength and hostility were unable to dominate competing images of Indonesian weakness and friendliness during this period, with the policy machinery of the Menzies Government struggling to formulate a decisive image of Indonesia's role in Australia's security.

But in contrast to briefly identifying *why* the Australian Government developed perceptions of Indonesia as a threat during the 1957-1965 period, demonstrating *how* this shift in threat perception occurred within the Government's policy development process presents considerable challenges for the defence strategist and the historian. As the American defence analyst Raymond Cohen once noted, threat perceptions constitute the 'decisive intervening variable' between event and reaction in international crises, but, according to the American scholar F. Gregory Gause, they have also 'received little systematic attention'.<sup>8</sup> Further scholarly analysis of how threat perceptions emerge and evolve provides an important contribution to developing our understanding of the strategic behaviour of states, especially within Australian Strategic Studies, where Australia's threat perceptions of Indonesia are an under-explored topic.

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<sup>8</sup> Raymond Cohen, *Threat Perception in International Crisis*, University of Wisconsin Press, Madison, 1979, p. 3; F. Gregory Gause III, 'Balancing What? Threat perception and Alliance Choice in the Gulf', *Security Studies*, Vol. 13, No. 2, 2012, p. 273.

One of the first scholars to begin directly analysing why the Australian Government's strategic perceptions of Indonesia had changed during the Menzies years was Nancy Viviani, whose unpublished 1973 doctoral thesis examined whether it was Australian public opinion that had driven this change in Government 'attitude' towards Indonesia.<sup>9</sup> Viviani found no direct relationship between public opinion and government policy at critical moments in Australia's policy evolution towards Indonesia, and thus left open the question of what drove this change in perception. Following Viviani, authors such as Ian McAllister and Toni Makkai have continued to analyse the Australian public's evolving perceptions of Indonesia, but it was a small number of Australian scholars, most notably Gregory Pemberton in *All the Way*, Peter Edwards in *Crises and Commitments*, and Richard Chauvel's chapter 'Up the Creek without a Paddle' in Frank Cain's *Menzies in War and Peace*, who briefly noted that it was indeed the Australian Government's changing view of Indonesian capabilities and intentions which drove this change in threat perception.<sup>10</sup>

However, these authors noted that further questions still remained concerning how this change in threat perception had occurred within the Government's policy development process. For example, in 1987 Pemberton noted of the West New Guinea dispute that 'It is not certain whether the Australian Government had ever been prepared to oppose the Indonesians with

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<sup>9</sup> Nancy Viviani, *Australian attitudes and policies towards Indonesia 1950 to 1965*, ANU thesis, 1973.

<sup>10</sup> Ian McAllister and Toni Makkai, 'Changing Australian Opinion on Defence: Trends, Patterns and Explanations', *Small Wars and Insurgencies*, Vol. 2, No. 3, 1991, pp. 195-235; Gregory Pemberton, *All the Way: Australia's road to Vietnam*, Allen & Unwin, Sydney, 1987; Peter Edwards with Gregory Pemberton, *Crises and Commitments: The Politics and Diplomacy of Australia's Involvement in Southeast Asian Conflicts 1948-1965*, Allen & Unwin in Association with the Australian War Memorial, North Sydney, 1992; Richard Chauvel, 'Up the Creek Without a Paddle', in Frank Cain (ed.), *Menzies in War and Peace*, Allen & Unwin, St Leonards, in association with the Australian Defence Studies Centre, Australian Defence Force Academy, 1997.

military force, and if so, when it decided against such action'.<sup>11</sup> In 1997 Chauvel expanded on Pemberton's research, contending that it was following the Indonesian Crisis and Civil War that Australia had begun to contemplate Indonesia as a country 'of much enhanced military capacity'.<sup>12</sup> However, Chauvel's research was not an in-depth analysis of how the Government's different policy groups and individuals had come to this conclusion.

In like manner Peter Edwards in the concluding remarks of *Crises and Commitments* briefly considered the threat that the Australian Government had sensed during Indonesia's Confrontation of Malaysia. He noted that 'The fear of Indonesian military provocations in the Australian-administered territories in eastern New Guinea is another element that is difficult to capture in retrospect. It proved groundless, but it was a major factor in Australian thinking, especially in late 1964'.<sup>13</sup> This thesis picks up these unexplored questions, by examining archival records to discover how these perceptions initially emerged and evolved within the various levels of the Australian Government's policy machinery. In doing so it will be a bridging analysis, joining the scholarly literature analysing Australia's strategic perceptions of Indonesia, and the literature analysing Australian policy towards Indonesia during the Menzies years.

Having introduced the topic of Australia's evolving strategic perceptions of Indonesia, the significance of analysing them, and some of the major scholarly works of literature associated with this topic, this introduction is structured into three further sections. First, it briefly

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<sup>11</sup> Gregory Pemberton, *All the Way*, Allen & Unwin, Sydney, 1987, p. 103.

<sup>12</sup> Richard Chauvel, 'Up the Creek Without a Paddle', in Frank Cain (ed.), *Menzies in War and Peace*, Allen & Unwin, St Leonards, in association with the Australian Defence Studies Centre, Australian Defence Force Academy, 1997, p. 67.

<sup>13</sup> Peter Edwards, *Crises and Commitments*, Allen & Unwin in Association with the Australian War Memorial, North Sydney, 1992, p. 380.

introduces the concept of policy development analysis, also known as the 'Decision-Making Approach' in International Relations literature, and briefly describes the major bureaucratic organisations involved in defence and foreign policy development during the Menzies years. Second, it situates the thesis within the broader literature analysing Australia's historical perceptions of the world, Asia and Indonesia. Finally, the literature review examines the historical literature analysing Australian Government policy towards Indonesia during the West New Guinea dispute and Indonesia's Confrontation of Malaysia, to identify suitable gaps where a thesis examining Australia's evolving strategic perceptions of Indonesia might be best placed.

### **Policy development analysis and the policy machinery of the Menzies Government in Australian literature**

As noted previously, threat perceptions have been recognised since antiquity as playing a significant role in international relations and the causation of conflict. At the broadest level of engagement, the study of threat perceptions and strategic behaviour has congregated into two expansive schools of analysis, Realism and Liberalism, which have developed an array of threat perception theories. These theories have focused on analysing how various factors such as military capabilities, national power, strategic intentions, geography, democracy, economic interdependence, international institutions, identity, and indeed, the anarchic world system itself, have influenced the strategic behaviour of states.

Beyond the Realist and Liberal studies of *why* threat perceptions occur, the study of the *process* of threat identification, the question of *how* threat perceptions initially occur, has been a more recent scholarly endeavour and is a key interest of this thesis. Historians have long examined the role of noted individuals in the direction of a state's foreign policy, what Thomas Carlyle in 1841 colloquially called the 'great man theory' of history, but, in contrast, the study of *how* these individuals initially developed their perceptions of threat, opposed to analysing their consequent policy decisions, is a relatively new field of academic enquiry.<sup>14</sup>

According to the eminent International Relations scholars Jack S. Levy and William R. Thompson, policy development analysis, or the 'Decision-making approach', was first applied to the field of International Relations in the early 1960s. Richard Snyder, H.W. Bruck and Burton Sapin's *Decision-Making as an Approach to the Study of International Politics* is one notable example from the period, from which Levy and Thompson trace the consequent proliferation of policy development analyses.<sup>15</sup> Policy development analysis has evolved in two directions, the first branch maintaining its focus on the role of individuals, and embodies a broad range of literature, ranging from 'rationalist' to psychological approaches. Rationalist, or game theory approaches to policy analysis, such as Thomas Schelling's iconic *The Strategy of Conflict* have focused on policy development as a logic driven process, structured around the maximisation of interests.<sup>16</sup> In contrast, studies of the psychology of threat cognition such as Robert Jervis's *Perception and Misperception in International Relations* have explored how various psychological

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<sup>14</sup> Thomas Carlyle, *On Heroes, Hero-Worship, and the Heroic in History*, published with James Fraser, London, 1841.

<sup>15</sup> Jack S. Levy and William R. Thompson, *Causes of War*, Wiley-Blackwell, Oxford, 2010, p. 129.

<sup>16</sup> Thomas Schelling, *The Strategy of Conflict*, Harvard University Press, Cambridge, 1960.

factors such as history, expectations and predispositions have influenced the threat perceptions of individuals.<sup>17</sup>

In comparison to these individual focused modes of analysis, bureaucratic analyses have focused on the role of the machinery of government in policy development, and are useful for revealing whether this was a unitary process or not. Bureaucratic analyses enjoy the advantage of revealing how different groups and individuals in government interacted, either cooperating or competing in the policy development process, thus providing the researcher with the opportunity for both greater breadth and depth in their scope of analysis, and complexity in explaining the process of threat identification that occurred within a government's policy formulating bodies. An additional advantage of bureaucratic analyses is that due to the fact that bureaucratic organisations and structures tend to endure long after the influence of various individuals wax and wane, they provide the opportunity for broader scholarly application to policy studies in the present.

By opening the 'black box' of a government's policy development, bureaucratic analyses enable the researcher to examine and explain apparent contradictions in state behaviour and policy.<sup>18</sup> This was epitomised most famously in Graham Allison's 1971 classic *The Essence of Decision*, which explored how the various groups and bureaucratic organisations during the Cuban Missile Crisis competed and cooperated as they sought to achieve their sometimes differing goals and interests.<sup>19</sup> Allison analysed American and Soviet policy development during

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<sup>17</sup> Robert Jervis, *Perception and Misperception in International Politics*, Princeton University Press, Princeton, 1976.

<sup>18</sup> Jack S. Levy and William R. Thompson, *Causes of War*, Wiley-Blackwell, Oxford, 2010, p. 128.

<sup>19</sup> Graham Allison, *The Essence of Decision: explaining the Cuban Missile Crisis*, Little, Brown, Boston, 1971.

the crisis according to three different processes, a 'Rational Actor model', focusing on the overarching interests and goals of the state, an 'Organisational Process model', examining how bureaucratic organisations within each government vied for influence, resources and control, and sometimes pursued differing policy goals, and third, the 'Governmental Politics model', examining how different individuals within the higher echelons of government influenced the policy process. Utilising this diverse range of explanatory models, and the bureaucratic model in particular, Allison was able to explain what hitherto had appeared to be examples of contradictory behaviour and irrationality in Soviet and American decision-making during the crisis, such as why the Soviets had covertly shipped the missiles to Cuba, only to install them at un-camouflaged sites.<sup>20</sup>

Within Australian scholarship, an equivalent analysis of the bureaucratic organisations involved in translating perceptions of an Indonesia threat into policy during the 1957-1965 period is yet to emerge, although the research of Edwards in *Crises and Commitments* has moved the scholarly literature in this direction to some extent by identifying prominent Cabinet figures and ambassadors who played a central role in this process. Currently the literature specifically analysing the bureaucratic organisations directly involved in the Menzies Government's foreign and defence policy development is extremely small, but, nonetheless, some robust and insightful articles have been produced, from which the main architecture of policy development can be drawn for further analysis in this thesis. The most important of these articles is B.B. Schaffer's 'Policy and System in Defense: The Australian Case', which includes a comprehensive schematic

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<sup>20</sup> Graham Allison, *Essence of Decision: Explaining the Cuban Missile Crisis*, Little, Brown and Company, Boston, 1971, p. 110.

diagram of the various committees and sub-committees that were involved in policy formulation, from which this thesis derives a more streamlined schematic of the three-stage process that dominated policy development during the Menzies years.<sup>21</sup> In addition, Mediansky's chapter 'Defence Reorganisation, 1957-1975' in W.J. Hudson's *Australia in World Affairs, 1971-1975*, and Arnold Kennedy's chapter 'Administration of Defence' in Harry Gelber's *Problems of Australian Defence* provide useful coverage of the main issues, policy groups and interests that motivated the 1957 Morshead Committee and continuing changes to Australia's defence institutions in the 1960s.<sup>22</sup> For a broader perspective Graeme Cheeseman and Des Ball's chapter 'Defence Decision Making, Actors and Processes', in Des Ball and Cathy Downes' *Security and Defence* provides a more expansive review of Australia's evolving defence policy bureaucracy from the 1950s through to the 1980s.<sup>23</sup>

What can be gleaned from these publications, and is confirmed by Australian archival material, is that the Menzies Government's foreign and defence policy development process during the 1957-1965 period was dominated by a three-level committee system, in which policy was initially drafted by the Joint Intelligence Committee (JIC) and Joint Planning Committee (JPC), with oversight provided by the Defence Committee and Chiefs of Staff Committee, who submitted the JIC and JPC reports to Cabinet for final debate, revision and approval. As the primary policy drafting committees, the JIC and JPC were in turn informed by a stream of intelligence, provided by a range of sources including Australian Embassies with their respective

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<sup>21</sup> B.B. Schaffer, 'Policy and System in Defense: The Australian Case', *World Politics*, Vol. 15, No. 2, 1963.

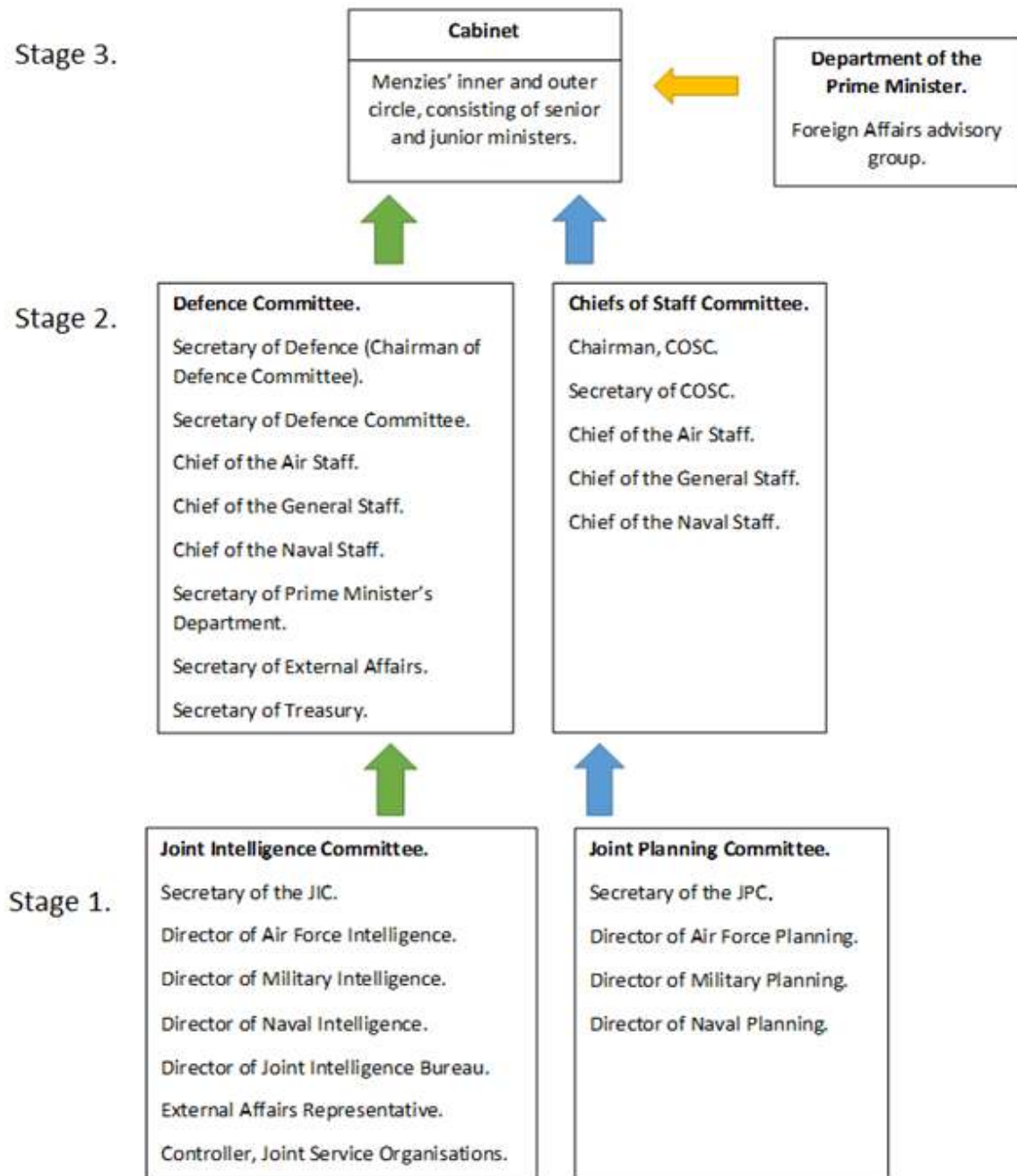
<sup>22</sup> F.A. Mediansky, 'Defence Reorganisation, 1957-1975', in W.J. Hudson (ed.), *Australia in World Affairs, 1971-1975*, George Allen & Unwin for the Australian Institute of International Affairs, Sydney, 1980; Harry Gelber (ed.), *Problems of Australian Defence*, Oxford University Press, Melbourne, 1970.

<sup>23</sup> Des Ball and Cathy Downes, *Security and defence: Pacific and global perspectives*, Allen & Unwin, Sydney, 1990.



Ambassadors and Defence Attaches, with continual oversight into the policy drafting process provided by respective Departmental Ministers and Secretaries. This system is graphically portrayed in Figure 2.

**Figure 2. The three-stage policy development process of the Menzies Government, 1957-1965.**



Within this three-stage process, the JIC in particular was the occasional site of competition between the Departments of External Affairs and Defence. In August 1958 Cabinet unanimously agreed to transfer Chairmanship of the JIC from Defence to External Affairs. This shift was initially proposed by the Secretary of External Affairs Arthur Tange during the 1957-1958 Indonesian Crisis, due to the central role that External Affairs had played in supplying political intelligence to the JIC, opposed to the military intelligence provided by the three armed services. The Joint Planning Committee, however, remained under the primary influence of the Department of Defence throughout the Menzies years, and remained responsible for the drafting of Strategic Basis papers and developing operational plans under the supervision of the Chiefs of Staff Committee.

The research chapters of this thesis are structured around analysing the notable shifts in threat perception that occurred during the 1957-1965 period, and identifying and analysing the issues and debates that surfaced within this three-stage policy process as these shifts in threat perception occurred. At the centre of this research will be the archival sources administered by the Australian Government, primarily the substantial holdings managed by the National Archives Australia, and to a lesser extent, the collections held by the National Library of Australia. The National Archives contain a diverse range of material related to Australia-Indonesia relations, with an introductory guide to this material provided by Karl Metcalf in *Near Neighbours*.<sup>24</sup> The most substantial holdings in this collection are those of External Affairs, with the most prolific collection being the 'A1838' file series, with substantial collections of material also held under

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<sup>24</sup> Karl Metcalf, *Near Neighbours: records on Australia's relations with Indonesia*, National Archives Australia, Canberra, 2001.

various Defence series, most notably the 'A1209' series. However, a limitation of these files is that sensitive material regarding military planning towards Indonesia, documents containing Australian Secret Intelligence Service (ASIS) and Australian Security Intelligence Organisation (ASIO) content, and files with ANZUS related material are often closed, or 'Open with Exception', with sensitive files removed. Nevertheless, this limitation can be mitigated to some extent because the focus of this thesis is not military planning, but rather the evolving threat perceptions that informed these operational planning documents.

A further impediment, and one that is more difficult to mitigate, is that although the JIC and JPC were responsible for drafting policy under the direction of Cabinet and oversight of their respective Ministers and Secretaries, the archival material has tended to preserve the final policy documents rather than the draft JIC and JPC documents. Being unable to access all the draft versions of JIC and JPC policy documents means that this thesis likely portrays Indonesian threat perceptions within the JIC and JPC as being less contested than they actually were. Nevertheless, an eclectic array of draft JIC and JPC documents have been preserved, providing insight into the issues that were being debated during the drafting process. In addition, senior levels of Defence, External Affairs and Cabinet would occasionally comment on the difficulties incurred in the drafting of policy by the JIC and JPC, providing further insight into the policy development process. Thus while notable challenges are faced in researching Australian policy development at the committee level, a collection of draft documents still exist for the researcher to utilise.

The ensuing literature review digests the relatively substantial body of policy orientated literature concerning Australian Government policy during the West New Guinea dispute and Indonesia's Confrontation of Malaysia, and the biographical literature of major Australian figures

from the period. However, the review begins by first situating these analyses of Australian policy towards Indonesia within a broader tradition of Australian International Relations scholarship regarding Australian perceptions of the world, Asia and Indonesia.

### **Perception themes in Australian International Relations literature**

Australia's evolving threat perceptions have been informed by Australia's position as a large but sparsely populated island continent, adjacent to Asia but remote from the British homeland, resource rich but possessing an arid climate. Driven by these factors, leading Australian scholars Stewart Firth and Michael Wesley have noted that Australian International Relations literature has developed a collection of dominant themes, focused around the primary issue of *security*, and the associated themes of *isolation*, *power differentials* and *identity*.<sup>25</sup>

Perceptions of insecurity have long dominated the Australian worldview and associated International Relations literature, stemming from the uncertain legacy of Australia's British colonisation, which stands in stark contrast to the American experience of colonisation and corresponding perceptions of security.<sup>26</sup> In American literature, the American frontier of

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<sup>25</sup> Michael Wesley describes Australian International Relations literature as focused on analysing the issues of *geography*, *demographics* and *race*, and *power differentials*. Michael Wesley, 'The Rich Tradition of Australian Realism', *Australian Journal of Politics & History*, Vol. 55, No. 3, 2009, p. 324; Stewart Firth describes the themes of Australian foreign policy as *dependence*, *protection*, and *identity*. Stewart Firth, *Australia in International Politics: An introduction to Australian foreign policy*, Second edition, Allen & Unwin, St. Leonards, 2005, p. 45.

<sup>26</sup> Michael Wesley, 'The Rich Tradition of Australian Realism', *Australian Journal of Politics & History*, Vol. 55, No. 3, 2009.

colonisation became a much vaunted symbol of American power and prowess, a wild state of nature that was discovered, conquered and civilised, epitomised most famously by Frederick Jackson Turner's 'Frontier thesis'.<sup>27</sup> In contrast, the Australian frontier, containing vast arid zones inhospitable to colonization, remained largely untamed, subjecting the British settlers to what the distinguished Australian historian Geoffrey Blainey has described as a thin 'boomerang' of colonization, concentrated largely along its south-eastern coast.<sup>28</sup> Wesley has consequently described this Australian perception of insecurity as the problem of 'demographic deficiency', the Australian belief that a continent in order to be controlled and defended effectively, should be inhabited by a continentally sized population.<sup>29</sup>

In recent years Australian scholarly literature has come to increasingly appreciate the significance of the Australian worldview's perceptions of security, isolation, power differentials and identity in moulding Australia's threat perceptions of Asian countries. Leading this large body of literature, recognised authors such as David Walker in *Anxious Nation* and David Goldsworthy in *Facing North* have analysed how the familiar theme of demographic insecurity has been translated into racial anxiety, although Goldsworthy argues these perceptions have mellowed to some extent with time.<sup>30</sup> Most recently, David Walker and Agnieszka Cobocinska in *Australia's*

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<sup>27</sup> In 1893 Frederick Jackson Turner's article, 'The significance of the Frontier in American history', argued that the frontier had played a dynamic role in American history, transforming its colonisers into 'Americans' who bore exceptional qualities in regards to industriousness and democratic ideals.

<sup>28</sup> Geoffrey Blainey, *The Tyranny of Distance: How distance shaped Australia's History*, Sun Books, Melbourne, 1966, p. 146.

<sup>29</sup> Michael Wesley, 'The Rich Tradition of Australian Realism', *Australian Journal of Politics & History*, Vol. 55, No. 3, 2009, p. 332.

<sup>30</sup> David Goldsworthy (ed.), *Facing North: A Century of Australian Engagement in Asia*, Vol. 1: 1901 to the 1970s, Australian Department of Foreign Affairs and Trade, Melbourne University Press, Melbourne, 2001; David Walker, *Anxious Nation: Australia and the rise of Asia, 1850-1939*, University of Queensland Press, St. Lucia, Queensland, 1999.

Asia have singled out 'The Big Three' of China, Japan and India as countries of significance in Australia's historical perceptions of Asia.<sup>31</sup>

Alan Dupont and Neville Meaney have noted that Australia's threat perceptions of Asian countries were first focused towards Japan from the late nineteenth century until 1945, and later transferred towards Communist China from 1950. Literature analysing Australian perceptions of Japan is led by Neville Meaney's two volume history of Australia's foreign and defence policy from 1901-1923, which provides comprehensive insight into the rise of the Japanese threat in Australian strategic perceptions. In *Towards a New Vision: Australia and Japan across time*, Meaney takes a broader view, analysing Australia's evolving perceptions of Japan across the twentieth century, especially the improving relationship following the Second World War.<sup>32</sup> Australia's evolving perceptions of China as a country of opportunity and threat have been ably served in Lachlan Strahan's *Australia's China: Changing perceptions from the 1930s to 1990s*, standing alongside earlier publications such as Eric Andrew's *Australia and China: the ambiguous relationship*.<sup>33</sup>

In comparison, an equivalent history of Australian strategic perceptions of the Netherlands East Indies and Indonesia is yet to emerge. Surveying the literature in 2004, Jonathan Mead in his unpublished doctoral thesis *The Australia-Indonesia Security Relationship* noted that

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<sup>31</sup> David Walker and Agnieszka Cobocinska (eds.), *Australia's Asia: from 'Yellow peril' to Asian century*, UWA Publishing, Crawley, WA, 2012.

<sup>32</sup> Neville Meaney, *A history of Australian defence and foreign policy, 1901-23*, Sydney University Press, Sydney, 2009; Neville Meaney, *Towards a New Vision: Australia and Japan across time*, University of New South Wales Press, Sydney, 1999.

<sup>33</sup> Lachlan Strahan, *Australia's China: Changing perceptions from the 1930s to 1990s*, Cambridge University Press, Hong Kong, 1996; Eric Andrews, *Australia and China: the ambiguous relationship*, Melbourne University Press, Carlton, Victoria, 1985.

the large extent of the literature analysing Australia–Indonesia relations has tended to focus on the major points of tension that have shaped the relationship, these being the Indonesian Revolution 1945-1949, the West New Guinea dispute 1950-1962, Indonesia’s Confrontation of Malaysia 1963-1966, the 1975 Indonesian invasion of East Timor, and the 1999 East Timor independence referendum and peacekeeping operation.<sup>34</sup> As a result Mead noted that the existing literature has struggled to develop a broader sense of the evolving Australia-Indonesia security relationship, and by implication, the evolving threat perceptions underpinning it.

A rare exception is Robert Catley and Vinsensio Dugis’ *Australian Indonesian Relations since 1945: The Garuda and the Kangaroo*, which introduces the evolving relationship from 1945-1998, although their investigation does not extend into a deeper analysis of the evolving threat perceptions that informed it.<sup>35</sup> Alan Dupont in *Australia’s threat perceptions* briefly noted that during Indonesia’s Confrontation of Malaysia there was ‘confusion’ in the Australian Government concerning whether Indonesia was a threat, and more recently, Paul Dibb, Richard Brabin-Smith and Stephan Frühling have provided brief introductions to the Indonesia threat in Australian defence planning.<sup>36</sup> Due to this thesis’ interest in demonstrating how the Australian Government’s policy development organs initially developed strategic perceptions of Indonesia as a threat, the ensuing section of this review encompasses the literature analysing Australia’s

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<sup>34</sup> Jonathan Mead, *The Australia-Indonesia Security Relationship*, unpublished PhD thesis, Deakin University, 2004, p. 1.

<sup>35</sup> Robert Catley and Vinsensio Dugis, *Australian Indonesian Relations since 1945: The Garuda and the Kangaroo*, Aldershot, Ashgate, 1998.

<sup>36</sup> Alan Dupont, *Australia’s Threat Perceptions: A Search for Security*, Canberra Papers on Strategy and Defence, No. 82, SDSC, ANU, Canberra, 1991, p. 67; Paul Dibb and Richard Brabin-Smith, ‘Indonesia in Australian Defence Planning’, *Security Challenges*, Vol. 3, No. 4, 2007; Stephan Frühling (ed.), *A History of Australian Strategic Policy since 1945*, Defence Publishing Service, Department of Defence, Commonwealth of Australia, Canberra, 2009.

policy during the West New Guinea dispute and Indonesia's Confrontation of Malaysia, and the biographical literature related to the 1957-1965 period.

### **Literature analysing Australian policy during the West New Guinea dispute**

Leading analyses of the West New Guinea dispute have focused on the evolving policies of the major state actors with the British policy perspective analysed by Nicholas Tarling in *Britain and the West New Guinea dispute*, while Greg Poulgrain's *The Genesis of Konfrontasi: Malaysia, Brunei, Indonesia* provides a leading analysis of the Indonesian policy perspective, emphasising the Brunei revolt as part of a broader Indonesian policy of confrontation. Most recently, Christiaan Penders' *The West New Guinea debacle* has provided an authoritative analysis of the dispute from a Dutch policy perspective, informed by Dutch archival sources.<sup>37</sup> An equivalent published history of Australian and American policy during the entire dispute is yet to be produced, although Pemberton's chapter 'A few thousand miles of cannibal land' provides considerable coverage in *All the Way*, while earlier authors such as James Mackie, James Angel, Adil Hilman and T.B. Millar provided initial scholarly analyses of Australian policy, albeit without access to archival sources.<sup>38</sup>

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<sup>37</sup> Christiaan Penders, *The West New Guinea Debacle: Dutch Decolonisation and Indonesia: 1945-1962*, Crawford House Publishing, Adelaide, 2002.

<sup>38</sup> J.A.C. Mackie, 'Australia and Indonesia, 1945-1960', in Gordon Greenwood and Norman Harper (eds.), *Australia in World Affairs, 1956-1960*, Cheshire for the Australian Institute of International Affairs, Melbourne, 1963; Adil



The literature analysing the question of when Australia's West New Guinea policy began to shift can be split into two camps, with some such as Alan Renouf emphasising 1959 and the Casey-Subandrio joint communiqué as the decisive turning point, an argument repeated most recently in Jan Maskey's unpublished doctoral thesis.<sup>39</sup> However, in 1980 the prominent Australian journalist David Marr presented something of a 'Barwick thesis', arguing that it was in January 1962 that Australia's West New Guinea policy had rapidly shifted to a more pro-Indonesian position, following Garfield Barwick's promotion to Minister for External Affairs in December 1961, an argument that has since been repeated or implied in a collection of scholarly studies.<sup>40</sup>

As a result of this split, Pemberton in *All the Way* noted that it was unclear when the Australian Government had decided to refrain from military involvement in the West New Guinea dispute.<sup>41</sup> Following this impasse, in 1997 the leading Indonesia analyst Richard Chauvel began to move the literature in a new direction, raising the possibility that Australian policy had shifted as a result of Australia's changing threat perceptions during the Indonesian Crisis and Civil War,

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Hilman, *Australia's relations with Indonesia, 1945-1962*, 1973; James Angel, 'Australia and Indonesia, 1961-1970', in Gordon Greenwood and Norman Harper (eds.), *Australia in World Affairs, 1966-1970*, Cheshire for the Australian Institute of International Affairs, Melbourne, 1974. See also Henry S. Albinski, 'Australia and the Dutch New Guinea Dispute', *International Journal*, Vol. XVI, No. 4, Autumn 1961, p. 370; J.A.C. Mackie, 'Problems of Australian Foreign Policy, January-June 1959', *The Australian Journal of Politics and History*, Vol. 5, No. 2, November 1959, pp. 139-151; T.B. Millar, *Australia in Peace and War*, Canberra, Australian National University Press, 1978.

<sup>39</sup> Although Maskey emphasised a Cabinet meeting in January 1959 as the decisive moment, rather than the Casey-Subandrio joint communiqué one month later in February 1959. See Jan Maskey, 'Fruitless and Friendless: Australia and the West New Guinea dispute, 1949-1962', unpublished PhD thesis, University of Queensland, 2006, p. 416; Alan Renouf, *The Frightened Country*, MacMillan, Melbourne, 1979, p. 419.

<sup>40</sup> David Marr, *Barwick*, George Allen & Unwin, Sydney, 1980, p. 171; Gregory Pemberton, *All the Way: Australia's road to Vietnam*, Allen & Unwin, Sydney, 1987; Peter Edwards with Gregory Pemberton, *Crises and Commitments*, Allen & Unwin in Association with the Australian War Memorial, 1992, pp. 230-231; Robert Catley and Vinsensio Dugis, *Australian Indonesian Relations since 1945: The Garuda and the Kangaroo*, Aldershot, Ashgate, 1998; Joan Beaumont, Christopher Waters, David Lowe, with Garry Woodard, *Ministers, Mandarins and Diplomats: Australian Foreign Policy Making 1941-1969*, Melbourne University Press, Carlton, 2003.

<sup>41</sup> Gregory Pemberton, *All the Way*, Allen & Unwin, Sydney, 1987, p. 105.

an argument which has since been adopted and reinforced in a series of publications.<sup>42</sup> This thesis will develop upon Chauvel's original observations to ascertain when exactly this shift in threat perception occurred and demonstrate how it transpired within the policy development process.

### **Literature analysing Australian policy during Indonesia's Confrontation of Malaysia, 1963-1966**

Since the 1970s a relatively large body of literature analysing Indonesia's Confrontation of Malaysia has emerged, with James Mackie's 1974 publication *Konfrontasi: the Indonesia-Malaysia dispute, 1963-1966* still regarded as a leading analysis of the evolving American, British, Indonesian and Malaysian policy positions during the conflict.<sup>43</sup> This literature has been supplemented in recent years by updated histories which enjoyed improved access to archival

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<sup>42</sup> Richard Chauvel, 'Up the Creek Without a Paddle: Australia, West New Guinea and the 'Great and Powerful Friends'', in Frank Cain (ed.), *Menzies in War and Peace*, Allen & Unwin in association with the Australian Defence Studies Centre, St. Leonards, 1997, p. 67; Peter Gifford, 'The Cold War across Asia', in David Goldsworthy (ed.), *Facing North: A Century of Australian Engagement in Asia*, Vol. 1: 1901 to the 1970s, Australian Department of Foreign Affairs and Trade, Melbourne University Press, Melbourne, 2001; Christiaan Penders, *The West New Guinea Debacle: Dutch Decolonisation and Indonesia: 1945-1962*, Adelaide, Crawford House Publishing, 2002; Stuart Doran, 'Western Friends and Eastern Neighbours: West New Guinea and Australian Self-Perception in Relation to the United States, Britain and Southeast Asia, 1950-1962', unpublished PhD thesis, ANU, 1999; Stuart Doran, 'Toeing the Line: Australia's Abandonment of "Traditional" West New Guinea policy', *The Journal of Pacific History*, Vol. 36, No. 1, June 2001, pp. 5-18;

<sup>43</sup> J.A.C. Mackie, *Konfrontasi: the Indonesia-Malaysia dispute, 1963-1966*, Australian Institute of International Affairs, Oxford University Press, Melbourne, 1974. See also Robert Catley, *Australia, Malaysia and the problem of Confrontation*, ANU thesis, 1968; James Angel, 'Australia and Indonesia, 1961-1970', in Gordon Greenwood and Norman Harper (eds.), *Australia in World Affairs, 1961-1965*, Cheshire for the Australian Institute of International Affairs, Melbourne, 1974; Hilman Adil, *Australia's policy towards Indonesia during confrontation, 1962-1966*, Institute of Southeast Asian Studies, Singapore, 1977.

sources, such as John Subritzsky's *Confronting Sukarno* and Nicholas van der Bijl's *Confrontation: The war with Indonesia, 1962-1966*.<sup>44</sup> Analysis of the evolving American policy perspective is led by Gregory Pemberton's *All the Way*, while a comparative focus on the British policy position is provided by Christopher Tuck in *Confrontation, strategy and war termination: Britain's conflict with Indonesia*.<sup>45</sup>

The leading analysis of Australia's evolving policy during the conflict is provided by Peter Edwards in *Crises and Commitments*.<sup>46</sup> Following multiple story threads simultaneously, through interwoven analyses of the conflict in Malaya, various Lao crises, growing difficulties in Vietnam, and the emergence of Indonesia's Confrontation of Malaysia, Edwards came to the key conclusion that it was both Vietnam *and* Indonesia that had featured prominently in Australian Government security considerations during the 1963-1965 period. As Edwards would note, a general problem of Australian historiography is that 'because Australian involvement in Confrontation did not end in a major conflict, comparable with that in Vietnam, the degree of concern over Indonesia has often been underestimated or forgotten'.<sup>47</sup> Furthermore, Edwards noted that it was difficult to ascertain the extent to which the Australian Government considered Indonesia as a threat, especially in late 1964 when Sukarno launched the 'Year of Dangerous

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<sup>44</sup> John Subritzky, *Confronting Sukarno: British, American, Australian and New Zealand diplomacy in the Malaysian-Indonesian Confrontation, 1961-1966*, St. Martin's Press, New York, 1999; Nicholas van der Bijl, *Confrontation: the war with Indonesia, 1962-1966*, Pen & Sword Military, Barnsley, S. Yorkshire, 2007.

<sup>45</sup> Gregory Pemberton, *All the Way: Australia's road to Vietnam*, Allen & Unwin, Sydney, 1987; Christopher Tuck, *Confrontation, strategy and war termination: Britain's conflict with Indonesia*, Ashgate Publishing, Farnham, Surrey, 2013.

<sup>46</sup> Peter Edwards with Gregory Pemberton, *Crises and Commitments: The Politics and Diplomacy of Australia's Involvement in Southeast Asian Conflicts 1948-1965*, Allen & Unwin in Association with the Australian War Memorial, North Sydney, 1992.

<sup>47</sup> Peter Edwards, *Crises and Commitments*, Allen & Unwin in Association with the Australian War Memorial, North Sydney, 1992, p. 379.

Living'. As a result this thesis will adopt this unanswered question as part of its analysis. Following Edwards, a collection of chapters and articles have been produced more recently, providing smaller updated narratives of the dispute. Within this literature David Lee in particular has offered new insight into the conflicted policy development process within Cabinet, noting that for much of 1963 the Minister for External Affairs Garfield Barwick and Minister for Defence Athol Townley were able to prevail over the 'Menzies-McEwen group' in Cabinet, who had argued from the outset that Australia should commit itself to the military defence of Malaysia.<sup>48</sup>

However, a trend across these analyses has been their difficulty to link evolving policy positions to the Government's evolving threat perceptions. A notable case in point is provided by Edwards in *Crises and Commitments*, in which he briefly noted that the 1959 Strategic Basis had controversially called for the development of 'independent' capabilities, but was unable to link this proposal to the Menzies Government's ongoing debate concerning the Indonesia threat.<sup>49</sup> As a result, this thesis will establish firm links between policies and the perceptions driving them.

In addition to analyses of Australian policy during the West New Guinea dispute and Indonesia's Confrontation of Malaysia, the biographical literature has provided fragmented insights into the threat perceptions of some of the major policy figures from the period.

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<sup>48</sup> David Lee, 'The origins of the Menzies Government's Policy on Indonesia's Confrontation of Malaysia', in Frank Cain (ed.), *Menzies in War and Peace*, Allen & Unwin, St Leonards, in association with the Australian Defence Studies Centre, Australian Defence Force Academy, 1997, p. 85; David Lee and Moreen Dee, 'Southeast Asian Conflicts', in David Goldsworthy (ed.), *Facing North: A century of Australian engagement with Asia*, Volume 1, Melbourne University Press, Melbourne, 2001; Moreen Dee, *Australia and the Formation of Malaysia 1961-1966*, Australian Department of Foreign Affairs and Trade, Canberra, 2005.

<sup>49</sup> Peter Edwards, *Crises and Commitments*, Allen & Unwin in Association with the Australian War Memorial, North Sydney, 1992, p. 205.

Biographies of Prime Minister Sir Robert Menzies shed surprisingly little insight into his perceptions of Indonesia, while the influential Secretary of Cabinet, Sir John Bunting, 1959-1968, and his predecessor, Sir Allen Brown 1949-1958, have not yet received biographical attention.<sup>50</sup> In like manner, the Ministers for Defence Sir Philip McBride, (1950-1958), Athol Townley, (1958-1963), and Sir Shane Paltridge, (1964-1966), have not received scholarly attention, nor has Sir Edwin Hicks, the Secretary of Defence during this thesis's period of analysis.<sup>51</sup> However, some valuable niche contributions have been made, such as the Minister for Air Peter Howson's *The Howson Diaries*, which provide brief but informative insight into his perceptions of the Indonesia threat and Australian defence planning during the 1963 F-111 (TFX) acquisition and 1964 conscription decision. Further insight into the 1964 conscription decision is provided by leading Australian defence historian David Horner in his biography of General Sir John Wilton, in the context of growing anxiety within Cabinet regarding the security of Papua and New Guinea.<sup>52</sup>

While Australia's Ministers for External Affairs have fared considerably better in the biographical literature, ascertaining their strategic perceptions of Indonesia remains a difficult task. T.B. Millar's *Australian foreign minister: the diaries of R.G. Casey, 1951-60* and Craig MacLean's unpublished doctoral thesis provide some commentary on Casey's view of the

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<sup>50</sup> The leading biographer of Menzies, Allan Williams, barely mentions the West New Guinea dispute or Indonesia's Confrontation of Malaysia as issues of significance during the Menzies years. Allan Williams, *Robert Menzies: A life*, Melbourne University Press, Carlton, Victoria, 1999. See also Sir Robert Menzies, *Afternoon Light: some memories of men and events*, Cassell Australia, Melbourne, 1967; Sir Robert Menzies, *The measure of the years*, Cassell Australia, North Melbourne, Victoria, 1970; Sir Edward John Bunting, *R.G. Menzies, A Portrait*, Allen & Unwin, Sydney, 1988.

<sup>51</sup> The one exception is Paul Hasluck, who briefly served as Minister of Defence before becoming the Minister of External Affairs.

<sup>52</sup> Peter Howson, with Don Aitken (ed.), *The Howson diaries: the life of politics*, Viking Press, Ringwood, Victoria, 1984; David Horner, *Strategic Command: General Sir John Wilton and Australia's Asian Wars*, Oxford University Press, Melbourne, 2005.

evolving West New Guinea dispute, but it is difficult to discern his perceptions of Indonesia in the crucial transition period after 1958.<sup>53</sup> Biographies of the outspoken minister and diplomat Percy Spender have focused on his contribution to ANZUS and the Colombo Plan, although Craig McLean's doctoral thesis notes that Spender and Casey disagreed about West New Guinea, with Spender preferring a more directly pro-Dutch Australian policy position compared to Casey.<sup>54</sup>

As noted, Garfield Barwick's role in the Government's 1962 West New Guinea policy debate has received considerable scholarly attention, and Barwick's more cautious approach to Australia resisting Indonesia's Confrontation of Malaysia is well documented. A relatively large body of literature has been built around analysing the contribution of Paul Hasluck, who served briefly as the Minister for Defence before transferring to become Minister for External Affairs from 1964-1969, but this literature has tended to focus on his role in formulating Australia's Vietnam policy and his competitive relationship with his political rivals, and thus offers little insight into his views of Indonesia as a potential threat.<sup>55</sup> The existing biographies of Sir Arthur Tange have tended to focus on his tenure as Secretary for Defence, 1970-1979, rather than his role as Secretary for External Affairs, 1954-1965, although *Defence Policy Making: A Close Up*

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<sup>53</sup> T.B. Millar (ed.), *Australian foreign minister: the diaries of R.G. Casey*, Collins, London, 1972; Craig McLean, *R.G. Casey and Australian Foreign Policy: Engaging with China and Southeast Asia, 1951-1960*, unpublished PhD thesis, Victoria University, 2008.

<sup>54</sup> Craig McLean, *R.G. Casey and Australian Foreign Policy: Engaging with China and Southeast Asia, 1951-1960*, unpublished PhD thesis, Victoria University, 2008.

<sup>55</sup> Tom Stannage, Kay Saunders and Richard Nile (eds.), *Paul Hasluck in Australian history: civic personality and public life*, University of Queensland Press, St Lucia, Queensland, 1998; Robert Porter, *Paul Hasluck: a political biography*, University of Western Australia Press, Nedlands, Western Australia, 1993.

*View* provides brief but useful insight into the personalities and bureaucratic obstacles that Tange faced during his time in External Affairs.<sup>56</sup>

In summary, the literature analysing Australian policy during the West New Guinea dispute and Indonesia's Confrontation of Malaysia, and the related biographies of major policy figures have collectively developed a robust policy narrative of the events and decisions defining Australia's interaction with Indonesia during the 1957-1965 period. However, demonstrating the road from perception to policy and the factors that drove it has proven to be a more difficult task. Major organisations involved in the Australian Government's policy development such as the JIC and JPC are seldom, if ever, mentioned, with the resulting literature having a notably 'top-heavy' appearance, focused on the role of ministers and Cabinet in the creation and implementation of policy. As it stands, the literature has developed a policy narrative focused on major policy statements and decisions, which, despite observing the fact that Australia's strategic perceptions of Indonesia did indeed change, has not been able to determine what factors and interests were driving the process of threat identification then occurring in the Australian Government's 'black box' of policy development.

Looking more broadly, an apparent disconnect currently exists between the literature analysing Australia's historical policy towards Indonesia, and the literature analysing Australia's strategic perceptions of Indonesia. This absence of perception orientated historical literature is in spite of the fact that the broader Australian international relations literature has produced threat perception orientated histories of Australian policy towards China and Japan, and defence

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<sup>56</sup> Sir Arthur Tange, *Defence Policy-making: A Close-Up view, 1950-1980*, Peter Edwards (ed.), Strategic and Defence Studies Centre, Canberra Papers on Strategy and Defence No. 169, Canberra, 2008.

policy analysts including Harold Crouch, Hugh White, Paul Dibb and Richard Brabin-Smith have identified a collection of threat perception factors and themes which could be readily applied to a historical analysis of Australia's evolving perceptions of Indonesia. One rare exception in this literature is Paul Dibb and Richard Brabin-Smith's previously cited article, 'Indonesia in Australian Defence Planning', which provides a brief but valuable bridge between the strategic perceptions literature and the historical policy literature, thus highlighting the need for further in-depth analysis of how Australia's evolving threat perceptions of Indonesia matured within the policy development process. Therefore the opportunity to conduct a broader analysis of Australia's evolving perceptions of Indonesia across a period of time such as 1957-1965 represents a valuable contribution to Australian scholarship by adding further ballast to our understanding of the complex forces and interests driving the oft contentious Australia-Indonesia relationship.

In order to examine how the policy machinery of the Australian Government developed perceptions of Indonesia as a threat, this thesis is divided into four chapters that follow major shifts in threat perception within the 1957-1965 period. The first chapter examines the Australian Government's evolving threat perceptions of Indonesia from January 1957 to August 1958 during the Indonesian Crisis and Civil War. It begins by analysing the growing uncertainty within External Affairs concerning the possibility of a Communist Indonesia emerging during the Indonesian Crisis and then examines how the Government's threat perceptions rapidly shifted during the Indonesian Civil War to view Indonesia as posing a low-level threat to West New Guinea.

In the second chapter the Government's defence planning response to the rise of an Indonesia threat is analysed, with the JPC and Defence proposing that Australia begin developing 'independent' capabilities more suited to responding to a range of contingencies, including those



involving Indonesia. The chapter observes that the proposal was initially rejected by Cabinet in March 1959, before it came to accept in November 1959 the more conservative concept of developing 'self-supporting' forces.

The third chapter analyses the Government's evolving perceptions in the context of the escalating West New Guinea dispute. It begins by analysing the growing debate in Australian defence planning in 1960-1961 concerning whether to focus on the worst-case scenario of a strong and hostile Indonesia, or the more likely scenario of a low-level Indonesia threat. The chapter then proceeds to analyse how Indonesia's earlier than expected diplomatic victory in the West New Guinea dispute in August 1962 forced Australian policy developers to recalculate the security of Papua and New Guinea, with Cabinet endorsing a substantial upgrading of Australian capabilities in response.

The fourth and final chapter examines the Australian Government's evolving threat perceptions during Indonesia's 'Confrontation' of Malaysia. It begins by noting that the Government's threat perceptions remained relatively stable across its policy machinery between January 1963 and August 1964 in spite of Indonesia's escalating campaign of infiltrations into Borneo. It finally analyses how Indonesia's 'Year of Dangerous Living' and expanded campaign of infiltrations into the Malaysian peninsula forced a converging of threat perceptions across the Government's policy machinery towards recognising a direct Indonesia threat, with corresponding shifts in policy regarding conscription and the deployment of Australian troops to Borneo.

## **Chapter One: The Indonesian Crisis and Civil War and the rise of a low-level Indonesia threat, December 1956 - August 1958**

This chapter analyses the Indonesian Crisis and Civil War as a critical turning point in understanding how the Australian Government's policy machinery came to see Indonesia as a threat. During this tumultuous period from December 1956 to August 1958 the Government's perceptions evolved from initially viewing Indonesia as a relatively weak country vulnerable to Communism, to eventually see it as posing a credible low-level threat to West New Guinea. This change in threat perception was widespread within the Government's policy machinery, with the JIC, JPC, Chiefs of Staff Committee, Defence Committee and Cabinet coming to the shared conclusion in August 1958 that Indonesia had emerged from the Indonesian Civil War with capabilities and intentions sufficient to pose a credible low-level threat to West New Guinea.

In order to demonstrate how this transition in threat perception occurred this chapter is divided into two sections. The first section analyses how External Affairs gradually became more uncertain whether a Communist Indonesia might emerge. This uncertainty peaked in February 1958 when the JIC noted that the PKI could take control of east Java 'if it had to'. Nonetheless, this rising anxiety was insufficient to change Defence and External Affairs' estimates of Indonesian capabilities, with Indonesia judged to be incapable of posing a serious threat to West New Guinea and northern Australia. In the second phase from February to August 1958 the chapter analyses how Defence and External Affairs' estimates of Indonesian capabilities changed

rapidly during the short-lived Indonesian Civil War due to Indonesia's performance against the rebels and its growing defence ties with the Soviet bloc. However, the chapter notes that there were also subtle signs of an emerging debate concerning the scale of the Indonesia threat, with Ambassador McIntyre in Jakarta remaining sceptical of Indonesia's capabilities in spite of its success against the internal rebels.

### **The Indonesia threat in Australian defence planning prior to the Indonesian Crisis**

Prior to the beginning of the Indonesian Crisis in December 1956 images of Indonesian military incapacity had dominated the Menzies Government's analysis of the West New Guinea dispute. As early as 1950 Defence had explored Indonesia's capacity to threaten the Dutch territory, with the JPC making repeat assessments that Indonesia lacked the necessary military capabilities to defeat the Dutch forces stationed there.<sup>57</sup> These assessments were confirmed when Dutch forces easily defeated three small Indonesian infiltrations launched against West New Guinea in the early 1950s.<sup>58</sup> These failed infiltrations deterred the Indonesians from launching any further attacks until 1960, and in the coming years the Menzies Government was able to provide ongoing diplomatic support to the Dutch, confident in the fact that Indonesia was unlikely to directly

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<sup>57</sup> NAA A1838, TS696/3/2 Part 1, Regional Defence Organisation. Pacific. Indonesian threat to Dutch New Guinea, 1950-1955. 'Letter to A.S. Watt, Secretary, Department of External Affairs, from Department of Defence, 20 October 1950, Strategic Significance of Dutch New Guinea', digital copy, p. 236-237.

<sup>58</sup> Ken Conboy, *Kopassus: Inside Indonesia's Special Forces*, Equinox Publishing, Jakarta, 2003, p. 62.

challenge the Dutch position.<sup>59</sup> But while a direct Indonesian military threat to West New Guinea and northern Australia appeared to be years away from fruition, the problems of an unstable Indonesia, vulnerable to domestic and international Communist influences began to draw increasing attention.

### **The beginning of the Indonesian Crisis, December 1956**

Concerns about a Communist Indonesia threat had reignited in 1955 when the Indonesian Communist Party (PKI) emerged from Indonesia's inaugural parliamentary elections with a surprise fourth place and sixteen per cent of the national vote.<sup>60</sup> These concerns were reflected in the 1956 Strategic Basis, which estimated for the first time that a three-year warning period existed before a Communist Indonesia could plausibly emerge.<sup>61</sup>

Anxieties about Indonesia's vulnerability to domestic Communist forces were reinforced in December 1956 when tensions between Jakarta and the outer islands culminated with the resignation of Indonesia's Sumatran Vice-President Dr. Mohammad Hatta and the establishment

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<sup>59</sup> NAA A8738, 7, Joint Planning Committee original reports – 12/1951 to 65/1951. 'Report by the Joint Planning Committee at meeting held on Monday, 9<sup>th</sup> April, 1951. Report No. 21/1951 – Plan for military assistance to the Dutch, in the event of an attack on Dutch New Guinea by Indonesia'.

<sup>60</sup> The Australian Government's concerns about a Communist Indonesia were initially raised in 1948 when the PKI conducted a short-lived, unsuccessful revolt at Madiun in Java.

<sup>61</sup> Donald Hindley, *The Communist Party of Indonesia: 1951-1963*, University of California Press, Berkeley and Los Angeles, 1966, p. 223; 'The Strategic Basis of Australian Defence Policy (October 1956)', paragraph 4, in Stephan Frühling (ed.), *A History of Australian Strategic Policy since 1945*, Defence Publishing Service, Department of Defence, Commonwealth of Australia, Canberra, 2009, p. 244.

of a collection of semi-autonomous Indonesian military councils in Sumatra.<sup>62</sup> Three months later what had become the 'Indonesian Crisis' deepened when Lieutenant Colonel Sumual announced in March 1957 a state of siege in eastern Indonesia and the creation of the Permesta movement.<sup>63</sup> Unable to reconcile these rebel military councils, Sukarno responded in March 1957 by decreeing martial law and the beginning of 'Guided Democracy', involving the creation of a multi-party unity Government, which was anticipated to include members of the PKI.<sup>64</sup>

For the policy machinery of the Menzies Government the Indonesian Crisis raised anxieties about Indonesia's vulnerability to Communism, but at the same time, Defence and External Affairs continued to assess that Indonesia's lack of military capability would render a Communist Indonesia impotent. In February 1957 the Defence Committee, containing the secretaries of both Defence (Edwin Hicks) and External Affairs (Arthur Tange), was confident enough to extend the warning time estimate for a Communist Indonesia to emerge from three years (1960) to five years (1962). In keeping with its previous estimates the Defence Committee advised Cabinet that Indonesia's armed forces posed 'no direct threat' to Australia in their current form. The Defence Committee confidently asserted that even if Indonesia was to become Communist it would be unable to move against West New Guinea before 1962 due to a lack of operational experience and technical expertise in operating any new arms that it might acquire

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<sup>62</sup> NAA A1838, TS383/6/1 Part 3, Indonesia – Top Secret documents. 'Cable, from Secretary, Department of External Affairs, to Secretary, Department of Defence'.

<sup>63</sup> Sumual was the commander of Indonesia's seventh military district in the east of the archipelago. The word 'Permesta' was derived from *Piagam Perjuangan Semesta Alam*, or 'Charter of Inclusive Struggle'. See Ken Conboy, *Kopassus: Inside Indonesia's Special Forces*, Equinox Publishing, Jakarta, 2003, p. 38.

<sup>64</sup> Daniel S. Lev, *The Transition to Guided Democracy: Indonesian Politics 1957-1959*, Second Edition, Equinox Publishing, Singapore, 2009, p. 28, 29.

from the Communist bloc.<sup>65</sup> Cabinet accepted this advice and as a result Indonesia was barely mentioned as a topic of discussion when Cabinet met on 22 February 1957 to analyse the 1956 Strategic Basis.<sup>66</sup> With no immediate Indonesia threat in sight, in April 1957 Menzies presented to Parliament Australia's defence planning priorities as set out in the 1956 Strategic Basis, to develop 'hard-hitting, flexible, mobile, and readily available forces' suitable for service alongside major allies fighting communist insurgencies or 'brush-fire wars' in Southeast Asia.<sup>67</sup>

Throughout the remainder of 1957 both Defence and External Affairs retained a stable outlook on Indonesian capabilities. A JIC report in July 1957 found that in the absence of the necessary military capabilities Indonesia was unlikely to attack West New Guinea before 1962. The JIC assessed that at best Indonesia could only secure a minor lodgement in the territory, with the paper subsequently endorsed by the Defence Committee in September 1957.<sup>68</sup> Even more notably, in December 1957 the JPC was instructed by the Defence Committee to conduct a twelve-month review of the 1956 Strategic Basis. Remarkably, in spite of Indonesia's rising instability, the JPC review found that there had been no significant change in Australia's strategic environment and therefore the 1956 Strategic Basis paper 'remains valid' with only minor editorial changes required.<sup>69</sup>

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<sup>65</sup> NAA A1838, TS696/3/8, Importance of Indonesia to Australia and Regional Defence. 'Minute of Meeting of Defence Committee meeting held on 14<sup>th</sup> February 1957, No. 31/1957: Importance of Indonesia to Australia and Regional Defence', digital copy, p. 99-100.

<sup>66</sup> NAA A11099, 1/35, Notetaker E J Bunting – Notes of meetings 20 February 1957 – 1 October 1957, digital copy, p. 10.

<sup>67</sup> 'The Strategic Basis of Australian Policy (October 1956)', in Stephan Frühling (ed.), *A History of Australian Strategic Policy since 1945*, Defence Publishing Service, Canberra, 2009, paragraph 36, p. 213.

<sup>68</sup> NAA A1838, TS666/57/7, Joint Intelligence Committee (M) 7 – Likelihood of Indonesia gaining control of West New Guinea. 'Minute by Defence Committee at meeting held in Canberra on 19<sup>th</sup> September 1957'.

<sup>69</sup> NAA A1945, 83/2/1, Strategic Basis of Australian defence policy – Defence Committee report, January 1958. 'Notes on Defence Committee Agendum No. 13/1958'.

But while the outlook on Indonesian capabilities had remained stable in 1957, there was less certainty in External Affairs concerning Indonesia's political direction. On one side of the equation, some senior government figures within External Affairs continued to dismiss the possibility of the Indonesian Crisis deteriorating further due to their perceptions of Indonesia's vacillating national character. In some of the more notable examples of these perceptions, Tange in one instance expressed the view that 'the Indonesian people are not prone to violence', while Australia's Ambassador to Indonesia, Laurence McIntyre, noted that conflict was possible but unlikely because the launching of military operations against the rebel groups would be 'alien to Indonesian instincts'.<sup>70</sup> Tange and McIntyre's views had a discernible impact on JIC reporting, with McIntyre's assessment that 'things seldom or never happen quickly in Indonesia' being directly quoted in one JIC report.<sup>71</sup>

But in contrast to the outspoken opinions of Tange and McIntyre, the more circumspect views of the Minister for External Affairs, Richard Casey, also held considerable influence. Casey would express increased uncertainty during 1957 regarding Indonesia's political direction, especially when the PKI achieved a shock first place in Java's municipal and provincial elections during July-August 1957.<sup>72</sup> Following these results, in October 1957 Casey had asked American officials whether they thought that Indonesia would become Communist by constitutional

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<sup>70</sup> NAA A1838, 551/13/11 Part 4, Chronological series of records of conversation – Sir Arthur Tange. 'Tange, Conversation with Swedish Minister Mr. Bergenstrahle, 21 January 1958'; NAA A6364, JA1958/01/01, Jakarta cables inwards chronological, numbers 2 to 400, 2 January 1958 to 4 June 1958. 'Cable 128, From McIntyre, Australian Embassy, Jakarta, to Canberra, 14 February, 1958'.

<sup>71</sup> NAA A1838, TS666/27 Part 1, Joint Intelligence Committee 27. 'Cable from McIntyre to Acting Secretary External Affairs'.

<sup>72</sup> Of Java's one hundred municipal districts, the PKI achieved first place in 44, including outright PKI majorities of 50 per cent or more in eleven districts, and a respectable second place in Jakarta. See Donald Hindley, *The Communist Party of Indonesia: 1951-1963*, University of California Press, Berkeley and Los Angeles, 1966, p. 225.

means, and whether a policy of encouraging Indonesian decentralization was therefore warranted.<sup>73</sup>

Most notably, growing uncertainty within External Affairs about Indonesia's political direction was sufficient to delay for twelve months the completion of a JIC report that analysed the possibility of Indonesia becoming Communist by 1962. Due to the rise of the Indonesian Crisis in December 1956, and the PKI's electoral success in July 1957, the first and second drafts of this report were withheld from submission to Cabinet, while the third draft of the report in October adopted a gloomier outlook by downsizing the warning time estimate for a Communist Indonesia to emerge from five years to three years.

The fourth draft of this JIC report was eventually completed in November, but between its submission on 21 November 1957 and its final consideration by the Defence Committee on 18 December 1957, tensions in Indonesia dramatically escalated, casting doubt on the report's conclusions once again.<sup>74</sup> The failure of an Indonesian sponsored UN resolution debating the status of West New Guinea on 29 November 1957 triggered violent protests in Indonesia, culminating with the seizure of Dutch enterprises across Jakarta and the Indonesian Ministry of Justice ordering the expulsion of Dutch nationals from Indonesia.<sup>75</sup> Further complicating matters, Sukarno narrowly escaped an assassination attempt in Jakarta by disgruntled Indonesian

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<sup>73</sup> Robert J. McMahon, Harriet D. Schwar, Louis J. Smith, John P. Glennon (eds.), *Foreign Relations of the United States, 1955-1957*, Volume XXII, Southeast Asia, Document 273, 'United States Minutes of ANZUS Council Meeting, Washington, 4 October 1957', <http://history.state.gov/historicaldocuments/frus1955-57v22/d273>, accessed 11 June 2013.

<sup>74</sup> NAA A1838, TS666/27 Part 1, Joint Intelligence Committee 27.

<sup>75</sup> Yearbook of the United Nations, The question of West Irian (West New Guinea), [http://unyearbook.un.org/1957YUN/1957\\_P1\\_SEC1\\_CH8.pdf](http://unyearbook.un.org/1957YUN/1957_P1_SEC1_CH8.pdf), accessed 5 April 2014; Daniel S. Lev, *The Transition to Guided Democracy: Indonesian Politics 1957-1959*, Second Edition, Equinox Publishing, Singapore, 2009, p. 48.



students on 6 December 1957, amidst suspicions of broader involvement from the maverick Indonesian Army Colonel Zulkifli Lubis and the CIA.<sup>76</sup>

As a result of these latest events, the Defence Committee decided to endorse the JIC report as accurate up to 21 November 1957 only, considering the paper's estimate of the Communist Indonesia threat to be 'over-optimistic'. The Defence Committee therefore determined that a further update of the report needed to be made before its submission to Cabinet.<sup>77</sup> The Deputy Chief of the General Staff, Major General H.G. Edgar had 'started to fuss about the amount of work involved', but in an indication of his rising concerns about Indonesia's political direction, Tange insisted that a new draft needed to be constructed. In a further indication of the Government's rising uncertainty the JIC was instructed in December 1957 to begin producing two Indonesia focused 'Situational Reports' per week, to keep Cabinet abreast of the most recent political developments in Indonesia.<sup>78</sup> Even more poignantly, in December 1957 the Government participated in secret meetings with American and British officials in Washington to discuss various Indonesia contingencies, including the possibility of extracting foreign nationals if a Communist Java was to emerge.<sup>79</sup>

Hence by the close of 1957 there was evidence of a growing debate within External Affairs concerning Indonesia's political direction and whether a Communist Java might emerge. While

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<sup>76</sup> Audrey R. Kahin and George McT. Kahin, *Subversion as Foreign Policy: The Secret Eisenhower and Dulles Debacle in Indonesia*, University of Washington Press, Seattle, 1995, p. 113.

<sup>77</sup> NAA A1838, TS666/27 Part 1, Joint Intelligence Committee 27. 'Minute by Defence Committee at meeting held on 18<sup>th</sup> December 1957'.

<sup>78</sup> From the first 'Situation report' on 16 December 1957, through to August 1958, 47 situation reports in total were produced. See NAA A1838, 3034/2/1/2 Part 1, Indonesia - Political – Situation Reports.

<sup>79</sup> Robert J. McMahon, Glenn W. LaFantasie (eds.), *Foreign Relations of the United States, 1958-1960, Volume XVII, Indonesia*, Document 12, <http://history.state.gov/historicaldocuments/frus1958-60v17/d12>, accessed 15 March 2013.

Ambassador McIntyre would downplay the significance of the Indonesian Crisis during the countdown to the beginning of hostilities in February 1958, Tange after initial indifference appears to have followed Casey's lead in contemplating the prospect of a Communist Indonesia.

Four weeks later the revised JIC report analysing Indonesia's vulnerability to Communism was approved by the Defence Committee and submitted to Cabinet on 16 January 1958. With Indonesia's fragile political stalemate hanging in the balance, the JIC maintained the hope that 'The formation of a moderate Government is a possibility', but having been instructed that its previous November draft was 'too optimistic' the JIC downsized its warning time estimate for a Communist Indonesia to emerge from three years to two years.<sup>80</sup> But most significantly, the JIC continued to predict that even if a Communist Java was to emerge it would be militarily incapable of moving against the non-communist outer islands for at least three years (1961).<sup>81</sup>

In contrast to the American Government's emerging policy of providing covert military support to the rebels, Casey argued in the ensuing Cabinet debate that it was in Australia's best interest to continue supporting a unified Indonesia as the most effective means of preventing a Communist Java from emerging, even at the expense of the rebel groups.<sup>82</sup> Casey delved into geostrategic and national power considerations in making his case, stating that a splintered Indonesian archipelago was likely to be dominated in the long term by a Communist Java due to

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<sup>80</sup> NAA A1838, TS666/27 Part 2, Joint Intelligence Committee M 27. 'JIC (Melbourne)(58)43 (Final), The possibility of Indonesia becoming Communist during the period up to 1960'.

<sup>81</sup> NAA A1838, TS666/27 Part 2, Joint Intelligence Committee M 27. 'JIC (Melbourne)(58)43 (Final), The possibility of Indonesia becoming Communist during the period up to 1960'.

<sup>82</sup> By January 1958 the American Government had begun supplying covert military aid to the rebels and was contemplating the use of nuclear weapons if Indonesia became Communist. See Audrey R. Kahin and George McT. Kahin, *Subversion as Foreign Policy: The Secret Eisenhower and Dulles Debauch in Indonesia*, University of Washington Press, Seattle, 1995, p. 113; Hanno Weisbrod, *Australia's security relations with the United States, 1957-1963*, ANU Thesis, 1969, Appendix, p. 117-118.

its larger population and central geographic position.<sup>83</sup> Cabinet supported Casey's argument, with the outspoken McMahon mentioning that Indonesia's 'indolent' national character was a key mitigating factor in preventing a Communist Indonesia from emerging.<sup>84</sup>

But within weeks of this decision the Australian Government was forced to revise its assessments once again, with a JIC 'Situation Report' on 7 February 1958 noting that the PKI had evaluated that it could seize control of east and central Java 'if it had to'.<sup>85</sup> Hence on the cusp of the Indonesian Civil War in February 1958 there was a high degree of uncertainty within the Australian Government's policy machinery concerning Indonesia's vulnerability to Communism. Crucially however, images of Indonesia's military incapacity had continued to prevail, with the Defence Committee and Cabinet approving the JIC report in January 1958 which assessed that even if a Communist Java did emerge, it would be unable to pose a military threat to the outer islands for at least three years. However, in the ensuing six months these perceptions of Indonesian military incapacity would be severely tested during the Indonesian Civil War.

## **The rise of a low-level Indonesia threat during the Indonesian Civil War, February - August**

### **1958**

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<sup>83</sup> NAA A1838, TS696/2/2 Part 5, Regional Defence – Indonesia – Australian Strategic Interest.

<sup>84</sup> NAA A11099, 1/37, Notetaker E J Bunting – Notes of meetings 12 December 1957 – 28 February 1958, digital copy, p. 19.

<sup>85</sup> East Java was an electoral stronghold of the PKI. NAA A1838, 3034/2/1/2 Part 1, Indonesia, Political – Situation Reports. 'Situation Report No. 13, 7 February 1958', digital copy, p. 166.

As it happened, on 15 February 1958 some of the rebel military councils in Sumatra declared the creation of the Revolutionary Government of the Republic of Indonesia (PRRI), standing in direct opposition to the Sukarno led Central Government in Jakarta.<sup>86</sup> Two days later the Permesta rebels in eastern Indonesia announced their allegiance with the PRRI rebels in Sumatra, plunging Indonesia into a brief but violent civil war.

These events caused a brief spike in JIC fears that a Communist Java was about to emerge, but to the good fortune of Australian policy developers, the rebel proclamation spurred the Sukarno led Central Government forces into action. Although the JIC had assessed in January 1958 that it would take three years before a Communist Java could launch an attack against the outer islands, just one week after the rebels' announcement the Central Government's forces began sporadic bombing raids against PRRI targets on 22 February 1958.<sup>87</sup> Compelled by reports of an American naval force assembling in Singapore, in early March the Central Government proceeded to launch a series of surprise amphibious and para-troop assaults, beginning with the capture of Pekanbaru on 12 March 1958.<sup>88</sup> The surprise assaults were a success, seizing significant amounts of PRRI territory with minimal resistance.

Consequently, the Indonesian Civil War was barely a month old before Central Government forces had inflicted a serious defeat upon the PRRI rebels. This allowed Australian

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<sup>86</sup> PRRI is the acronym for *Pemerintah Revolusioner Republik Indonesia*, or Revolutionary Government of the Republic of Indonesia.

<sup>87</sup> NAA A1838, TS225/22, Indonesia. 'Situation Report No. 18, 25<sup>th</sup> February 1958'.

<sup>88</sup> The Americans may have been preparing to intervene in Sumatra. See Audrey R. Kahin and George McT. Kahin, *Subversion as Foreign Policy: The Secret Eisenhower and Dulles Debacle in Indonesia*, p. 149-150.

policy developers, most notably Casey, to step back from contemplating a Communist Java and the American policy of covertly supplying arms to the rebels.<sup>89</sup> While Casey viewed the rebels as a valuable political tool prior to their declaration of a rival government, the extent of Australian support for the rebels after this date remains hazy. The Indonesian scholar Hadi Soebadio has attempted to argue that Australia provided *military* support to the rebels, but he also conceded that ‘the full extent of Australian involvement in the rebellion is difficult to determine’.<sup>90</sup> And indeed, there is an absence of supporting evidence such as soldiers’ testimonials to support the hypothesis. What does appear certain is that Casey *considered and discussed* military support for the rebels, that Australian officials communicated with them, and that the Australian Government was aware of the United States’ program of covert military aid.<sup>91</sup>

Furthermore, as will be demonstrated in the ensuing analysis, the Australian Government had at the very most, only one month to seriously consider the prospect of providing military support to the rebels before Central Government forces began to enjoy military success. And indeed, with Sukarno anxious to report his military successes to his wavering domestic audience, Ambassador McIntyre, the Australian Defence Attaché Saunders and their Western peers were

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<sup>89</sup> Audrey R. Kahin and George McT. Kahin, *Subversion as Foreign Policy: The Secret Eisenhower and Dulles Debacle in Indonesia*, p. 164; Geoffrey Slatter and Jack Waterford, ‘Finger in the Pie’, *Canberra Times*, 17 February 1991; NAA A1838, TS383/6/1 Part 3, Indonesia – Top Secret documents. ‘Notes for discussions with Mr. Walter Nash, Prime Minister of New Zealand, 27 February 1958. From T.W. Cutts, South and South East Asia Branch, to Minister for External Affairs, 20 March 1958’.

<sup>90</sup> Hadi Soebadio, *Australia’s Involvement in the PRRI/Permesta Rebellion*, Pramita Press, Tangerang, 2005, p. 165.

<sup>91</sup> Hadi Soebadio, *Australia’s Involvement in the PRRI/Permesta Rebellion*, Pramita Press, Tangerang, 2005, p. 189; Hanno Weisbrod, *Australia’s security relations with the United States, 1957-1963*, ANU Thesis, 1969, Appendix, p. 40.

certainly well informed, being able to freely report back to Canberra a steady stream of intelligence on the current progress of the Central Government forces in Sumatra.<sup>92</sup>

But in spite of the Central Government's early success at Pekanbaru, External Affairs initially remained sceptical of Indonesian capabilities. In March 1958 Ambassador McIntyre echoed an American assessment when he noted that the PRRI's guerrilla units would 'make mince-meat of any Government force advancing on Padang through the mountains from Pekanbaru', while a Central Government amphibious assault on the west coast of Sumatra would be 'precarious'.<sup>93</sup> Informed by McIntyre's sceptical outlook, a JIC report on 19 March 1958 assessed that the Indonesian Civil War would be a long, drawn out affair, and that further Central Government advances into rebel held territory would 'probably prove to be beyond their military resources, morale and skill'.<sup>94</sup>

Due to prevailing images of Indonesian military incapacity, the JIC also assessed that the Central Government was likely to aim for a negotiated settlement with the rebels. But emboldened by its early military successes, on 20 March 1958 the Indonesian Prime Minister Djuanda surprised McIntyre when he informed him that the Indonesian Government had resolved to defeat the rebels by force.<sup>95</sup> Djuanda's statement contradicted earlier statements made by Tange and McIntyre about Indonesia's vacillating national character, and in the coming

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<sup>92</sup> From the first 'Situation report' on 16 December 1957, through to August 1958, 47 'SitReps' in total were composed by the JIC. See NAA A1838, 3034/2/1/2 Part 1, Indonesia – Political – Situation Reports.

<sup>93</sup> NAA A6364, JA1958/01/01, Jakarta cables inwards chronological, numbers 2 to 400, 2 January 1958 to 4 June 1958. 'Cable 196, from McIntyre, Australian Embassy, Jakarta, to Canberra, 17 March 1958'.

<sup>94</sup> NAA A1838, TS666/45, Joint Intelligence Committee (M)(58) 45 (Revise) – Tentative analysis of the military action in Indonesia. 'JIC(M)(58) 45 (Revised), 19<sup>th</sup> March 1958, Tentative analysis of the military action in Indonesia'.

<sup>95</sup> NAA A6364, JA1958/01/01, Jakarta cables inwards chronological, numbers 2 to 400, 2 January 1958 to 4 June 1958. 'Cable 208, From McIntyre, Australian Embassy, Jakarta, to Canberra, 21 March 1958'.

months the JIC in particular would be forced to revise its calculations of both Indonesian capabilities and intentions following a string of Central Government victories.

### **The JIC's evolving estimates of Indonesian capabilities, April - June 1958**

Due to the Central Government's unexpected military successes against the rebels, Defence and External Affairs began to reconsider their calculations of Indonesian capabilities. One of the first indications of these changing estimates came during an ANZUS Military Staff planners' meeting at Sangley Point in The Philippines in late March 1958. An Australian paper presented at the meeting noted that Indonesia 'should, if necessary, become our area of primary strategic interest rather than the mainland of South East Asia'.<sup>96</sup> A couple of weeks later an External Affairs Working Paper on 9 April 1958 acknowledged that 'recent military developments suggest that:- We earlier underestimated the will and capacity of the Central Government to plan and execute a difficult military operation'.<sup>97</sup> However, External Affairs was reluctant to completely abandon its previous assessments, noting that 'It is too early to predict whether the Central Government will shortly be able to capture Padang. However, their chances of doing so appear greater than was anticipated in early February'.<sup>98</sup> Eight days later the Central Government forces did indeed

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<sup>96</sup> NAA A1945, 16/4/1, Attachment A to Defence Committee Agendum 44/1958, Supplement No. 2, 4 June 1958, ANZUS military talks on Indonesia – File no. 1; NAA A1945, 16/4/1, Defence Committee Agendum No. 44, ANZUS Military Staff Planners Meeting, Sangley Point, March, 1958.

<sup>97</sup> The paper also went on to note that 'we may have over-estimated the will and capacity of the dissident forces'.

<sup>98</sup> NAA A1838, 3034/2/1/2 Part 1, Indonesia - Political – Situation Reports. 'Political Situation Report No. 27, 28 March 1958', digital copy, p. 111; NAA A1838, TS383/6/1 Part 3, Indonesia – Top Secret documents.

capture Padang, launching a surprise amphibious assault on the rebel held city months in advance of JIC predictions.<sup>99</sup>

With Central Government forces in the ascendency, an External Affairs working paper composed shortly thereafter was comparatively glowing in its new-found respect for the Central Government's military forces. The paper noted that their 'flexibility and their almost undisputed control of the sea and air, seem sufficient to ensure suppression of North Celebes within, at most, a few months of the collapse of rebel resistance in Sumatra', a stark turn-around from what had been assessed only a few weeks earlier.<sup>100</sup> These changing estimates in turn invoked growing uncertainty within the senior levels of Defence and External Affairs, with the Minister for Defence Sir Phillip McBride later noting to his Cabinet colleagues that 'All the appreciations that I was given during the revolt were wrong. The Indonesians were better than we believed'.<sup>101</sup>

With the Central Government's forces continuing to advance, fears of a Communist Java continued to subside. On 24 April 1958 the JIC assessed that the PKI, fearing a direct confrontation with the emboldened Indonesian Army, was more likely to advance its interests by constitutional means rather than resorting to force of arms. As a result the JIC calculated that the PKI was likely to focus on achieving an increased vote in Indonesia's anticipated 1959 national

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<sup>99</sup> Audrey R. Kahin and George McT. Kahin, *Subversion as Foreign Policy: The Secret Eisenhower and Dulles Debacle in Indonesia*, p. 164.

<sup>100</sup> NAA A1838, TS383/6/1 Part 4, Indonesia. Top Secret documents. J.I.C. report, 'A comparison of military resources of North Celebes and Central Government'.

<sup>101</sup> NAA A11099, 1/26, Notetaker A S Brown – Notes of meetings 12 August 1958 – 30 September 1958, digital copy, p. 6.



elections, while at the same time continuing to infiltrate the ranks of the Indonesian armed forces.<sup>102</sup>

With an internal debate beginning to emerge within External Affairs concerning Indonesia's capabilities, a further factor began to play into these calculations, that of Indonesia's growing defence relationship with the Soviet bloc. As early as January 1958 Ambassador McIntyre had reported to Canberra 'rumours of Soviet Arms deals' in Jakarta, noting that the Soviet Ambassador had reportedly made an offer 'which the Indonesian Government would find hard to refuse'.<sup>103</sup> This Soviet offer of economic and military aid was confirmed a fortnight later in a JIC report on 30 January 1958, which also noted that an Indonesian arms buying mission was currently visiting Czechoslovakia and Poland.<sup>104</sup>

Two months later on 3 April 1958 Ambassador McIntyre was able to confirm that Indonesia's most recent arms purchases from the Soviet Union included agreements to acquire 60 MiG fighters (both MiG 15s and 17s), 32 Il-28 bombers, and 11 Il-14 transports, with deliveries anticipated to begin within the next few months, supported by 60 Russian technicians and instructors.<sup>105</sup> In the coming weeks McIntyre and Saunders continued to inform Canberra of Indonesia's new Soviet arms deliveries, but thought that they would not become operational in time to use against the PRRI and Permesta rebels.<sup>106</sup> Nevertheless, Indonesia appeared to be

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<sup>102</sup> NAA A1838, TS666/105, Joint Intelligence Committee – JIC(M)(58)105 – Probable short term consequences of the early collapse of organised rebel resistance in Sumatra, 24 April 1958.

<sup>103</sup> NAA A6364, JA1958/01/01, Jakarta cables inwards chronological, numbers 2 to 400, 2 January 1958 to 4 June 1958. 'Cable 27, From McIntyre, Australian Embassy, Jakarta, to Canberra, 8 January 1958'.

<sup>104</sup> NAA A1838, TS666/43, Joint Intelligence Committee (M)(58)43 – Possibility of Indonesia becoming Communist during the period up to 1960. 'JIC fortnightly review, 30 January 1958'.

<sup>105</sup> NAA A6364, JA1958/01/01, Jakarta cables inwards chronological, numbers 2 to 400, 2 January 1958 to 4 June 1958. 'Cable 233, From McIntyre, Australian Embassy, Jakarta, to Canberra, 3 April 1958'.

<sup>106</sup> NAA A1838 TS696/2/7 Part 1, Indonesia ANZUS Consideration.

making alarming progress in upgrading its capabilities, with Saunders reporting to Canberra on 5 June 1958 that he had just been informed by Indonesia's Director of Air Intelligence, Colonel Siswadi, that Indonesia had now assembled and flown 15 MiG aircraft, with deliveries of Il-28s expected to begin soon.<sup>107</sup>

### **The Australian Government's rising concerns about West New Guinea's security**

With Defence and External Affairs already beginning to revise their assessments of Indonesian capabilities in mid-1958 they also began to contemplate whether Indonesia's improving capabilities were beginning to destabilize the West New Guinea balance of power between the Dutch and Indonesians. The Dutch, being acutely sensitive to these matters had already sought assurances from Tange in April and May 1958 that the Australian Government was militarily committed to the Dutch position in West New Guinea. However, Tange's replies to the Dutch had been evasive, stating in one instance that Australia saw no need to pledge military support to the Dutch as Indonesia posed no military threat.<sup>108</sup>

However, behind the scenes quite a different story was beginning to unfold within the Australian Government's policy machinery. Despite their differing departmental perspectives on

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<sup>107</sup> NAA A6364, JA1958/06, Jakarta cables inwards chronological, secret and below, numbers 401-750, 4 June 1958 to 5 December 1958.

<sup>108</sup> NAA A1838, TS383/6/1 Part 4, Indonesia. Top Secret documents. 'Conversation with The Netherlands Ambassador, Mr. A.H.J. Lovink, 13 April 1958'; 'Record of conversation between Dutch Ambassador, Mr. Lovink, and the Secretary, External Affairs, Mr. Tange, 26 May 1958'.

West New Guinea's strategic significance, in May and June 1958 the Secretaries of Defence and External Affairs, Edwin Hicks and Arthur Tange, had begun to discuss whether Australia should support the new US policy of providing arms to Indonesia, especially the Indonesian Army, in order to balance against Indonesia's growing defence ties with the Soviet Union.<sup>109</sup> On 16 May 1958 Hicks had noted to Tange that the new American policy placed Australia in an awkward position, in that 'Any provision of military arms would increase Indonesian capacity vis a vis Australia and to this extent may portend future risks'. Nevertheless, Hicks thought that the Indonesian Army should be supported due to its position as the primary anti-Communist institution in Indonesia, and also due to the fact that it was 'likely to be [the] least harmful from the Australian defence viewpoint'.<sup>110</sup>

Four days later on 20 May 1958 Casey cabled Ambassador Howard Beale in Washington to convey this new policy. Casey noted that 'Before the invasion of Sumatra, we considered that the Indonesians lacked such capacity', but in the face of Indonesia's recent victories, the Australian Government now had to consider 'the question of Indonesian capacity to launch an attack on Netherlands New Guinea'. Quoting directly from Hicks' letter to Tange just days earlier, Casey informed Beale that it was important to deny or restrict Indonesian access to 'jet fighters, major war vessels and modern amphibious aircraft'.<sup>111</sup> However, Ambassador McIntyre in Jakarta

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<sup>109</sup> The American Government abandoned its program of covert military aid to the rebels following the Indonesian Government's shooting down and capture of the CIA pilot Allan Lawrence Pope in May 1958; In December 1956 the JPC had 'denunciated' a JIC report which attempted to challenge Defence's emphasis upon the strategic significance of West New Guinea. See NAA A11604, 401/4, Jakarta – JIC Reviews. 'Handwritten comment on JPC meeting, 17 December 1956, addressed to Mr. John Quinn, Acting Assistant Secretary, External Affairs'.

<sup>110</sup> 'Least harmful' from the perspective that supplying the Indonesian Army was less threatening than providing Indonesia with the modern air and naval craft it required to launch an assault against West New Guinea or northern Australia. NAA A6456, R168/001, Defence Committee Records. 'Cable, Hicks to Tange, 16 May 1958'.

<sup>111</sup> NAA A1838, TS383/6/1 Part 4, Indonesia. Top Secret documents. 'Cable 716, For Beale from Casey, 20 May 1958'.

remained sceptical, noting on 19 May that ‘While I fully agree that the danger of an Indonesian attack on West New Guinea cannot be entirely ruled out, I cannot help feeling that we may be rating it too highly as an early possibility’.<sup>112</sup>

Thus by June 1958 it was becoming evident that an internal debate had started to emerge within the various levels of the Australian Government’s policy machinery concerning Indonesia’s capacity to pose a threat to West New Guinea. During a series of Cabinet meetings on 3 June, 9 July and 12-13 August 1958 Cabinet would analyse these questions in detail when it revisited its West New Guinea policy in the light of Indonesia’s military performance during the Civil War.<sup>113</sup>

### **Cabinet’s reconsideration of Australia’s West New Guinea policy, June-August 1958**

With Tange having been approached on 26 May regarding the possibility of Australian-Dutch staff talks, Cabinet on 3 June cautiously accepted in principle the proposal to begin sharing intelligence with the Dutch about West New Guinea. In justifying the decision the Minister for Defence, Sir Philip McBride noted to his Cabinet colleagues that ‘all along our military intelligence has underestimated the capacity of the Indonesians’.<sup>114</sup> One month later, on 9 July 1958 Cabinet

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<sup>112</sup> NAA A1838, TS383/6/1 Part 4, Indonesia. Top Secret documents. ‘Cable 345, McIntyre to Canberra, 18 May 1958’.

<sup>113</sup> NAA A1838, TS3036/6/2/2, Cabinet Decision No. 1402, 3 June 1958, digital copy, p. 135, 137.

<sup>114</sup> NAA A11099, 1/38, [Reference Copy] Notetaker E J Bunting – Notes of meetings 17 March 1958 – 20 August 1958, digital copy, p. 71.

went on to engage in a more comprehensive discussion of its West New Guinea policy. With Manado, the last major rebel held city having recently fallen to Central Government forces on 26 June 1958, Casey informed Cabinet that the rebels had failed as an anti-communist political pressure group.<sup>115</sup> Casey noted that with the Indonesian Civil War effectively concluded, the new question was, 'What happens if Indonesia attacks New Guinea, and what will Australia do?'<sup>116</sup> As a starting point to the discussion Casey shared with Cabinet a recent cable from Ambassador McIntyre in Jakarta. In the cable McIntyre noted that the Indonesian Government had prevailed 'against negligible opposition' and he doubted that the Indonesians had any 'illusions about their present military competence'.<sup>117</sup> Nevertheless, in a reflection of the unresolved debate within External Affairs concerning Indonesian capabilities, McIntyre also noted that 'we can perhaps envisage that in, say, 12 months' time they will have moulded their new aircraft into some sort of fighting force, with sufficient trained pilots to give them the capacity to dominate the air around and over West New Guinea'.<sup>118</sup>

With Indonesia's level of military capability open to debate, Cabinet was divided in its response, with some supporting the option of 'going the whole hog' and providing military support to the Dutch, while Casey thought that this option was impracticable because 'we had practically nothing to support them with'. Menzies had objected to Casey's line of argument, but with the support of McBride, Casey had countered that it was the private view of the Chiefs of

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<sup>115</sup> Although Manado had fallen, guerrilla resistance by the rebels would persist for a further three years.

<sup>116</sup> NAA A1838, TS383/6/1 Part 4, Indonesia. Top Secret documents.

<sup>117</sup> NAA A1838, TS383/6/1 Part 4. Indonesia. Top Secret documents.

<sup>118</sup> NAA A1838, TS383/6/1 Part 4. Indonesia. Top Secret documents.

Staff that Australia indeed had little to offer the Dutch in practical military support.<sup>119</sup> With Cabinet split concerning the level of both Indonesian and Australian capabilities, it was agreed that Cabinet should convene at a later date to consider an updated JIC appreciation of Indonesian capabilities, and an updated JPC appreciation exploring possible Australian force contributions to the defence of West New Guinea. In the meantime, Cabinet agreed that Australia should continue supporting the Indonesian Army as the 'strongest potential anti-Communist force in Indonesia', provided that the arms it supplied did not bolster Indonesia's offensive capabilities relative to those of Australia and the Dutch in West New Guinea.<sup>120</sup>

In the ensuing ten days the JIC utilised the latest intelligence, including what it regularly received from McIntyre and Saunders at the Australian Embassy in Jakarta to compose an updated appreciation of Indonesia's capabilities with reference to West New Guinea.<sup>121</sup> The key conclusion of the JIC report noted that although Australian and Dutch forces were superior to those of Indonesia, in a time critical contingency they would be unable to eject an Indonesian lodgement from West New Guinea before Soviet diplomatic intervention took effect in the UN Security Council.<sup>122</sup> Reviewing the JIC paper on 28 July 1958, the Defence Committee agreed with

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<sup>119</sup> NAA A1838, TS3036/6/2/2, Netherlands New Guinea/Indonesia – Future status – Cabinet considerations, Cabinet decisions on NNG. 'Note, Casey to Tange, 9 July 1958', digital copy, p. 132.

<sup>120</sup> NAA A1838, TS383/6/1 Part 4, Casey, Submission to Cabinet, 8 July 1958.

<sup>121</sup> NAA A1838, TS696/3/8, Importance of Indonesia to Australia and regional defence. Joint Intelligence Committee Report, 'The threat from Indonesia to Australia and its regional defence arrangements up to the end of 1960'; NAA A6364, JA1958/01/01, Jakarta cables inwards chronological, numbers 2 to 400, 2 January 1958 to 4 June 1958. 'Cable 233, From McIntyre, Australian Embassy, Jakarta, to Canberra, 3 April 1958'.

<sup>122</sup> It was feared that the Soviet Union might exercise its veto in the UN Security Council to block any resolution that called for the immediate withdrawal of Indonesian forces. Soviet diplomatic intervention would thus deliver Indonesia a diplomatic and strategic victory.

the JIC's assessment and added a further note of caution, stating that although Indonesia's current forces lacked offensive potency, in future they 'could well exceed' those of Australia.<sup>123</sup>

Following its completion on 18 July 1958, the JIC report was distributed to the JPC, which used the report to form the basis of its own military appreciation of West New Guinea contingencies.<sup>124</sup> The JPC identified a number of Australian forces that could be deployed at short notice to assist the Dutch, and attached an assortment of supporting documents, demonstrating how various RAAF forces based from either Darwin or Biak might contribute to the defensive effort (see Figures 3-5).<sup>125</sup>

The JPC plans envisaged Australian forces directly attacking staging areas in the Indonesian archipelago including 'ports, airfields, shipping, landing craft and logistic facilities'.<sup>126</sup> However, the JPC shared the JIC's assessment that the Soviet Union could utilise its veto within 'a matter of hours' to block any UN Security Council resolution that called for the immediate withdrawal of Indonesian forces, and thus deliver the Indonesians a strategic victory.<sup>127</sup>

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<sup>123</sup> NAA A1838, TS696/3/8, Importance of Indonesia to Australia and regional defence. 'Defence Committee Minute, 28 July 1958', paragraph 21.g.

<sup>124</sup> NAA A1945, 248/7/28, Joint Planning Committee Report No. 35/1958, 'Military measures which could be taken in event of an Indonesian attack on Netherlands New Guinea'.

<sup>125</sup> NAA A1838, 696/3/9, Netherlands New Guinea and Indonesia – Consideration by Cabinet – August 1958.

<sup>126</sup> NAA A1945, 248/7/28, Military measures which could be taken in the event of an Indonesian attack on Netherlands New Guinea. 'Report by the Chiefs of Staff Committee - Military measures which could be taken in the event of an Indonesian attack on Netherlands New Guinea'; NAA A1838, 696/3/9, Netherlands New Guinea and Indonesia – Consideration by Cabinet – August 1958.

<sup>127</sup> NAA A1945, 248/7/28, Military measures which could be taken in the event of an Indonesian attack on Netherlands New Guinea. 'Minute by Chiefs of Staff Committee at meetings held on 24<sup>th</sup> and 30<sup>th</sup> July 1958, Annex 'E'.

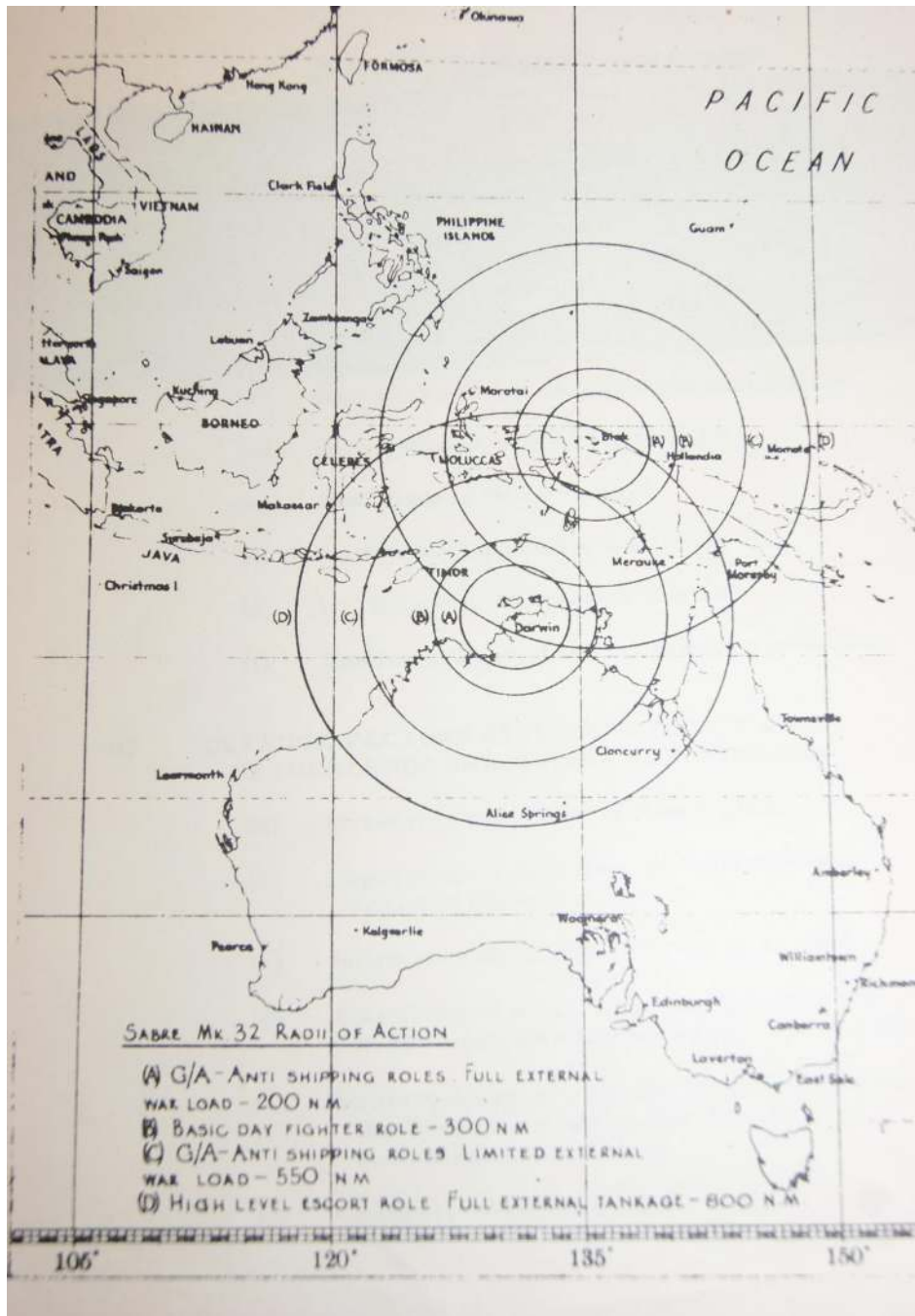


Figure 3. Avon-Sabre aircraft radii of action based from Darwin and Biak in various operational configurations. NAA A1945, 248/7/28.



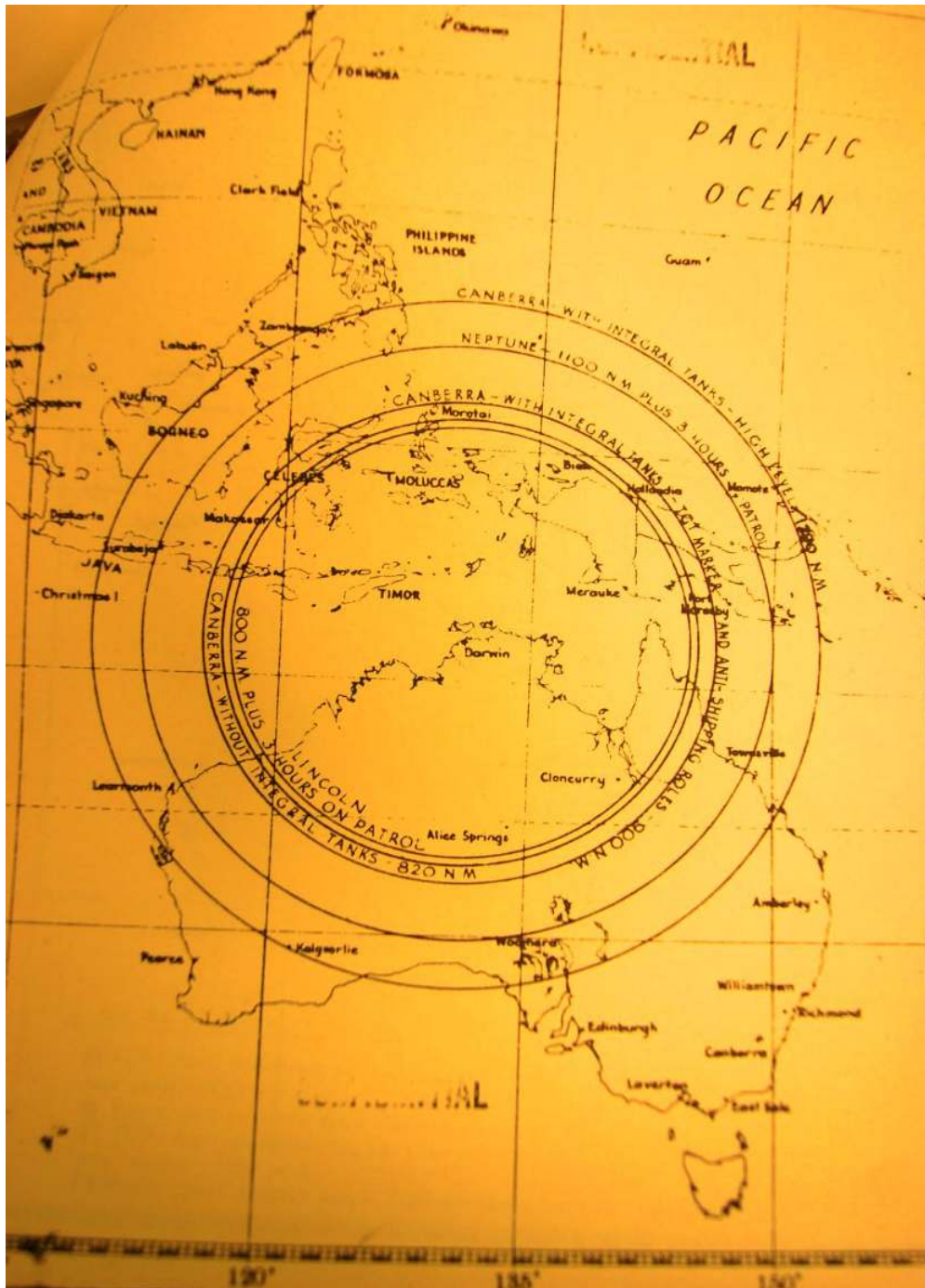


Figure 4. Radii of various RAAF aircraft based from Darwin, including Canberras in different operational configurations. NAA A1945, 248/7/28.

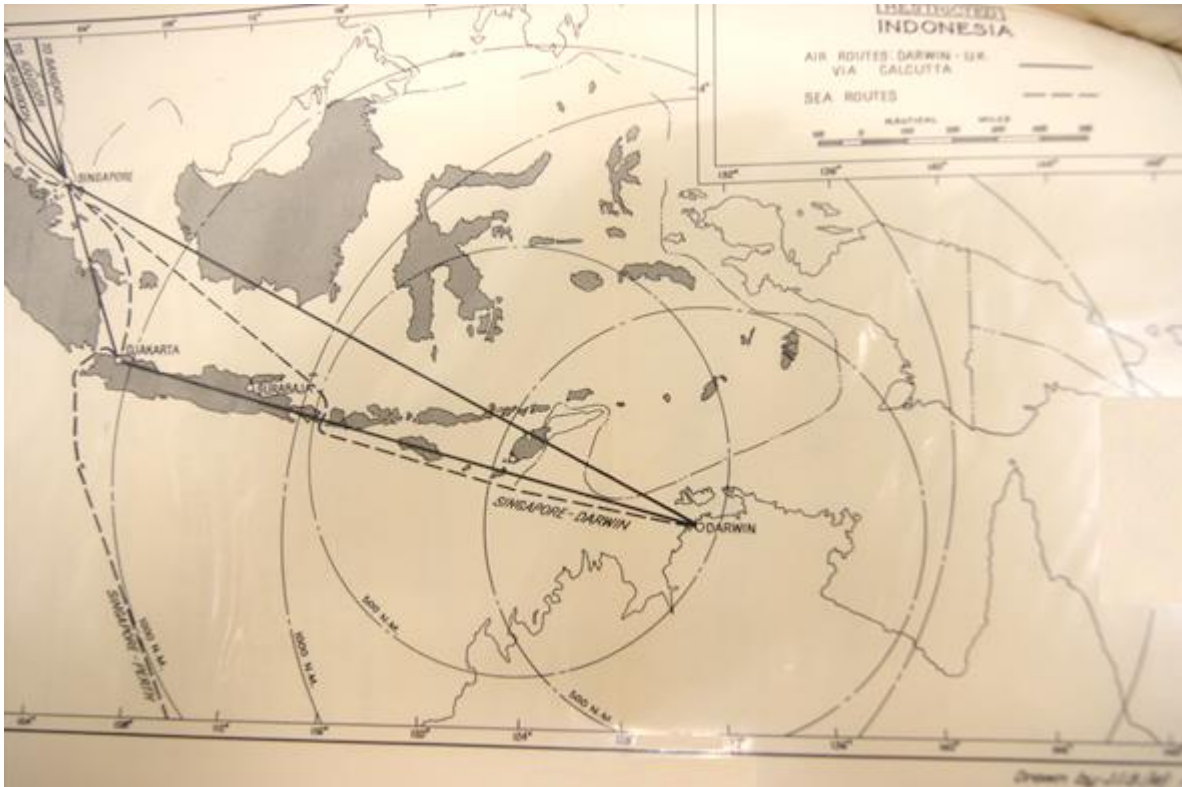


Figure 5. Plot of 500 and 1000 nautical mile radii of aircraft operating from Darwin and Kupang.

NAA A1945, 248/7/28.

As a result, the JPC agreed with the JIC's assessment that despite their relative superiority, 'It is unlikely that Australian forces could intervene in time to prevent an Indonesian lodgement'. In a further caveat, the JPC went on to state that Australia's armed forces were primarily designed to operate alongside major allies and would therefore suffer major capability limitations in a West New Guinea contingency.<sup>128</sup>

<sup>128</sup> The JPC noted that Australian forces would struggle to conduct tasks such as photographic and tactical reconnaissance, ground attack and anti-shipping strike, afloat support, amphibious operations and air defence. Despite these limitations, the JPC noted that Indonesian forces would suffer even greater capability limitations. See NAA A1838, 696/3/9, Netherlands New Guinea and Indonesia – Consideration by Cabinet – August 1958.

With Defence and External Affairs unusually unified in their assessments of the rising Indonesia threat to West New Guinea, Casey and McBride made a joint presentation of the JIC and JPC reports to Cabinet on 12-13 August. During the meeting they argued for a change in Australia's West New Guinea policy to that of US led military deterrence, with McBride noting that 'Even now Indonesia has the capacity to land a battalion group in West New Guinea and this with so little warning that it was unlikely that either the Dutch or ourselves could prevent the landing'.<sup>129</sup> McBride informed Cabinet that the Defence Committee 'does not like the idea of a war with Indonesia' and therefore argued that Australia 'should not promise more support to the Dutch than [what] the United States was prepared to give'. In support of McBride, Casey noted that 'The Defence view is that we could provide something, but it is fairly limited both in amount and time'.<sup>130</sup>

However, not all Cabinet Ministers shared Casey and McBride's pessimism, with some considering the new policy to be 'too negative' and that it was 'a matter of fundamental principle' to resist Indonesian aggression and fight alongside the Dutch if required.<sup>131</sup> Cabinet went on to discuss whether Indonesia would attack Papua and New Guinea once it had secured West New Guinea, with the Minister for Territories Paul Hasluck arguing that 'we can't allow Australian New Guinea to be threatened'.<sup>132</sup> A diverse range of views were expressed concerning the Indonesia

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<sup>129</sup> NAA A1838, TS3036/6/2/2, Netherlands New Guinea/Indonesia – Future status – Cabinet considerations Cabinet decisions on NNG. 'Cabinet Minute, 12 August 1958, Cabinet Decision 1518', digital copy, p. 129.

<sup>130</sup> NAA A11099, 1/26, Notetaker A S Brown – Notes of meetings 12 August 1958 – 30 September 1958, digital copy, p. 11.

<sup>131</sup> NAA A1838, TS3036/6/2/2, Netherlands New Guinea/Indonesia – Future status – Cabinet considerations Cabinet decisions on NNG. 'Cabinet Minute, 12 August 1958, Cabinet Decision 1518', digital copy, pp. 129-130.

<sup>132</sup> NAA A11099, 1/26, Notetaker A S Brown – Notes of meetings 12 August 1958 – 30 September 1958, digital copy, p. 9.

threat, with McEwen noting that ‘an Indonesia infested with Russian submarines, Chinese volunteers etc. is a very dangerous Indonesia’. In comparison, Menzies was more troubled by the fact that Australia’s wavering diplomatic support for the Dutch could encourage them to leave West New Guinea, observing that ‘as the menace increases so our boldness has oozed away’.<sup>133</sup>

Records of the Cabinet meeting noted that the essence of the entire debate was determining Indonesia’s strategic intentions and ‘whether Indonesia was hostile or friendly? With Australia’s major allies reluctant to offer military support to the Dutch, Cabinet agreed that in the current situation the unresolved West New Guinea dispute did tend to frame Indonesia as an emerging threat in Australia’s foreign policy and strategic interests.<sup>134</sup> The following day, Cabinet went on to develop these conclusions further. Cabinet continued to consider an Australian force contribution to West New Guinea, with the Chairman of the Chiefs of Staff Committee, Lieutenant General Sir Henry Wells invited to comment on how RAN and RAAF assets might conduct operations against Indonesian staging areas such as Surabaya.<sup>135</sup> Nevertheless, Cabinet could not be moved from its new conclusions, coming to the decision that without US support ‘military commitments are unwise’.<sup>136</sup>

Having been reluctant to shift Australian policy in July when Casey had first raised the issue, Menzies was now convinced that a policy shift was merited. Summing up the Cabinet

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<sup>133</sup> NAA A11099, 1/26, Notetaker A S Brown – Notes of meetings 12 August 1958 – 30 September 1958, digital copy, p. 8, 10.

<sup>134</sup> NAA A1838, TS3036/6/2/2, Netherlands New Guinea/Indonesia – Future status – Cabinet considerations Cabinet decisions on NNG. ‘Cabinet Minute, 12 August 1958, Cabinet Decision 1518’, digital copy, p. 129.

<sup>135</sup> NAA A11099, 1/26, Notetaker A S Brown – Notes of meetings 12 August 1958 – 30 September 1958, digital copy, p. 21.

<sup>136</sup> NAA A1838, TS3036/6/2/2, Netherlands New Guinea/Indonesia – Future status – Cabinet considerations Cabinet decisions on NNG. ‘Cabinet Minute, 13 August 1958, Cabinet Decision No. 1526 Amended’, digital copy, p. 125.

discussion, Menzies noted to his colleagues that ‘the probability of an attack seems to be increasing’ and although the Dutch were pressing for an Australian military commitment, the overriding importance of securing US support beforehand meant that Australia ‘does not wish to part company with the United States on an occasion like this’.<sup>137</sup> Menzies assessed that Australia could not refuse outright a Dutch request for military support for fear of facilitating a Dutch withdrawal, but neither could Australia risk becoming militarily committed without the support of a major ally. With Menzies and other Cabinet members reluctant to completely abandon the Dutch for fear of facilitating a Dutch withdrawal, Cabinet agreed that the Australian Government’s policy should be to manoeuvre as best it could in a grey area of non-committal between the two policy positions of the Dutch and the Americans. In doing so it was hoped that it could persuade the Dutch to stay in West New Guinea, while attempting to secure an American or British military commitment at the same time.

## **Conclusion**

As these Cabinet discussions confirm, by August 1958 a significant shift had occurred across all three levels of the Australian Government’s policy machinery concerning Indonesia’s ability to pose a credible low-level threat to West New Guinea. During the Indonesian Crisis in 1957

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<sup>137</sup> NAA A1838, TS3036/6/2/2, Netherlands New Guinea/Indonesia – Future status – Cabinet considerations Cabinet decisions on NNG. ‘Cabinet Minute, 13 August 1958, Cabinet Decision No. 1526 Amended’, digital copy, p. 109-110.

Defence and External Affairs had maintained a stable image of Indonesian military incapacity, and were thus able to dismiss the rising prospect of a Communist Indonesia as posing a military threat. However, Indonesia's demonstration of military capability against the PRRI and Permesta rebels, and the prospect of Soviet diplomatic support for Indonesia in a West New Guinea contingency forced Defence, External Affairs, and eventually Cabinet to the radical conclusion that Australian forces would be unable to provide timely military support to the Dutch. As a result Australian policy was promptly shifted to reflect the new reality of a low-level Indonesia threat.

This analysis provides new insight into the significant roles played by the JIC and JPC in formulating the Government's estimates of Indonesian capabilities and corresponding policy, and firmly cements the Indonesian Civil War as a decisive turning point in heralding the rise of a low-level Indonesia threat in Australian defence planning. Looking more broadly, this analysis resolves an ongoing debate in Australian historiography concerning whether the Australian Government's West New Guinea policy shifted in 1959, as initially suggested by Alan Renouf in 1979, or in 1962 following the promotion of Garfield Barwick to become Minister for External Affairs, as initially argued by David Marr in 1980. In fact, this analysis confirms the observation originally presented by Richard Chauvel in 1997, that the decisive policy shift occurred in August 1958 in direct response to the Australian Government's evolving perceptions of Indonesian capabilities.

But although Cabinet had been persuaded that Indonesia posed a low-level threat to West New Guinea, there were also subtle signs of an emerging debate concerning Indonesian capabilities, with Ambassador McIntyre having remained sceptical throughout the Civil War.

Furthermore, Australia's unexpected defence planning failure and corresponding policy shift had not rested easily in Cabinet's thinking, running contrary to its political desire to offer credible military support to the Dutch. Therefore in late 1958 a key problem for Australian defence planners was the question of how to make Australia's military forces more effective in the face of improving Indonesian capabilities, especially vis-à-vis West New Guinea. In the ensuing chapter this policy process and the evolving threat perceptions that informed it will be analysed.

## **Chapter Two: The 1959 Strategic Basis and the Australian Government's defence planning response to the rise of a low-level Indonesia threat, September 1958 – December 1959**

As analysed in the previous chapter, in August 1958 Defence and External Affairs had persuaded a reluctant Cabinet to detach itself from a military commitment to West New Guinea in the face of Indonesia's improving military capabilities and its growing defence ties with the Soviet Union. However, this new policy ran contrary to Cabinet's political desire to provide military support to the Dutch, and in the sixteen-month period from September 1958 to December 1959 Australian defence planners would wrestle with the question of how to make Australian forces more effective in response to a firming Indonesia threat.

This chapter analyses how this debate unfolded within the Government's policy machinery and is structured into two sections. In the first section the chapter notes that in 1959 Cabinet reaffirmed its policy of military non-commitment to West New Guinea in spite of its preference to commit forces, while the JIC developed a more conservative estimate of Indonesian capabilities. However, in spite of the JIC's cooling estimates of Indonesian capabilities, and Cabinet's ambivalence about a commitment to West New Guinea's defence, Australian defence planners still faced the challenge of how to adjust Australia's defence priorities in response to the Indonesia threat.



In the second section the chapter analyses the JPC and Chiefs of Staff's defence planning response to the rise of a low-level Indonesia threat, namely the key proposal of the 1959 Strategic Basis that Australia begin developing 'independent' capabilities. The chapter notes the contrasting responses to the proposal, first by the Defence Committee and then from Cabinet, with a debate beginning to emerge in Australian defence planning regarding whether Australia should focus on the most likely scenario of a low-level Indonesia threat, or the worst-case scenario of a strong and hostile Indonesia.

### **Cabinet's reconsideration of its West New Guinea policy**

Following Cabinet's decision in August 1958 to become non-committal to West New Guinea, the policy faced its first major test at the close of 1958 when Cabinet reconsidered its position due to ongoing pressure from the Dutch Government, and recent intelligence which suggested that the Indonesians were planning to instigate a military incident in West New Guinea.<sup>138</sup> Shorthand notes from Cabinet meetings on 17 December 1958 and 5 January 1959 clearly indicate that Cabinet had not yet abandoned the idea of becoming militarily involved in West New Guinea's defence. The recently appointed Minister for Defence, Athol Townley, noted that Australian forces would need to be forward deployed to Darwin if they were to make a timely contribution, but in doing so they also risked being knocked out if Darwin's basing facilities were pre-emptively

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<sup>138</sup> NAA A11099, 1/40, Notetaker E J Bunting – Notes of meetings 10 December 1958 – 25 February 1959, digital copy, p. 33.

attacked. The possibility of using Australia's aircraft carrier HMAS *Melbourne* was also raised, but it was feared that it might be vulnerable to Indonesian submarines.<sup>139</sup> Menzies also enquired about what ground forces Australia could contribute to West New Guinea if required. In reply Townley noted that with the Strategic Reserve battalion already deployed in Malaya, Australia had only two battalions at its immediate disposal for a West New Guinea contingency, one potentially available within 48 hours and the second within two weeks.

Appreciating the gravity of the hypothetical situation, Menzies noted that if Australia chose to fight alongside the Dutch, then Australia would be '*at war* with Indonesia', becoming involved in 'not a skirmish in New Guinea, but a war with [Indonesian] bases being attacked'.<sup>140</sup> However, Cabinet could not remove itself from its previous August 1958 conclusions, that in the face of likely Soviet diplomatic intervention in the UN to preserve any Indonesian lodgement, 'what we do might well be futile, both in strength [and] in time'.<sup>141</sup>

As a result Menzies expressed a degree of contrition at Australia's inability to offer effective military support to the Dutch, noting to his Cabinet colleagues that 'we must take a good look at our policies to date and admit mistakes if they exist'. In a broader comment on Australia's foreign policy, Menzies also admitted that '[I] believe we have concentrated too much on the Dutch aspects – [more than] the Indonesia aspects as a neighbour'.<sup>142</sup> Menzies went on

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<sup>139</sup> NAA A11099, 1/40, Notetaker E J Bunting – Notes of meetings 10 December 1958 – 25 February 1959, digital copy, p. 39; In 1959 Indonesia purchased two Whiskey-class submarines from the Soviet Union. See Ken Conboy, *Kopassus: Inside Indonesia's Special Forces*, Equinox Publishing, Jakarta, 2003, p. 73.

<sup>140</sup> Secretary Bunting's original shorthand notes of the meeting emphasised the phrase 'at war'. See NAA A11099, 1/40, Notetaker E J Bunting – Notes of meetings 10 December 1958 – 25 February 1959, digital copy, p. 41.

<sup>141</sup> Cabinet estimated the time period before Soviet diplomatic intervention took effect would be to 2-8 days. NAA A11099, 1/40, Notetaker E J Bunting – Notes of meetings 10 December 1958 – 25 February 1959, digital copy, p. 43.

<sup>142</sup> NAA A11099, 1/40, Notetaker E J Bunting – Notes of meetings 10 December 1958 – 25 February 1959, digital copy, p. 40.

to muse that he was open to the idea of Australian trusteeship in West New Guinea, but he thought that this was politically impossible due to Indonesia's position.<sup>143</sup> With few other options on the table, Menzies noted that Australia would have to step up its diplomatic activity in the dispute, attempting to keep Indonesia nervous at the prospect of Western military intervention. In addition, Menzies noted that Australia would have to reinforce the point to the Americans that if Indonesia did launch an attack against West New Guinea, and then received diplomatic support from the Soviet Union, it would effectively become a de-facto 'Communist satellite' in what would constitute a major loss for US foreign policy.<sup>144</sup>

But although Cabinet had reaffirmed its policy of non-commitment, this decision remained unpopular with some members of Cabinet. During the Cabinet discussion the Minister for National Development, Bill Spooner, had stated that the Government should not completely 'shut [the] door' on the military option, while the Postmaster-General Charles Davidson thought that 'some quiet preparations by [the] Services should take place' in order to ready them for a West New Guinea operation.<sup>145</sup> Nevertheless, Cabinet remained firm in its final decision, with Menzies noting that 'We are agreed that we do not make a military commitment with the Dutch and we propose to tell [the] Dutch frankly why, at some stage'.<sup>146</sup>

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<sup>143</sup> NAA A11099, 1/40, Notetaker E J Bunting – Notes of meetings 10 December 1958 – 25 February 1959, digital copy, p. 43-44.

<sup>144</sup> Cabinet estimated that the time period before Soviet diplomatic intervention could take effect would be 2-8 days. See NAA A11099, 1/40, Notetaker E J Bunting – Notes of meetings 10 December 1958 – 25 February 1959, digital copy, p. 44.

<sup>145</sup> NAA A11099, 1/40, Notetaker E J Bunting – Notes of meetings 10 December 1958 – 25 February 1959, digital copy, pp. 48-49.

<sup>146</sup> NAA A11099, 1/40, Notetaker E J Bunting – Notes of meetings 10 December 1958 – 25 February 1959, digital copy, p. 54.

Shortly after these discussions Menzies met with the Dutch Ambassador Anthony Lovink on 16 January 1959 to clarify Australia's policy position. Wanting to preserve the Dutch presence in West New Guinea for as long as possible, Menzies contradicted what had just been discussed in the Cabinet room and informed Lovink that Australia 'had not as yet arrived at any final conclusion' concerning a military commitment to the Dutch. However, Menzies also pointed out that with Soviet support Indonesia 'might prove to be superior in arms to the Netherlands and Australia' and therefore he thought that unless they could receive similar military support from the United States or United Kingdom, it would be best to avoid being 'left out on a limb'.<sup>147</sup>

In spite of this restriction, Menzies went on to note the friendly nature of the discussion with Lovink, stating that there was 'a great deal of common ground' between the two countries, with both the Australian and Dutch Governments agreeing that Indonesia had no legal case to claim sovereignty over West New Guinea. Crucially, both men agreed that the core goal was to 'prevent West New Guinea from falling into the hands of Indonesia except by due process of law'.<sup>148</sup> With both Governments maintaining that Indonesia had no legal claim to the territory, Australian policy appeared firmly pro-Dutch. But nonetheless, this key point, that Indonesia *could* acquire West New Guinea by 'due process of law', would give Cabinet added flexibility during its upcoming negotiations with Indonesia's Foreign Minister Subandrio when he visited Australia in February 1959. Subandrio's visit culminated with the Casey-Subandrio joint communiqué on 15 February 1959, which controversially stated that as a third party to the dispute Australia would

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<sup>147</sup> NAA A11537, 8, Top Secret – Out – CFCs (Cable File Copies) – All Posts -1959 (Washington, The Hague, Singapore, Saigon, Paris, Ottawa, New York, London, Djakarta, Bangkok).

<sup>148</sup> NAA A11537, 8, Top Secret – Out – CFCs (Cable File Copies) – All Posts -1959 (Washington, The Hague, Singapore, Saigon, Paris, Ottawa, New York, London, Djakarta, Bangkok).

not oppose its peaceful resolution. This statement effectively removed Australia from any further direct involvement in the dispute's mediation, and the Federal Opposition consequently attacked the communiqué as representing an abandonment and betrayal of the Dutch.<sup>149</sup> However, due to the private discussions with Lovink which had emphasised that Indonesia had no legal claim to the territory, the Menzies Government insisted that no such betrayal or shift in policy had occurred. Nevertheless, by February 1959 it was clear that although Cabinet's continuing desire was to make a direct contribution to West New Guinea's defence, the policy of military non-commitment had been reaffirmed in the absence of major ally support and Australia's lack of military capability.<sup>150</sup>

### **The JIC's evolving estimates of Indonesian capabilities, September 1958 – December 1959**

With Cabinet having consolidated the policy of military non-commitment to West New Guinea, in the coming months the JIC would continue to focus on analysing three broad questions, what was the progress of Indonesia's military development programme, what was the estimated

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<sup>149</sup> NAA A1838, 3034/10/1/2, Discussions between the Indonesian Foreign Minister, Mr Subandrio and – Australian Ministers February 1959 (Including Negotiations of Joint Announcement issued on the 15<sup>th</sup> of February and papers prepared in briefing), digital copy, p. 6; 'No Opposition To Agreement On West N.G', *The Canberra Times*, Monday 16 February 1959.

<sup>150</sup> For a more detailed analysis of the Casey-Subandrio joint communiqué, see Jan Maskey, 'Fruitless and Friendless: Australia and the West New Guinea dispute, 1949-1962', PhD thesis, University of Queensland, 2006.

warning time before it could attack West New Guinea, and under what conditions would the PKI challenge Indonesia's Sukarno dominated political balance?<sup>151</sup>

With Sukarno's position seen to be relatively secure for the time being, the prospect of a PKI uprising appeared less likely, and the JIC focused more on the problem of monitoring Indonesia's improving aerial and naval capabilities.<sup>152</sup> Australia's embassy staff in Jakarta played a leading role in this task, providing direct observations of Indonesia's new acquisitions while also reporting to Canberra their discussions with Indonesia's political and military leaders. For example, on 8 October 1958 Australia's Defence Attaché in Jakarta, Colonel T.W. Young had carefully recorded the aerial capabilities on display at Indonesia's Armed Forces Day celebrations. Young noted that 'Lined up behind the troops were six Il-28s and 9 Mig-15s' and that 'in the flypast of the jets only 8 Migs appeared, but with the 6 Il-28s it meant they had at least fourteen pilots compared with the ten they were able to muster for the 17<sup>th</sup> August flypast'.<sup>153</sup> Reports like this fed into the JIC's appreciation process, and in December 1958 a revised JIC report was able to record a long list of Soviet weaponry that Indonesia was now in the process of acquiring and making operational, potentially for use in a West New Guinea assault.<sup>154</sup>

In 1959 the JIC went on to produce six further reports analysing Indonesia's growing list of acquisitions.<sup>155</sup> But although these improving capabilities were noted, there was also growing

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<sup>151</sup> NAA A1838, TS666/59/112, Joint Intelligence Committee Australia (59)-112 – Possible developments in Indonesia in the event of Sukarno's early death or permanent incapacitation.

<sup>152</sup> NAA A11604, 401/4, Jakarta – JIC Reviews. 'JIC (Aust)(59)1, Final, April 1959, Six-monthly review of world trends and developments of significance to Australia'.

<sup>153</sup> NAA A1838, TS696/2/3 Part 1, Indonesia Armed Forces. 'Cable, T.W. Young, Australian Embassy, Jakarta, to Director Military Intelligence, Melbourne, 8 October 1958', digital copy, p. 162.

<sup>154</sup> NAA A1838, TS666/42, Likelihood of Indonesia gaining control of Netherlands New Guinea by 1960. JIC(M)(58)42(Revise), 'Supplementary Report', December 1958.

<sup>155</sup> NAA A1838, TS666/60/5, Joint Intelligence Committee Australia – Summary of JIC Intelligence Assessments affecting Australian Defence Policy. 'Summary of JIC (AUST) Intelligence Assessments - 1959, JIC (AUST) (60)5, First

evidence to suggest that the JIC was developing a more conservative estimate of the Indonesia threat. A factor in these more conservative estimates may have been the ongoing influence of Ambassador McIntyre, who as previously noted, had remained sceptical of Indonesian capabilities throughout 1958 in spite of the Australian Government's rising anxiety about Indonesia.

While one JIC report in 1959 noted that Indonesian forces were now capable of defeating a small Dutch garrison force within West New Guinea, other reports tended to emphasise some of Indonesia's limitations. For example, although the Indonesian Army continued to rapidly increase in size during 1959 the JIC assessed that most of its new units would remain deployed on internal security tasks rather than being held in reserve for a West New Guinea operation.<sup>156</sup> In regards to a direct Indonesia threat towards Australia, the JIC in June 1959 noted that airfields in West New Guinea would be of marginal value to the Indonesian Air Force in increasing its ability to strike Australia's major cities and industrial centres (see Figure 6).<sup>157</sup>

The JIC also noted that Indonesia's armed forces, especially its Air Force and Navy, were likely to be hampered by a lack of repair and maintenance facilities. Consequently, in 1959 the JIC began to assess that Indonesia's *operable* aerial and naval capabilities stood at a substantially lower level than the quantitative figure of modern arms it was acquiring.<sup>158</sup> This allowed the JIC

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Draft, January, 1960, paragraph 61; NAA A1838, TS666/59/41, Joint Intelligence Committee Australia – The threat from Indonesia to Australia and Regional Defence Arrangements.

<sup>156</sup> These tasks included combating the Darul Islam movement in West Java and fighting the remaining areas of rebel guerrilla resistance in Sumatra.

<sup>157</sup> NAA A1945, 248/7/39, The threat from Indonesia to Australia and other arrangements up to the end of 1961, digital copy, p. 24.

<sup>158</sup> NAA A1945, 248/7/23, Circumstances under which Indonesia might make an armed incursion into Netherlands New Guinea before the end of 1962. 'Joint Intelligence Committee, Report No. 19/1959, The threat from Indonesia to Australia and other regional defence arrangements up to the end of 1961, 22 July 1959'.

to come to the more conservative conclusion in August 1959 that Indonesia's military development would plateau by 1961, with Australian forces expected to maintain a capability edge over Indonesian forces in the coming decade.<sup>159</sup> Developing this critique even further, in

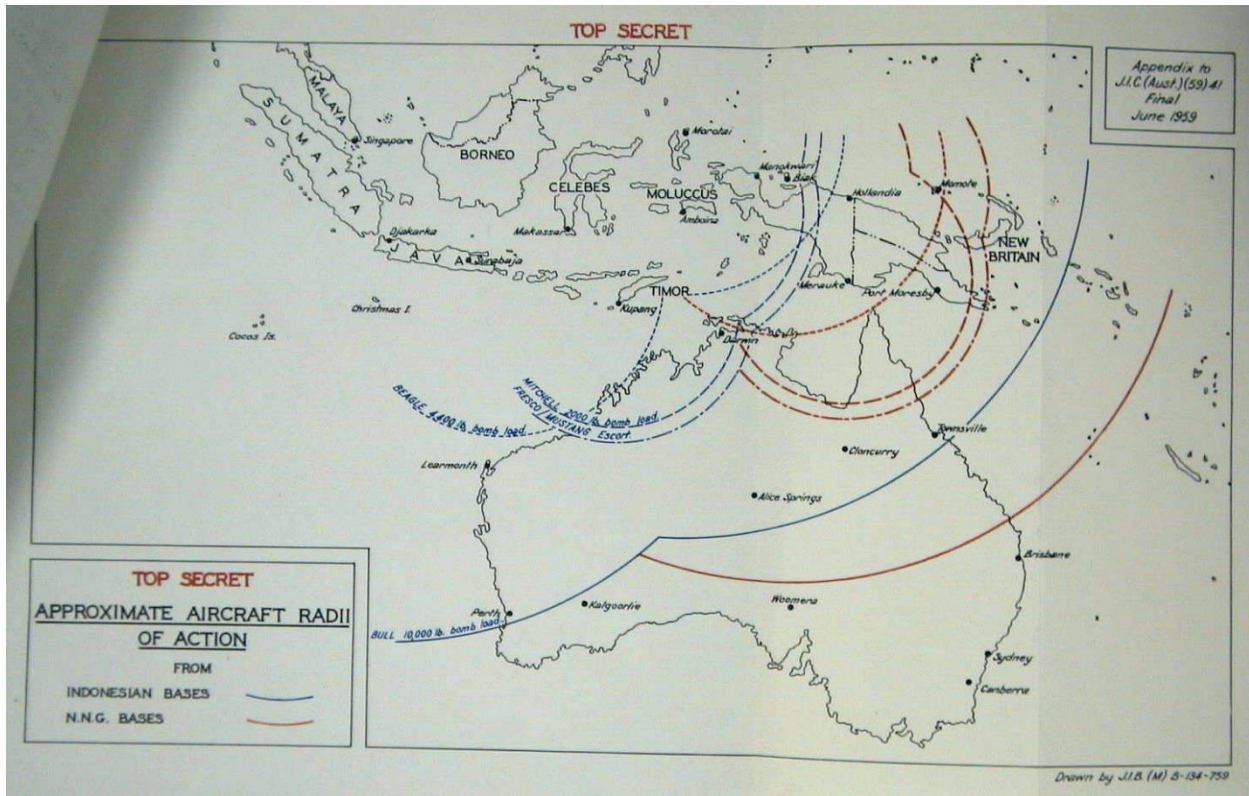


Figure 6. Estimated radii of action for Indonesian aircraft operating from airfields in Indonesia and West New Guinea. NAA A1945, 248/7/39

September 1959 the JIC assessed that only 50 per cent of Indonesia's naval forces would be capable of operating in a prolonged military operation, and 75 per cent of them for a short-term operation.<sup>160</sup> Despite observing the growth in both the size and capabilities of Indonesia's armed

<sup>159</sup> NAA A1838, TS666/60/5, Joint Intelligence Committee Australia – Summary of JIC Intelligence Assessments affecting Australian Defence Policy. 'Summary of JIC (AUST) Intelligence Assessments - 1959, JIC (AUST) (60)5, First Draft, January, 1960', paragraph 47.b.

<sup>160</sup> NAA A1838, TS680/8/8/2 Part 1, Joint Intelligence Committee Australia – Reports on acquisition of armaments by Indonesia; NAA A1838, TS666/60/5, Joint Intelligence Committee Australia – Summary of JIC Intelligence



forces, the JIC's estimate of the warning time before Indonesia could attack West New Guinea remained stable at a figure of 12-18 months. And in a further sign that the JIC's threat perceptions of Indonesia had reduced, in July 1959 the JIC assessed that due to its undeveloped basing facilities West New Guinea would be of limited value to Indonesia in conducting operations against Australia or the territories of Papua and New Guinea.<sup>161</sup>

From these trends it can be assessed that the JIC's perceptions of the Indonesia threat cooled in 1959 after peaking in late 1958. However, the challenge of how to improve Australian capabilities in the context of a low-level Indonesia threat still remained. The ensuing section of this chapter analyses the Australian Government's defence planning response to the rise of a low-level Indonesia threat, namely the JPC and Chiefs of Staff's proposal in the 1959 Strategic Basis that Australia begin developing 'independent' capabilities more suited to responding to a range of regional contingencies, including those involving Indonesia.

### **The 1959 Strategic Basis and the JPC's conception of the Indonesia threat**

In a sign of the Australian Government's continuing anxiety about Indonesia, in October 1958 Cabinet had blocked Indonesian personnel from participating in an Australian training

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Assessments affecting Australian Defence Policy. 'Summary of JIC (AUST) Intelligence Assessments- 1959, JIC (AUST) (60)5, First Draft, January, 1960', paragraph 47.b; NAA A1838, TS666/59/41, in Joint Intelligence Committee Australia – The threat from Indonesia to Australia and Regional Defence Arrangements.

<sup>161</sup> NAA A1945, 248/7/23, Circumstances under which Indonesia might make an armed incursion into Netherlands New Guinea before the end of 1962. 'Joint Intelligence Committee, Report No. 19/1959, The threat from Indonesia to Australia and other regional defence arrangements up to the end of 1961, 22 July 1959'.

programme in jungle warfare.<sup>162</sup> These anxieties were also evident in Australian defence planning. Having assessed in August 1958 that Australian forces would be unable to make a timely contribution to West New Guinea's defence, in late 1958 the JPC set about trying to resolve this defence planning failure. To begin with, the JPC used intelligence from the latest JIC reports to compose two operational plans for West New Guinea's defence. The first of these, Plan 'Gatley Alfa' analysed a potential Australian response to a small Indonesian lodgement in West New Guinea. But in an indication of the JPC's rising estimates, the second of the JPC's draft operations, Plan 'Gatley Bravo', was designed in preparation for a larger, brigade sized Indonesian operation, with the JPC arguing that the Indonesians were now capable of 'carrying out an opposed amphibious landing in brigade strength against currently available Dutch opposition'.<sup>163</sup>

The JPC went on to repeat the problems that it had first noted in August 1958, identifying a list of 'serious deficiencies' within Australia's current armed forces which would seriously hamper their ability to conduct a successful Gatley Alfa or Gatley Bravo operation. The JPC assessed that in the worst-case scenario of a 'brigade plus' sized Indonesian landing, Dutch and Australian forces 'might prove insufficient to encompass the destruction of the invading forces'. And in the linchpin of the report the JPC concluded as it had in August 1958, that 'in the time

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<sup>162</sup> This was due to sensitivities about West New Guinea's security. NAA A1838, 3034/10/1 Part 5, Indonesia. Relations with Australia. General. 'Australian-Indonesian Dialogue, 1959-1963'.

<sup>163</sup> NAA A1945, 248/7/28, Military measures which could be taken in the event of an Indonesian attack on Netherlands New Guinea. 'Report by Joint Planning Committee at meetings held on 19<sup>th</sup>, 22<sup>nd</sup> and 23<sup>rd</sup> December 1958. Report No. 67/58 – Provisional outline plan for military intervention in support of the Dutch in Netherlands New Guinea'.

scale envisaged viz. before United Nations action became effective, it is doubtful if the invading force could be defeated'.<sup>164</sup>

In response to these identified deficiencies, the JPC's draft 1959 Strategic Basis proposed a new approach to Australia's defence planning, namely the development of 'independent' capabilities that could potentially 'defend New Guinea or the north-western approaches by our independent efforts'.<sup>165</sup> Drafting of the paper had begun after Cabinet's August 1958 decision to back away from a military commitment to West New Guinea, but from the outset, the drafting process had been mired in controversy. An unattributed handwritten note from within External Affairs on 27 October 1958 recorded that the JPC was making 'heavy weather' of the Strategic Basis paper, with the paper eventually submitted to the Defence Committee later than expected in December 1958.<sup>166</sup> One of the causes of this 'heavy weather' would soon become apparent, with the draft paper's conclusions implying a shift away from the existing Citizen Military Force (CMF) and National Service Training scheme (NST) dominated structure of the Australian Army, and towards a professional army. As a result, the JPC's Army representative, Brigadier C.E. Long had chafed against the prospect of a smaller Australian Army and chose to submit a minority report alongside the draft Strategic Basis, rather than endorsing the paper outright. Nevertheless,

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<sup>164</sup> NAA A1945, 248/7/28, Military measures which could be taken in the event of an Indonesian attack on Netherlands New Guinea. 'Report by the Chiefs of Staff Committee - Military measures which could be taken in the event of an Indonesian attack on Netherlands New Guinea'.

<sup>165</sup> The 1959 Strategic Basis noted in paragraph 44 that Australian forces 'should be designed primarily with the ability to act independently of Allies'. See 'Strategic Basis of Australian Defence Policy, January 1959', paragraph 44, in Stephan Frühling (ed.), *A History of Australian Strategic Policy since 1945*, Defence Publishing Service, Department of Defence, Commonwealth of Australia, Canberra, 2009, p. 261.

<sup>166</sup> NAA A1838, TS661/2/1 Part 1, Defence Committee – Meetings and External Affairs Attendance – including briefing for Secretary.

the JPC's remaining members had overruled Long, noting that they had 'examined the minority report and consider that it does not invalidate the views expressed in the draft Strategic Basis'.<sup>167</sup>

The 1959 Strategic Basis was notable for its presentation of the Indonesia threat as the key driving force behind the proposal to begin developing independent capabilities.<sup>168</sup> Most crucially, it identified three Indonesia-based contingencies in which Australian forces 'should be prepared to act independently at least for a time'.<sup>169</sup> Nevertheless, there was an undercurrent of uncertainty within Defence and External Affairs concerning what kind of Indonesia threat to prepare for. When the Defence Committee (containing the secretaries of both Defence and External Affairs) sat to consider the draft Strategic Basis paper on 2 January 1959 it regarded with some scepticism the paper's Indonesia threat argument, noting that it doubted 'whether Indonesia has considered [an] attack on Australia at all'.<sup>170</sup> Furthermore, during the course of an hour-long conversation the Defence Committee asked the Service Chiefs what kind of Indonesia threat they were envisioning in the paper. In reply, the Service Chiefs had noted that the paper was drafted around the worst-case scenario of 'an Indonesian attempt to conquer Australia'.<sup>171</sup>

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<sup>167</sup> NAA A1838, TS677/3 Part 1, Strategic basis of Australian defence policy, digital copy, p. 5.

<sup>168</sup> Paragraph 27 of the 1959 Strategic Basis noted that 'a new and important factor which must be taken into account is the rapidly increasing military strength of Indonesia' and 'This threat can best be met by the development of an increased offensive capability'. See 'Strategic Basis of Australian Defence Policy, January 1959', paragraph 27, in Stephan Frühling (ed.), *A History of Australian Strategic Policy since 1945*, Defence Publishing Service, Department of Defence, Commonwealth of Australia, Canberra, 2009, p. 258.

<sup>169</sup> These were a conflict with Indonesia concerning West New Guinea, a conflict in the aftermath of global war in which Australia could not be reinforced by its allies for an extended period, and third, a conflict with Indonesia in a situation where the United States and other SEATO forces were already preoccupied in other theatres. See 'Strategic Basis of Australian Defence Policy, January 1959', paragraph 43, in Stephan Frühling (ed.), *A History of Australian Strategic Policy since 1945*, Defence Publishing Service, Department of Defence, Commonwealth of Australia, Canberra, 2009, p. 261.

<sup>170</sup> NAA A1838, TS677/3 Part 1, Strategic basis of Australian defence policy, digital copy, p. 46.

<sup>171</sup> NAA A1838, TS677/3 Part 1, Strategic basis of Australian defence policy, digital copy, p. 53.

During further questioning the Defence Committee gained the impression that it was the Chief of the Air Staff, Air Marshall Sir Frederick Scherger, who was the 'most inclined to say that the Indonesians would attack Australia or East New Guinea', compared to the more ambivalent views of the Chairman of the Chiefs of Staff Committee, Vice-Admiral Roy Dowling, and the Chief of the General Staff, Lieutenant General Sir Ragnar Garrett. Notes of the meeting recorded that Scherger was a 'keen protagonist' in supporting the upgrading of Australia's offensive capabilities, including the development of a second air base in northern Australia. If constructed, the new air base would give the RAAF added flexibility in a West New Guinea contingency, but in contrast, 'Dowling and Garrett had no interest in this'.<sup>172</sup>

The Defence Committee went on to take specific issue with paragraph 37 of the draft 1959 Strategic Basis, which noted that 'In the event of Indonesian aggression, it is by no means certain that our Allies including the United States, would be able to come to our assistance'.<sup>173</sup> The Defence Committee thought that this statement was too loosely crafted, and instructed the JPC to rewrite the paragraph. In particular, the Secretary of Defence Edwin Hicks specifically noted that 'it was entirely improbable that Indonesia would attack Australia except with Communist Bloc support and with no prospect of our obtaining help from elsewhere'.<sup>174</sup> Hence in its final version paragraph 37 of the 1959 Strategic Basis was edited to note that the only circumstance in which Australia's allies would not respond to an Indonesian attack on Australia

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<sup>172</sup> NAA A1838, TS677/3 Part 1, Strategic basis of Australian defence policy, digital copy, p. 52.

<sup>173</sup> NAA A1838, TS677/3 Part 1, Strategic basis of Australian defence policy, digital copy, p. 20, 53.

<sup>174</sup> NAA A1838, TS677/3 Part 1, Strategic basis of Australian defence policy, digital copy, p. 20, 53.

would be in the aftermath of global war in which they had been crippled and were unable to come to Australia's immediate assistance.<sup>175</sup>

Nevertheless, in spite of this adjustment, the Defence Committee went on to retain the three Indonesia-based contingencies described in paragraph 43 of the draft 1959 Strategic Basis and the key proposal that Australia begin developing independent capabilities. With the Defence Committee having previously cautioned in August 1958 that Indonesian capabilities 'could well exceed' those of Australia in future, this prospect appeared to be a major factor in the Defence Committee's endorsement of the 1959 Strategic Basis in January 1959.

### **Cabinet's initial response to the 1959 Strategic Basis and the 'independent' capabilities proposal, March 1959**

Having reaffirmed its policy of military non-commitment to West New Guinea on 5 January 1959, and having subsequently announced one month later in the Casey-Subandrio joint communiqué that it would not directly participate in the dispute's mediation, in March 1959 Cabinet turned its attention to considering the 1959 Strategic Basis. However, when Cabinet convened to

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<sup>175</sup> Due to the insertion of additional material, paragraph 37 would eventually become paragraph 39 in the final draft. See 'Strategic Basis of Australian Defence Policy, January 1959', paragraph 39, in Stephan Frühling (ed.), *A History of Australian Strategic Policy since 1945*, Defence Publishing Service, Department of Defence, Commonwealth of Australia, Canberra, 2009, p. 260.

consider the 1959 Strategic Basis, the paper's presentation of the Indonesia threat and the proposal to begin developing independent capabilities was met with caution by the influential Secretary of the Prime Minister's Department, Edward 'John' Bunting. In a personal note to Menzies, Bunting set out what he saw as a number of issues in the paper. In regards to the Indonesia contingencies described in the paper, Bunting did not reject the possibility of an Indonesia threat, judging that it 'cannot be ruled out', but he also noted to Menzies the difficulty of predicting threats with any certainty. Bunting cautioned that '95%' of the Strategic Basis paper had been drafted by the JPC in October 1958 when concerns about an Indonesia threat had been at their peak, and he therefore suspected that if the paper had been re-written in March 1959 when anxieties about Indonesia had cooled it would have been 'less nervous' and produced a more conservative estimate of the Indonesia threat that Australia was facing.<sup>176</sup>

In addition to noting possible financial issues concerning the independent capabilities proposal, and having questioned the described Indonesia contingencies, Bunting thought that the key sticking point of the entire paper was that the Chiefs of Staff Committee had failed to submit a corresponding capability plan.<sup>177</sup> Three years earlier the JPC and Defence had not initially submitted a capability plan alongside the 1956 Strategic Basis, but it seems that Bunting exploited this absence in the 1959 paper to delay a decision on developing 'independent' capabilities. Driving his advice, Bunting expressed his concern to Menzies that if Cabinet

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<sup>176</sup> NAA A4940, C1757, Strategic basis of Australian defence policy, 1957-1959. 'John Bunting, Personal note to Menzies, 23 March 1959'.

<sup>177</sup> 'Strategic Basis of Australian Defence Policy, January 1959', paragraph 3, in Stephan Frühling (ed.), *A History of Australian Strategic Policy since 1945*, Defence Publishing Service, Department of Defence, Commonwealth of Australia, Canberra, 2009, p. 253.

endorsed the 1959 Strategic Basis it would give Defence and the Chiefs of Staff free licence to begin developing new capabilities without Cabinet oversight.<sup>178</sup>

An additional factor in Bunting's advice to Menzies may have been the outspoken views of the defence and foreign policy advisor within the Prime Minister's Department, Allan Griffith. Years later Griffith would note his irritation at the shift in Australian defence planning in the late 1950s towards developing independent capabilities. In contrast, Griffith had preferred the ongoing development of a large Australian Army that could serve alongside major allies, with the RAN and RAAF largely functioning as logistical support units.<sup>179</sup> Thus in 1959 the rise of the Indonesia threat began to cause notable tensions in Australian defence planning in relation to the structure and balance of the three armed services.

In the ensuing Cabinet discussion Menzies closely followed Bunting's written advice. Menzies began his analysis by noting that the document 'proposes a new problem or approach to defence' in its focus on 'balanced forces capable of operating alone'. Menzies went on to note that the paper contained 'revolutionary ideas' concerning the structure of the Australian Army and that the independent capabilities proposal represented a significant shift away from Australia's current defence planning which focused on the defence of mainland Southeast Asia from Communism.<sup>180</sup> Menzies summed up these issues by noting that 'if we are have

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<sup>178</sup> NAA A4940, C1757, Strategic basis of Australian defence policy, 1957-1959. 'John Bunting, Personal note to Menzies, 23 March 1959'; NAA A1838, TS677/1B ANNEX, Strategic basis of Australian defence policy, digital copy, p. 114.

<sup>179</sup> Hanno Weisbrod, *Australia's security relations with the United States, 1957-1963*, ANU Thesis, 1969, Appendix, p. 103, 106.

<sup>180</sup> NAA A11099, 1/41, Notetaker E J Bunting – Notes of meetings 2 March 1959 – 23 April 1959, digital copy, p. 52.



independent forces, we won't aim to meet the enemy at Bondi Beach or even at Darwin but in his own home – this means strategic bombers'.<sup>181</sup>

He noted to his Cabinet colleagues that the document made no proposals regarding the actual composition of the forces, and therefore he couldn't contemplate 'even in principle' endorsing the paper without having first discussed these matters in detail. And although Menzies had recently debated with Cabinet on 5 January 1959 a possible force contribution to West New Guinea, Menzies was notably coy in his response to the three Indonesia contingencies described in paragraph 43 of the paper. Menzies considered the contingencies to be 'remote possibilities' and noted that

we can't hope to have a defence policy [based] on all the possible contingencies – just not practical. Therefore we have the task of deciding what is the most probable state of affairs and accepting the risks of the other situations which could undoubtedly occur.<sup>182</sup>

During the ensuing Cabinet conversation the Service Ministers and the Minister for Defence Athol Townley expressed cautious support for the paper, but they were initially overruled by the opposing voices of Menzies, the Deputy Prime Minister John McEwen, Treasurer

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<sup>181</sup> NAA A11099, 1/41, Notetaker E J Bunting – Notes of meetings 2 March 1959 – 23 April 1959, digital copy, p. 53.

<sup>182</sup> NAA A11099, 1/41, Notetaker E J Bunting – Notes of meetings 2 March 1959 – 23 April 1959, digital copy, p. 52.

Harold Holt, the Minister for Labour and National Service William McMahon, and the Minister for Civil Aviation Shane Paltridge. Although Holt specifically expressed doubt at an Indonesia threat, at one point the Cabinet debate about independent forces drifted into discussing an Australian nuclear capability, with McEwen noting that 'if we were to drop one on Jakarta, we'd never live with Asia again'.<sup>183</sup> But in spite of the oppositional mood in the Cabinet room, the discussion eventually began to assume a more neutral posture, with Menzies noting that the key problem was that 'the present forces are thought to be wrong' and the question therefore was whether this issue could be resolved without resorting to the development of independent capabilities.<sup>184</sup>

In like manner the Post-Master General, Charles Davidson was not completely opposed to the idea of independent capabilities, noting to his Cabinet colleagues that SEATO was a weak institution, that ANZUS was undeveloped, and that Indonesia was a new factor that had to be taken into account. Davidson therefore thought that

we should be thinking in terms of an independent force. So far so good. But in what way do the forces we now have fall short – [I] see no proposal in the paper or requirement which the present forces could not cope with.<sup>185</sup>

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<sup>183</sup> NAA A11099, 1/41, Notetaker E J Bunting – Notes of meetings 2 March 1959 – 23 April 1959, digital copy, p. 59.

<sup>184</sup> NAA A11099, 1/41, Notetaker E J Bunting – Notes of meetings 2 March 1959 – 23 April 1959, digital copy, p. 60.

<sup>185</sup> NAA A11099, 1/41, Notetaker E J Bunting – Notes of meetings 2 March 1959 – 23 April 1959, digital copy, p. 62.

Menzies appears to have supported Davidson's argument, noting shortly thereafter in his concluding remarks on the Strategic Basis paper that 'My own view is that we should not reject this out of hand – [we] should give [the] Chiefs [an] opportunity to discuss'. But with no capability plan at hand, Menzies suggested that the Chiefs of Staff be informed that Cabinet had 'great reluctance' in accepting the paper as it currently stood. However, rather than bring them before Cabinet twice, the Chiefs would be given the opportunity to prepare a planned submission analysing the 'composition of the forces' so that Cabinet could have a more informed discussion with them later. Thus in March 1959 Australia's defence planning response to the rise of a low-level Indonesia threat remained in limbo, not because Cabinet had rejected the Indonesia contingencies described in the 1959 Strategic Basis, but rather because of Cabinet's reluctance to allow Defence to begin developing 'independent' capabilities without Cabinet oversight.

In the meantime, while the Chiefs of Staff and JPC prepared the 'Composition of the Australian Forces' paper, the Menzies Government continued to advance its program of diplomatic resistance to Indonesia's West New Guinea claim. In a sign of the nagging strains underpinning the relationship, in August 1959 this resistance was pushed to the limit when Menzies was reported by media to have expressed support for the idea of a Melanesian Union in New Guinea. This idea caused considerable aggravation within the Indonesian Government, with Foreign Minister Subandrio promptly responding by making the thinly veiled warning to the Australian Embassy in Jakarta that

within five to ten years Asian nations with their overcrowded populations might want to seek room to live and their eyes would be focused on Australia with her small populace compared to the wide space it has. More so if Eastern and Western Irian became united under her supervision.<sup>186</sup>

But beyond this disturbance, the Australian Government managed to retain a cordial relationship with Indonesia in the coming months, with the Attorney-General Garfield Barwick noting in October 1959 that the 'Netherlands New Guinea problem has not the same urgency as it had this time last year'.<sup>187</sup>

Meanwhile, the JPC and the Chiefs of Staff remained preoccupied with drafting a new capability plan. After their 'independent' capabilities setback in March 1959, the Service Chiefs proved to be more cautious in October 1959, with the cover letter to the proposal noting that Cabinet might have 'misunderstood' what they had exactly meant by their independent capabilities proposal. The Service Chiefs went on to explain that what they were envisaging was a more qualified, conservative concept of independence, that of 'self-supporting' or 'self-contained' forces, which would become a long-term capability goal for the Australian forces rather than an immediate goal. The Chiefs went on to reassure Cabinet that the self-sufficiency

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<sup>186</sup> NAA A6364, JA1959/01, Jakarta cables inwards chronological, numbers 1 to 391, 3 January 1959 to 4 August 1959. 'Cable 391, Australian Embassy Jakarta, to Canberra, 4 August 1959'.

<sup>187</sup> NAA A11786, 8, Top Secret, outward original, O301 to O17475. 'Cable from Barwick to Casey, ANZUS Council Meeting, 22 October 1959'.

proposal did not entail a broader change to Australia's strategic posture of working in close cooperation with its major allies.<sup>188</sup>

### **November 1959: Cabinet's response to the defence capability plan, 'Composition of the Australian Defence Forces'**

Although Menzies had previously dismissed in March 1959 the Indonesia contingencies described in the 1959 Strategic Basis as 'remote possibilities', when Cabinet reconvened on 29 October 1959 to discuss the new capability plan, *Composition of the Australian Defence Forces*, it was clear that the potential for conflict with Indonesia remained at the forefront of Cabinet's threat perceptions. In spite of Cabinet's policy of military non-commitment to West New Guinea, Menzies noted that 'it is conceivable that we should be fighting on our own or with [the] Dutch against Indonesia. A hell of a situation but not an impossible one'.<sup>189</sup> In a similar vein, the Minister for Territories Paul Hasluck thought that Cabinet needed to discuss with the Chiefs of Staff 'our unease about [our] capacity to resist Indonesia if necessary'. Hasluck further noted that Australia needed to develop a 'narrow concept of independence' based upon the defence of the Australian mainland in circumstances where 'we may find ourselves on our own – some sudden situation in which other help is not immediately available'.<sup>190</sup>

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<sup>188</sup> NAA A1838, TS677/3 Part 2, Strategic basis of Australian Defence policy, digital copy, p. 174.

<sup>189</sup> NAA A11099, 1/45, Notetaker E J Bunting – Notes of meetings 29 October 1959 – 22 January 1960, digital copy, p. 33.

<sup>190</sup> NAA A11099, 1/45, Notetaker E J Bunting – Notes of meetings 29 October 1959 – 22 January 1960, digital copy, p. 38.

With Indonesia remaining at the forefront of its threat perceptions Cabinet considered the Service Chiefs' capability plan, which included a relatively long list of capability upgrades and improvements aimed at boosting Australia's capacity to fight independently. Within this list, two in particular drew considerable discussion from within Cabinet, these being the proposal to introduce a submarine service into the RAN, and second, the even more controversial proposal, to begin restructuring the Australian Army, away from a CMF dominated force structure and towards a professional army based upon a mobile brigade group.

In proposing a submarine service, the Chiefs of Staff had specifically linked the capability to the threat of Chinese and especially Indonesian submarines. With Indonesia reported to have purchased two Soviet 'Whiskey' class submarines, it was noted that 'Our present maritime forces are inadequate to prevent small numbers of enemy submarines from operating in the north-western approaches and in areas further south'.<sup>191</sup> However, in a tight fiscal situation, it was also proposed that the RAN's Gannet anti-submarine aircraft should be sacrificed in order to make fiscal room for a submarine capability. Consequently, the Chairman of the Chiefs of Staff Committee, Vice-Admiral Roy Dowling could not support the submarine proposal in its current form, even though he generally supported the case for a submarine service.

In the ensuing Cabinet debate Menzies expressed some initial reservations about whether submarines could perform escort duties for Australian convoys. Nonetheless, Cabinet eventually agreed to begin exploring a submarine service, judging that the capability represented the most effective anti-submarine weapon in the face of rising concerns about Indonesian and Chinese

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<sup>191</sup> NAA A1838, TS677/3 Part 2, Strategic basis of Australian Defence policy, digital copy, p. 193; NAA A1945, 244/3/43, Introduction of a submarine service into the RAN. 'Composition of the forces – Proposed introduction of a submarine force into the R.A.N., Report of the Chiefs of Staff Committee, 28 August 1959', digital copy, p. 43.

submarines. Indeed, it will be recalled that in January 1959 Cabinet had expressed concerns about the potential vulnerability of Australian forces to Indonesian submarines in a West New Guinea contingency. And although Dowling remained opposed to sacrificing the RAN's Gannet anti-submarine aircraft, when asked about the submarine capability in itself, he confirmed to Cabinet that 'submarines of our own would have [the] relevant effect against Indonesia'.

Arguably just as closely linked to the Indonesia threat was the Chiefs of Staff's proposal to begin a major restructuring of the Australian Army in order to develop a mobile brigade group.<sup>192</sup> In discussing the proposal Menzies noted to his Cabinet colleagues that in his opinion, restructuring the Army was Australia's highest defence planning priority, due to the fact that 'we have [a] small Navy and RAAF but they are able and respectably equipped, but on the Army run side [the] position is very bad'. As noted previously, in January 1959 Menzies had enquired about what ground forces Australia could contribute to West New Guinea's defence, with Townley noting that Australia had only two battalions at its disposal. Ten months later this lack of capability appeared to be still troubling the Prime Minister, with Menzies mentioning in reference to the CMF and NST schemes that 'after all this effort' Australia still had to 'squeeze to get a couple of battalions'.<sup>193</sup>

In contrast McMahon and McEwen remained staunch supporters for the continuation of the CMF scheme, with McMahon arguing that a CMF of 20,000 personnel was necessary to deter Indonesia from attacking the Australian mainland. McEwen in similar fashion could see the merits

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<sup>192</sup> NAA A1838, TS677/3 Part 2, Strategic basis of Australian Defence policy. 'Strategic Basis of Australian Defence Policy', digital copy, p. 183.

<sup>193</sup> NAA A11099, 1/45, Notetaker E J Bunting – Notes of meetings 29 October 1959 – 22 January 1960, digital copy, p. 34.

of 'a force complete in itself', but stubbornly stated 'I don't accept that' and instead argued that the maintenance of the CMF was the best means of providing an expeditionary force while maintaining an acceptable level of home defence. Concerning the potential for conflict with Indonesia, McEwen thought that 'to fight is to lose. My line would be make a contribution which satisfies ourselves and ask allies to fill in [the] gaps'. He further noted of Indonesia and West New Guinea that 'I just don't think we can handle that' and therefore concluded that 'I put my faith in diplomats and politicians'.<sup>194</sup> As a result McEwen went on to recommend that Cabinet should focus on developing the social and economic aspects of the Australia-Indonesia relationship rather than altering the structure of the Australian Army.

However, in spite of the opposing views expressed by McMahon and McEwen, Menzies could not be shaken in his resolve to increase Australia's readily deployable ground forces. Menzies stated his argument bluntly, noting that

my trouble is with [the] Army. We've got a Navy and an Air Force which can fight now. But the Army can't. We haven't got a fighting force and we can't let it go as that. That means we must develop the brigade group and to do that within the money. We've just got to give up NST.<sup>195</sup>

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<sup>194</sup> NAA A11099, 1/45, Notetaker E J Bunting – Notes of meetings 29 October 1959 – 22 January 1960, digital copy, p. 32.

<sup>195</sup> NAA A11099, 1/45, Notetaker E J Bunting – Notes of meetings 29 October 1959 – 22 January 1960, digital copy, p. 57.



With Menzies' encouragement, Cabinet eventually came to the same conclusion, that the NST scheme had to be scrapped in order to make room for the development of a readily deployable brigade group. It was hoped that when fully developed, the mobile brigade group would provide Australia with more strategic flexibility in providing it with the option for prompt overseas deployments to either West New Guinea or further afield, while providing a standing deterrent against potential aggression in Australia's north. This potential capability stood in stark contrast to what Australia was currently operating in the ungainly CMF and NST schemes, which required a substantial mobilisation period and significant financial expenditure to provide a relatively low level of capability.

Having agreed to begin exploring a submarine service and to begin the process of shutting down the NST scheme, Cabinet went on to approve the remaining proposals put forward by the Chiefs of Staff, with Menzies noting that the 'substance of [the] Defence paper is about right', although 'Some carpentry in favour of [the] army [is] need[ed]'.<sup>196</sup> However, due to the ongoing tensions between the Chiefs of Staff and Cabinet, Menzies suggested that Cabinet should 'note' rather than 'endorse' the Strategic Basis paper, as 'approving [it] would be taken down and used against us'. As a result, the discussions with the Service Chiefs concerning the 1959 Strategic Basis officially concluded on 5 November 1959 with the paper being 'noted' by Cabinet rather than being 'endorsed', even though Cabinet had supported the main proposals of the paper.<sup>197</sup> This point has caused a degree of confusion in Australian historiography, with the analysis of Peter

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<sup>196</sup> NAA A11099, 1/45, Notetaker E J Bunting – Notes of meetings 29 October 1959 – 22 January 1960, digital copy, p. 60.

<sup>197</sup> NAA A11099, 1/45, Notetaker E J Bunting – Notes of meetings 29 October 1959 – 22 January 1960, digital copy, p. 37.

Edwards in *Crises and Commitments* and more recently in *Learning from History* giving the impression that Cabinet completely rejected the 1959 Strategic Basis and its 'independent' capabilities proposal in favour of maintaining the policy of 'forward defence'.<sup>198</sup> While Edwards correctly noted that Cabinet rejected self-sufficiency as a concept for Australian operations in mainland Southeast Asia, internal Cabinet discussions clearly indicate that it accepted the need for self-supporting forces for the defence of the Australian continent and its maritime approaches, especially in the context of the low-level Indonesia threat. Indeed, final records of the Cabinet discussion noted that 'Australian Forces should be developed to be self-supporting to some degree'.<sup>199</sup>

Hence in substance, if not style, Cabinet in November 1959 had approved a significant restructuring of Australia's armed forces in response to the rise of a low-level Indonesia threat. In addition to developing a mobile brigade group and exploring a submarine capability, the paper also included the possible future acquisition of modern jet aircraft and guided missile destroyers. In a change of emphasis, Cabinet also agreed to take up McEwen's suggestion to begin investing more heavily in developing the Australia-Indonesia relationship, with the Government beginning a program of greater intergovernmental contact with Indonesia in late 1959.<sup>200</sup> Thus by the close of 1959 it was becoming apparent that Cabinet had decided to implement a two-pronged approach in response to the rise of a low-level Indonesia threat, involving intensified diplomatic

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<sup>198</sup> Peter Edwards, *Crises and Commitments*, Allen & Unwin in Association with the Australian War Memorial, North Sydney, 1992, p. 205-206; Peter Edwards, *Learning from History: Some strategic lessons from the 'forward defence' era*, ASPI Paper on Strategy and Defence, Barton ACT, May 2015, p. 11.

<sup>199</sup> NAA A1838, TS677/3 PART 2, Strategic basis of Australian Defence policy, digital copy, p. 160.

<sup>200</sup> This program will be explored in greater detail in the ensuing chapter.

engagement with Indonesia, while setting down at the same time the blueprint for a significant upgrading of the Australian armed forces towards achieving 'self-sufficiency'.

## **Conclusion**

As this analysis indicates, Indonesia's rise as a credible low-level threat dominated the JPC's drafting and Cabinet's analysis of the 1959 Strategic Basis. Despite expressing some initial scepticism, Cabinet eventually agreed in November 1959 to begin a substantial upgrading of Australian forces under the framework of developing 'self-supporting' forces. Underpinning this new defence program was the shared concerns of Defence, External Affairs and Cabinet that Australia might face a significant Indonesia threat to northern Australia in future. As for Australian participation in a West New Guinea contingency, Cabinet had seriously contemplated the possibility in January 1959 before reconfirming the policy of military non-commitment, and in February 1959 it went on to consolidate the policy by noting in the Casey-Subandrio joint communiqué that Australia was only a third party to the dispute.

This chapter's analysis establishes the significance of the Indonesia threat in Australian defence planning in the late 1950s. In 1992 Peter Edwards in *Crises and Commitments* noted Indonesia as an important factor in the 1959 Strategic Basis, but he linked the paper's key proposal to develop 'independent' capabilities to the 1956 Strategic Basis and its focus on the security of mainland Southeast Asia, when in fact there was a clear breach between the two documents in the threat perceptions that informed them and the consequent planning

priorities.<sup>201</sup> It is only more recently that Australian defence strategists such as Paul Dibb, Richard Brabin-Smith and Stephan Frühling have begun to note the importance of the Indonesia threat in driving the 'independent' capabilities proposal of the 1959 Strategic Basis.<sup>202</sup>

Looking more broadly, 1959 signalled the beginning of a notable divergence between the JIC and JPC concerning their analysis of the Indonesia threat. After its considerable anxiety in 1958, the JIC had developed a more conservative estimate of Indonesian capabilities in 1959, predicting that Indonesia's military development would plateau by 1961 and that Australia would enjoy a capability advantage in the coming decade. In contrast, the JPC, Defence Committee and finally Cabinet, had approved a new defence program orientated towards facing an Indonesia with much improved capabilities. As a result, at the close of 1959 the defence planning debate concerning whether Australia should focus on the worst-case scenario of a strong and hostile Indonesia, or the more likely scenario of a low-level Indonesia threat was far from resolved. This debate would become more pronounced during 1960-1963, as will be analysed in the next chapter.

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<sup>201</sup> Peter Edwards, *Crises and Commitments*, Allen & Unwin in Association with the Australian War Memorial, 1992, p. 205.

<sup>202</sup> Paul Dibb and Richard Brabin-Smith, 'Indonesia in Australian Defence Planning', *Security Challenges*, Vol. 3, No. 4, 2007, p. 71; 1959 Strategic Basis, in Stephan Frühling (ed.), *A History of Australian Strategic Policy since 1945*, Defence Publishing Service, Department of Defence, Commonwealth of Australia, Canberra, 2009, p. 247.

# **Chapter Three: The 1962 Strategic Basis and the Australian Government's defence planning response to the resolution of the West New Guinea dispute, January 1960 – May 1963**

Between 1960 and 1963 the West New Guinea dispute slowly escalated into a low-level conflict, culminating with its earlier than expected resolution in Indonesia's favour. During this period the policy machinery of the Australian Government struggled to determine both the extent of Indonesian capabilities and what kind of Indonesia threat to prepare for. This chapter analyses these evolving debates and is structured into two sections. In the first section the chapter analyses the ongoing defence planning debate concerning whether to prepare for a strong, hostile Indonesia, or the more likely scenario of a low-level Indonesia threat. This debate culminated with an open rift developing between the JIC and JPC during the drafting of the 1962 Strategic Basis.

In the second section the chapter analyses the Australian Government's defence planning response to the resolution of the West New Guinea dispute in Indonesia's favour. It analyses how Indonesia's campaign of infiltrations and the dispute's resolution caused a temporary converging of threat perceptions within the Government's policy machinery towards recognising an increased Indonesia threat. As a result, between September 1962 and May 1963 Cabinet authorised a major upgrading and expansion of Australia's armed forces, aimed at bolstering

Australia's deterrent capabilities in anticipation of sharing a land border with Indonesia in New Guinea. However, somewhat contradictorily, the 1960-1963 period also witnessed growing uncertainty concerning Indonesian capabilities, with the JIC admitting in 1961 that it was data deficient in some key areas of its intelligence on Indonesia. In like manner, by 1963 Defence and External Affairs had developed relatively low estimates of the Indonesia threat to Papua and New Guinea, with Defence and Cabinet deferring a decision on developing a new port in the Australian territory, even though papers by the JIC and JPC described Indonesia's 'expansionist' regional ambitions.

### **The Australian Government's evolving perceptions of the Indonesia threat, 1960-1961**

It will be recalled that in November 1959 Cabinet had agreed to begin exploring the development of 'self-supporting' forces including modern jet aircraft, destroyers and submarines in response to the rise of a credible low-level Indonesia threat. In 1960-1961 these capability explorations continued, culminating with Cabinet's November 1960 decision to purchase 30 Mirage jet aircraft and its June 1961 decision to purchase two Charles F. Adams class guided missile destroyers. However, Cabinet deferred making a final decision on developing a submarine capability and selecting a new bomber aircraft. While the decision to replace Australia's ageing Canberra bombers was postponed due to the lack of a suitable replacement, a factor in Cabinet's submarine decision may have been the analysis of the JIC, which conservatively assessed in 1960

that a serious submarine threat from Indonesia was at least a decade away from fruition.<sup>203</sup> And indeed, the JIC in 1960 continued to produce the conservative estimates of the Indonesia threat that it had first produced in 1959. These conservative estimates were reflected in a series of JIC maps that emphasised the maritime capabilities and threat posed by Communist China, while in contrast Indonesia and the Indonesian archipelago were presented as a 'Probable Neutral Area' in Limited War (see Figure 7).<sup>204</sup> While the JIC's emphasis of the threat posed by Communist China rather than Indonesia appeared relatively innocuous in 1960, one year later the ramifications would become clearer when a schism emerged between the JIC and JPC during their drafting of the 1962 Strategic Basis.

In addition to these capability decisions and deferrals, a second aspect of Cabinet's two-pronged response to the rising Indonesia threat was the decision to begin investing more heavily in the development of the Australia-Indonesia relationship. In the ensuing months this new emphasis in Australian foreign policy would become more evident with Menzies making the inaugural visit by a serving Australian Prime Minister to the Indonesian Republic in December 1959.<sup>205</sup> As part of this program of intensified diplomatic relations the Australian Government also began developing formal defence relations with Indonesia. In December 1959 Cabinet

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<sup>203</sup> NAA A4943, Volume 4, Seventh Menzies Ministry – Cabinet decisions Nos. 1051-1400. 'Cabinet Decision No. 1127, 22 November 1960', digital copy, p. 92; NAA A5818, Volume 21/Agendum 900, Selection of a replacement fighter for the Avon Sabre of the Royal Australian Air Force Decision 1127, digital copy, p. 19; NAA A1838, TS677/3 Part 2, Strategic basis of Australian Defence policy, digital copy, p. 160, 180.

<sup>204</sup> NAA A1838, TS666/60/53, Joint Intelligence Committee Australia – The submarine threat to Australia up to the end of 1970.

<sup>205</sup> The Indonesian Government had formally invited Menzies to visit Indonesia in June 1959, with the potential for a reciprocal visit by Sukarno to Australia at a later date.

reversed its previous 1958 decision and approved the training of Indonesian personnel at Australian service training establishments, including in the sensitive topic of jungle warfare.<sup>206</sup>

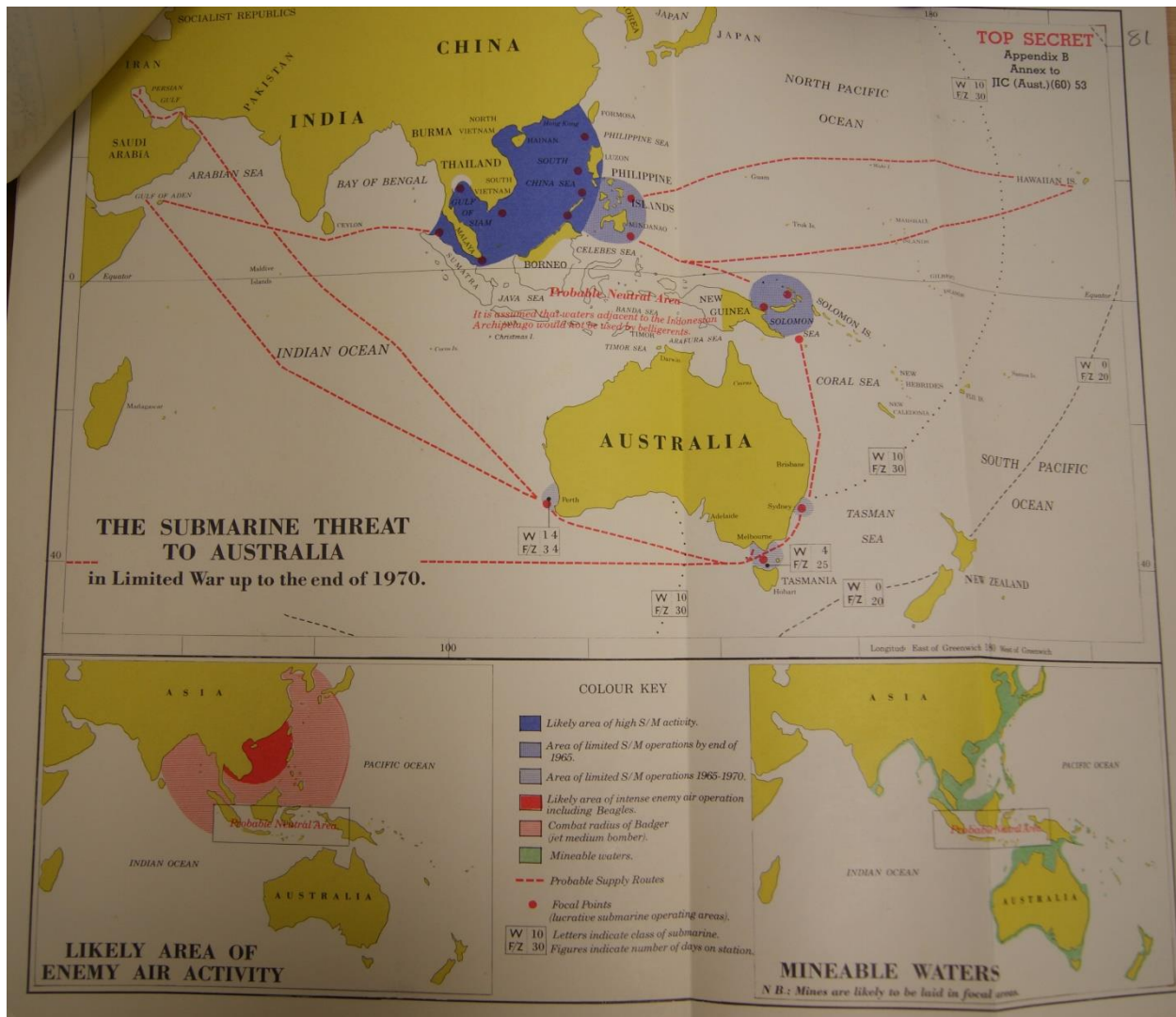


Figure 7. JIC assessment of the Limited War threat up to 1970, with the Indonesian archipelago described as a 'Probable Neutral Area'. NAA A1838, TS666/60/53

<sup>206</sup> NAA A1838, 3034/10/1 Part 5, Indonesia. Relations with Australia. General. 'Australian-Indonesian Dialogue 1959-1963', p. 27; M2576, 50, [Personal Papers of Prime Minister Menzies] Briefing papers for 1960 Prime Ministers Meeting [re world economic position, international development, trade and disarmament, Laos, Indonesia], digital copy, p. 144; NAA A1838, 3034/10/4 Part 1, Indonesian – Defence Relations with Australia.



In the ensuing two years these nascent defence ties with Indonesia would continue to develop, with official visits made by senior Australian and Indonesian defence officials and ships in 1960 and 1961.<sup>207</sup> As Tange would note to Menzies in May 1960, a major 'preoccupation' of Australian foreign policy during this period was to establish 'normal' relations with Indonesia, whilst avoiding the impression that Australia's policy towards Indonesia was 'dictated by fear'.<sup>208</sup>

In keeping with these objectives, Cabinet was particularly sensitive to any policy move that could place further strain on the Australia-Indonesia relationship. In March 1960 Cabinet engaged in a particularly intense debate when it met to consider a collection of reports from Defence, External Affairs and the Department for Territories examining the strategic significance of West New Guinea and the potential for closer cross-border cooperation with the Dutch. Previously in November 1957 Cabinet had agreed to begin developing cross-border cooperation, but in March 1960 the possibility for even closer interaction was re-analysed due to an impending meeting with the Dutch to discuss the issue.<sup>209</sup>

Due to the recent retirement of Casey from Federal politics Menzies had assumed responsibility for External Affairs, and on 19 February 1960 Menzies due to the urgency of the issue had expressed initial support for Casey's paper.<sup>210</sup> Menzies thereafter received personal correspondence from the Minister for Territories Paul Hasluck in support of the proposals for

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<sup>207</sup> NAA A6059, 69/441/35, Visit of CGS to Indonesia; NAA A4940, C508 Part 2, Netherlands New Guinea – policy, digital copy, p. 9.

<sup>208</sup> NAA M2576, 50, [Personal Papers of Prime Minister Menzies] Briefing papers for 1960 Prime Ministers' Meeting [re world economic position, international development, trade and disarmament, Laos, Indonesia]. 'Letter, A.H. Tange, 11 May 1960', digital copy, p. 141, 144.

<sup>209</sup> NAA A11099, 1/46, Notetaker E J Bunting – Notes of meetings February 1960 – 22 March 1960, digital copy, p. 117; NAA A4940, C508 PART 2, Netherlands New Guinea – Policy, digital copy, p. 250, 270.

<sup>210</sup> The Government was scheduled to discuss closer cooperation with the Dutch in March 1960. NAA A4940, C508 PART 2, Netherlands New Guinea – Policy. 'Menzies, note for Cabinet, 19 February 1960', digital copy, p. 250.

closer cooperation with the Dutch, but nevertheless, two weeks later during the 2 March 1960 Cabinet meeting Menzies switched his position and rejected Casey's paper.<sup>211</sup> A probable factor in Menzies' switch may have been the advice of the Secretary for External Affairs, Sir Arthur Tange, who was particularly scathing in his analysis of the External Affairs paper. Tange had consistently questioned the strategic significance of West New Guinea since 1956, and perhaps taking advantage of Casey's retirement, he launched a blistering attack on his own department, noting that 'it is difficult to read to the end of this document', and that the paper 'with a total lack of subtlety or justification, seeks to reverse the policies determined by Cabinet in January last year'.<sup>212</sup> Tange went on to discuss in detail the shortcomings of the External Affairs paper, fundamental of which was its attempt to reverse the 'incontestable' decision of Cabinet in January 1959 that 'the strategic importance of Indonesia is of greater significance to the United States and Australia than Netherlands New Guinea'. Tange also criticised the Defence submission as an 'extraordinary paper' that was based upon 'the worst assumptions' regarding a future Indonesia threat.<sup>213</sup>

Hasluck (who may have been oblivious to Tange's analysis) remained supportive of the proposals, and argued in the ensuing Cabinet debate that to step away from supporting the Dutch would effectively render West New Guinea an Indonesian territory. However, Cabinet was unmoved by Hasluck's argument, with Menzies considering aspects of the External Affairs paper

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<sup>211</sup> NAA A4940, C508 PART 2, Netherlands New Guinea – Policy. 'Letter, Hasluck to Menzies, 26 February 1960', digital copy, p. 216.

<sup>212</sup> NAA A4940, C508 PART 2, Netherlands New Guinea – Policy, digital copy, p. 226.

<sup>213</sup> NAA A4940, C508 PART 2, Netherlands New Guinea – Policy, digital copy, p. 225.

to be 'dangerous' in that it promoted the integration of West New Guinea and East New Guinea, and thereby ran the risk of exposing Australia to direct conflict with Indonesia.<sup>214</sup>

Strengthening this rebuke even further, Cabinet refused to even consider the related Defence submission which analysed West New Guinea's strategic significance to Australia.<sup>215</sup> In rejecting the paper Menzies stated his opposition bluntly, noting that 'the strategic importance of New Guinea can be very easily over-rated', and therefore

[we] must face up to [the] fact that we are not going to invest troops in [the] defence of West New Guinea. The Australian people will not be prepared to go into war with [a] country of 80 million people, with backstopping by Russia and China.<sup>216</sup>

McEwen followed Menzies' lead and issued a further rebuke to External Affairs, stating that it needed to 'absorb' the Government's policy position of military non-involvement in West New Guinea.<sup>217</sup> With Menzies and Tange clearly opposed to the proposal, this rebuke was clearly intended for the lower levels of the External Affairs bureaucracy such as the JIC, which had presumably drafted the offending paper. Hasluck did not escape untouched either, with Bunting informing him with administrative efficiency on 15 March that Cabinet desired that 'the sense of

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<sup>214</sup> NAA A11099, 1/46, Notetaker E J Bunting – Notes of meetings February 1960 – 22 March 1960, digital copy, p. 120, p. 123.

<sup>215</sup> NAA A4940, C508 PART 2, Netherlands New Guinea – Policy. 'Cabinet Minute, 2 March 1960, Decision No. 659, digital copy, p. 234.

<sup>216</sup> NAA A11099, 1/46, Notetaker E J Bunting – Notes of meetings February 1960 – 22 March 1960, digital copy, p. 120, p. 123.

<sup>217</sup> NAA A11099, 1/46, Notetaker E J Bunting – Notes of meetings February 1960 – 22 March 1960, digital copy, p. 120, p. 123.

its discussion should be conveyed as fully and clearly as possible to the relevant Departments' and therefore 'I attach a copy of it'.<sup>218</sup>

Thus by March 1960 it was evident that Cabinet's internal policy debate concerning a military commitment to West New Guinea was drawing to a close. While Australia would continue to develop self-supporting forces that could more ably respond to an Indonesia threat, there was no presumption of participation in a West New Guinea contingency. In the eighteen-month period from March 1960 to September 1961 Cabinet would discuss its West New Guinea policy on five further occasions, but each time Australia's position of military non-commitment remained firm. The desire to involve Australia in West New Guinea's defence had not yet completely died in the Cabinet room, with the outspoken Minister for Labour and National Service, William McMahon, continuing to argue in favour of West New Guinea's strategic importance. However, in August 1961 he was firmly rebuffed by the Minister for Defence Athol Townley, who noted that '[I do] not agree with McMahon about [the] military view: Indonesia now has such weapons and equipment that New Guinea [is] irrelevant to their ability to tackle Australia'.<sup>219</sup> In like manner the Treasurer Harold Holt expressed surprise during the Cabinet meeting at how quickly the dispute was heading towards a diplomatic resolution, but nonetheless, he noted that he would 'lose no sleep' at the prospect of Indonesian control due to the fact that 'the defence significance is gone'.<sup>220</sup>

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<sup>218</sup> NAA A4940, C508 PART 2, Netherlands New Guinea – Policy. 'Letter, Bunting to Hasluck, 15 March 1960', digital copy, p. 199.

<sup>219</sup> NAA A11099, 1/52, Notetaker E J Bunting – Notes of meetings 2 August 1961 – 18 October 1961.

<sup>220</sup> NAA A11099, 1/52, Notetaker E J Bunting – Notes of meetings 2 August 1961 – 18 October 1961.

With Menzies having previously noted in January 1959 that Australian trusteeship was preferable but politically impossible, during Cabinet meetings in November 1960, February 1961, and August 1961 Cabinet went on to consider Malayan, American and Dutch proposals that West New Guinea should become a UN trusteeship. However, Cabinet thought that the UN trusteeship idea ‘bristled with difficulties’ for a number of reasons including potential administrative complications and the broader recognition that such an arrangement would inevitably move the disputed territory closer towards coming under Indonesian administration and control.<sup>221</sup>

But although Cabinet had rejected closer cooperation with the Dutch in favour of nurturing a closer Australia-Indonesia relationship, it still placed limits on how far it was prepared to go in this endeavour. In April 1961 Australia’s Ambassador to Indonesia, Patrick Shaw had briefed Cabinet in preparation for the upcoming tour of Australia by Indonesia’s Chief of General Staff, General Abdul Nasution. Shaw advised Cabinet to offer Nasution a ‘more neutral’ Australian posture towards the West New Guinea dispute that he could then return to Jakarta with, but Cabinet rejected Shaw’s advice, preferring instead to stay with the Casey-Subandrio joint communiqué from Subandrio’s visit to Australia two years earlier, which had established that Australia as a third party would not oppose the dispute’s peaceful resolution.<sup>222</sup>

### **The JIC’s conservative estimates of Indonesian capabilities**

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<sup>221</sup> NAA A4940, C508 Part 2, Netherlands New Guinea – Policy, digital copy, p. 178.

<sup>222</sup> ‘No Opposition To Agreement On West N.G’, *The Canberra Times*, Monday 16 February 1959; NAA A4943, Volume 2, Seventh Menzies Ministry – Cabinet decisions Nos. 351-700, Cabinet Decision No. 1229, 21 February 1961; NAA A11099, 1/50, Notetaker E J Bunting – Notes of meetings 6 February 1961 – 3 May 1961.

In 1960-1961 the JIC in keeping with its previous assessments in 1959 had continued to produce a more qualified image of Indonesia's level of *operable* military capability. For example, in 1961 the Technical and Scientific Intelligence Sub-Committee of the JIC assessed that two thirds of Indonesia's Mig-17 fighters were held in storage, a situation which it noted was common across the Indonesian Air Force. It was also noted that the Indonesian Navy was experiencing similar maintenance difficulties and that an initial serviceability rate of 75 per cent would slump after only one or two days of operations.<sup>223</sup>

However, in 1961 the reliability of these reports was brought into question when a review of the JIC's intelligence sources revealed serious deficiencies in its information on various countries of interest to Australia such as Indonesia and China. The JIC admitted that the operation of Sukarno's 'palace' was poorly understood, as was the leadership structure of the PKI. Concerning Indonesia's armed services, the JIC report noted that its intelligence on the Indonesian Army and Air Force was 'adequate to good', but in contrast, its information on the Indonesian Navy was meagre. Even more disconcertingly, the JIC noted that it held little information on the Indonesian Navy's amphibious capabilities and its training in amphibious warfare, areas which were of key interest to the JIC and the JPC in forming an accurate estimate of the Indonesia threat to West New Guinea and northern Australia. Coming on the back of the JIC's gross under-estimation of Indonesia's amphibious capabilities during the Indonesian Civil

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<sup>223</sup> NAA A1838, 3034/12 Part 7, Indonesia – Armed forces and defence interests.

War, this latest revelation would have done little to instil confidence within senior levels of Defence and External Affairs that the JIC's estimates of Indonesia's capabilities were reliable.<sup>224</sup>

Further compounding the Government's persisting anxiety towards Indonesia, in 1961 the Menzies Government learned of two separate instances in which Indonesian officials had boasted of attacking Australia. The first came in February 1961 when General Nasution, buoyed by a successful arms trip to the Soviet Union, had privately bragged on his return to Indonesia that if Australia interfered in West New Guinea 'We will invade New Guinea and launch an attack against Sydney'.<sup>225</sup> Four months later Subandrio in a similarly buoyant mood had boasted during a reportedly 'alcoholic luncheon' with Singaporean Ministers in June 1961 that Indonesia was prepared to bomb Sydney if Australia intervened in the ongoing dispute. Coming on the back of Indonesia's recent deal to acquire Soviet medium range Tu-16 'Badger' bombers, Australia's High Commissioner to Singapore, Gordon Jockel, had cautioned Canberra that Subandrio's latest comment, although made with a considerable degree of bravado, needed to be explored by Defence as having an element of credibility.<sup>226</sup>

### **The JPC's ongoing analysis of the Indonesia threat to West New Guinea, 1960-1961**

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<sup>224</sup> NAA A1838, TS663/4/11 Part 1, Australian Defence Organisation – Intelligence JIC – Australian intelligence targets and priorities. 'Annex to JIC Report No. 21/61, Stocktake of Intelligence, Indonesia'.

<sup>225</sup> NAA A1838, TS383/6/9, Arms for Indonesia.

<sup>226</sup> NAA A1838, 3034/10/1 Part 10, Indonesia – Relations with Australia – Political – General. 'The Secretary, Department of External Affairs, Canberra, from G. Jockel, Commissioner, Australian Commission, Singapore, 7 July 1961'; NAA A1838, 3034/12/5 PART 7, Indonesia – Armed Forces and defence interests – Purchase of arms overseas, digital copy, p. 289.

These ongoing uncertainties concerning Indonesia's capabilities and intentions was reflected in Defence's ongoing analysis of the Indonesia threat. As previously noted, in March 1960 Defence had submitted to Cabinet a JPC paper which analysed the strategic significance of West New Guinea to Australia. Although Cabinet had refused to even consider the paper, the report nonetheless provided firm insight into Defence's evolving analysis of the Indonesia threat.

Significantly, the JPC shared the view initially developed by the JIC in 1959, that in the short-term Indonesia posed only a low-level threat to West New Guinea and northern Australia. In the March 1960 report the JPC echoed the JIC when it gave a comfortable ten-year warning period before a serious Indonesia threat could emerge, noting that up to 1969 'the Indonesian armed forces will not be substantially increased'.<sup>227</sup> The paper went on to note that 'within the next few years, a hostile Indonesia from within her present boundaries could not pose any significant direct threat to the security of Australia, or any land threat to its territories'.<sup>228</sup> The JPC reassuringly noted that while ANZUS applied there was little prospect of Indonesian aggression, and even if Indonesia acquired West New Guinea and began to 'promote insurgency' in East New Guinea, this threat could be met by local forces, including a reinforced Pacific Islands Regiment with logistical support from Australia.

However, in an indication of the long-term threat perceptions that continued to trouble the JPC and Defence, the paper went on to explore how a strong and hostile Indonesia could potentially endanger the future 'survival' of Australia if it did not receive support from the United States.<sup>229</sup> In this threat scenario, the paper discussed how Indonesian possession of West New

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<sup>227</sup> NAA A4940, C508 Part 2, Netherlands New Guinea – Policy, digital copy, p. 241.

<sup>228</sup> NAA A4940, C508 Part 2, Netherlands New Guinea – Policy, digital copy, p. 238.

<sup>229</sup> NAA A4940, C508 Part 2, Netherlands New Guinea – Policy, digital copy, p. 238.



Guinea would pose a 'grave threat' to Australia and 'greatly increase Indonesia's capability to attack ENG'. The paper also noted how Indonesian forces based in West and East New Guinea could launch operations against northern Australia, and that Indonesia 'might not aim at subjugating Australia, but perhaps at seizing a part of the northern mainland'.<sup>230</sup> Thus in March 1960 it was clear that Defence had continued to maintain the two images of the Indonesia threat it had originally developed in 1959, that of a low-level Indonesia threat to West New Guinea in its present form, and second, a future Indonesia threat, based on the worst-case scenario of a strong and hostile Indonesia that could pose a direct threat to Australia's 'survival'.

In addition to analysing the defence planning implications of a strong and hostile Indonesia, in 1960 Defence continued to analyse the possibility of an Australian force contribution to West New Guinea's defence. Although Defence had advocated a policy of military non-commitment in August 1958, it appears that Defence had adopted this position as an interim measure while it developed the necessary capabilities to make a credible contribution. In June 1960 a JPC report considered the basing of RAAF units at either Biak, Manus Island or Darwin in preparation for a West New Guinea contingency. Three months later in September 1960 a further draft report produced a revised 'Gatley Alfa' operation which detailed how Australian forces could respond to a major Indonesian attack.<sup>231</sup> Due to its previous assessments which had judged that Australian forces would be unable to make a timely contribution to West New Guinea's defence, the revised Gatley Alfa operation in September 1960 emphasised speed of action in the

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<sup>230</sup> NAA A4940, C508 Part 2, Netherlands New Guinea – Policy, digital copy, p. 238-239, 243.

<sup>231</sup> NAA A8738, 15, Reports by the Joint Planning Committee – 40/1960 to 96/1960.

Australian response, envisaging the launching of RAAF aircraft from Darwin within a matter of hours to 'attack the Indonesian task force during its final approach and the landing operation'.<sup>232</sup>

However, when the Chiefs of Staff Committee (COSC) analysed this revised Gatley Alfa operation in October 1960 they chose to only 'note' rather than endorse the JPC report, with the Service Chiefs judging that 'on military grounds, it would not be possible to implement such an attack, particularly in view of the critical timings involved'.<sup>233</sup> Logs of Cabinet submissions indicate that the JPC report was not submitted to Cabinet for further consideration, and thus it seems apparent that by the close of 1960 the Chiefs of Staff had begun to follow Cabinet's lead in dropping the possibility of an Australian military contribution to West New Guinea's defence. Nevertheless, this did not signal the conclusion of the ongoing debate in Australian defence planning concerning what kind of Indonesia threat to prepare for. Between August and September 1961 the JPC's drafting of the 1962 Strategic Basis would render this debate transparent when a significant rift opened between the JPC and JIC concerning the JPC's presentation of Indonesia as a direct threat to Australia's island territories.

### **The JPC's drafting of the 1962 Strategic Basis**

With Air Marshall Sir Fredrick Scherger promoted to Chairman of the Chiefs of Staff Committee in May 1961 the JPC had acquired a sympathetic ear to consider its Indonesia threat hypothesis

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<sup>232</sup> NAA A8738, 15, Reports by the Joint Planning Committee – 40/1960 to 96/1960. 'Meeting of the Joint Planning Committee on 27<sup>th</sup> September 1960'.

<sup>233</sup> NAA A8738, 15, Reports by the Joint Planning Committee – 40/1960 to 96/1960. 'COSC comment, October 1960'.

and the need to continue developing Australia's self-supporting capabilities.<sup>234</sup> Although the JPC in 1960 had echoed the JIC in stating that Indonesia was unlikely to pose a serious threat in the coming decade, it adopted a notably different tone during the drafting of the 1962 Strategic Basis between August-September 1961. In the draft paper the JPC emphasised the destabilising effect that Indonesia's rising military power was having on Australia's security, and that Indonesian possession of West New Guinea could facilitate a direct conflict with Australia in Papua and New Guinea. In contrast, the JIC held a more positive outlook on Indonesia's future direction, and preferred that the paper emphasise Indonesia's role as a potential barrier to Communist advances in Southeast Asia. Most notably, the JIC rejected the JPC's Indonesia threat hypothesis in its entirety, and attempted to edit the 1962 Strategic Basis to state that 'the only threat to Australia is posed by international communism'.<sup>235</sup> However, 'Defence refused to accept any of these amendments', and this difference of outlook could not be resolved without mediation from senior figures in External Affairs.<sup>236</sup>

Notes of this disagreement recorded in understated fashion that the 'JIC and to a lesser extent [the] JPC decline to take a gloomy view of Indonesia's present and future value to Australian defence'.<sup>237</sup> It was mentioned that the JIC viewed the Indonesian Army as a guarantee of Indonesia's non-Communist future, and saw Indonesia 'as constituting a barrier against Communist advance rather than constituting a significant threat against Australia'. In contrast,

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<sup>234</sup> As noted in the previous chapter, Scherger was a strong advocate for Australia developing independent capabilities in response to the rising Indonesia threat.

<sup>235</sup> NAA A1838, TS677/3 Part 3, Strategic basis of Australian defence policy, digital copy, p. 145.

<sup>236</sup> NAA A1838, TS677/3 Part 3, Strategic basis of Australian defence policy, digital copy, p. 216, 220.

<sup>237</sup> NAA A1838, TS677/3 Part 3, Strategic basis of Australian defence policy, digital copy, p. 250.

the JPC were 'prepared to admit a possible threat from Indonesia towards Australia's island territories', while the JIC were 'reluctant to give this any weight'.<sup>238</sup>

After some negotiation the final resolution of the issue recorded that 'the JPC finally accepted the External Affairs views as reflected in the draft and rejected the far more optimistic views supported by the majority of JIC members'.<sup>239</sup> However, it was clear that the JPC's Indonesia threat hypothesis had prevailed in the final draft, with the paper noting that a significant 'deterioration' had occurred in Australia's strategic position, driven by Indonesia having built up 'a formidable inventory of modern land, air and naval weapons'.<sup>240</sup> In consequence of the firming Indonesia threat the final draft noted that there was 'a clear requirement for a progressive expansion of the Defence program'. And while the JPC's references to a direct Indonesia threat to Australia's island territories were removed from the final draft, the paper still alluded to the possibility, noting that the development of 'self-contained' forces would achieve 'the basic objective of ensuring the security of Australia and her island territories'.<sup>241</sup>

However, after Cabinet's controversial reception of the 'independent' capabilities proposal of the 1959 Strategic Basis three years earlier, it remained to be seen in January 1962 how Cabinet would respond to the 1962 Strategic Basis and its associated proposals that Australia's forces be further upgraded and expanded. But fortuitously for Defence, just as the Defence Committee finalized the 1962 Strategic Basis in January 1962 the West New Guinea

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<sup>238</sup> NAA A1838, TS677/3 Part 3, Strategic basis of Australian defence policy, digital copy, p. 250.

<sup>239</sup> NAA A1838, TS677/3 Part 3, Strategic basis of Australian defence policy, digital copy, p. 145.

<sup>240</sup> 'Strategic Basis of Australian Defence Policy (January 1962)', paragraph 23, in Stephan Frühling (ed.), *A history of Australian Strategic Policy since 1945*, Defence Publishing Service, Department of Defence, Commonwealth of Australia, Canberra, 2009, p. 285.

<sup>241</sup> 'Strategic Basis of Australian Defence Policy (January 1962)', paragraph 55, in Stephan Frühling (ed.), *A history of Australian Strategic Policy since 1945*, Defence Publishing Service, Department of Defence, Commonwealth of Australia, Canberra, 2009, p. 291.

dispute began to dramatically escalate. The second half of this chapter briefly examines what drove this escalation before analysing how the threat perceptions of Cabinet rapidly moved in late 1962 towards recognising an increased Indonesia threat towards Papua and New Guinea.

### **The escalation of the West New Guinea dispute, January 1962**

Prior to the escalation of the West New Guinea dispute in January 1962 the Indonesian Government had been frustrated by the failure of three Indonesian sponsored resolutions in the UN. But while the Indonesians had been discouraged by these diplomatic setbacks, the Dutch ironically had also been discouraged by the lukewarm diplomatic support they had received from the American, Australian and British Governments. With Indonesia's military capabilities steadily improving, and with no military support from major allies at hand, in 1960 the Dutch began to strengthen West New Guinea's defences with additional forces, and in 1961 they also began to explore alternative political arrangements for West New Guinea, including either UN trusteeship or the creation of a sovereign West New Guinean state.<sup>242</sup> These plans began to mature in April 1961 with the first sitting of the West New Guinea Council, which proceeded to announce its right to self-determination, and to conduct the first rendition of the West Papua national anthem

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<sup>242</sup> These reinforcements included additional troops and aircraft, and the controversial journey of the Dutch aircraft carrier *Karel Doorman* to West New Guinea.

and raising of the West Papua 'Morning Star' flag at a ceremony in Hollandia on 1 December 1961.<sup>243</sup>

Agitated by these latest Dutch steps towards creating a sovereign West New Guinea state, Sukarno responded on 19 December 1961 by issuing the Tri Komando Rakyat (Triple Command of the Indonesian people), ordering the national mobilisation of Indonesia's armed forces in order to liberate West New Guinea by force if necessary, before the conclusion of 1962. Coming on the back of a failed Indonesian infiltration into West New Guinea in November 1960, this latest threat by Sukarno was interpreted by both the Australian Government and the international community as an indication of Indonesia's firming intentions to launch a direct attack against Dutch forces in West New Guinea.<sup>244</sup> On 19 December 1961 Cabinet briefly met to consider whether an Indonesian attack was imminent with Cabinet noting that in spite of Sukarno's rhetoric it had received no intelligence to suggest that a national mobilisation of Indonesia's armed forces was taking place.

Three weeks later, Cabinet debated in detail its diplomatic response to the escalating dispute under the guidance of the recently appointed Minister for External Affairs Garfield Barwick. Anticipating an Indonesian diplomatic victory, Barwick argued that Australia should discreetly change its policy to one of privately promoting the dispute's peaceful resolution, and by implication, provide de-facto diplomatic support to the Indonesians.<sup>245</sup> However, both Menzies and Cabinet balked at Barwick's proposal, judging that it would be impossible to keep

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<sup>243</sup> For a more detailed analysis of these events see Justus M. Van der Kroef, 'Recent Developments in West New Guinea', *Pacific Affairs*, Vol. 34, No. 3, Autumn, 1961, p. 284.

<sup>244</sup> Ide Anak Agung Gde Agung, *Twenty years of Indonesian foreign policy 1945-1965*, Mouton & Co, The Hague, 1973, p. 303; Ken Conboy, *Kopassus: Inside Indonesia's Special Forces*, Equinox Publishing, Jakarta, 2003, p. 63.

<sup>245</sup> NAA A11099, 1/55, Notetaker E J Bunting – Notes of meetings 19 December 1961 – 6 March 1962. 'Cabinet Decision No. 3, 11<sup>th</sup> and 12<sup>th</sup> January 1962. West New Guinea, Submission 10'.

such a controversial policy shift secret from the Australian public.<sup>246</sup> After a lengthy debate Cabinet expressed its preference to intentionally 'do nothing', with Menzies and Barwick authorised to issue public statements which would emphasise the leadership roles of the United States and United Kingdom in resolving the dispute peacefully. In addition, Barwick and Menzies would emphasise previous statements made by the Indonesian Government that it would not use force against West New Guinea, and that it held no interest in Papua and New Guinea.<sup>247</sup> But in spite of its public statements of confidence in Indonesia, the Australian Government remained wary of Indonesian intentions. Australia's Ambassador to the United States Howard Beale would privately inform the American Secretary of State Dean Rusk on 16 January 1962 that the Australian Government did not trust the Indonesian Government's earlier statements regarding Papua and New Guinea, with Beale describing Sukarno as a 'gangster'.<sup>248</sup>

But while the Australian Government continued to distance itself from direct involvement in the dispute's resolution, the escalating tensions had an immediate impact on the JIC's estimates of Indonesian capabilities. Having noted in 1961 that its intelligence on Indonesia's amphibious capabilities was negligible, a draft JIC report on 4 January 1962 downsized a previous 12-18 month warning time estimate and predicted that Indonesia could plausibly capture Biak and therefore West New Guinea by the close of 1962.<sup>249</sup> However, senior government officials and the Chiefs of Staff challenged this assessment, with Vice Admiral Sir Henry Burrell instructing

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<sup>246</sup> Garfield Barwick, *A Radical Tory*, The Federation Press, Sydney, 1995, p. 177.

<sup>247</sup> NAA A11099, 1/55, Notetaker E J Bunting – Notes of meetings 19 December 1961 – 6 March 1962; 'Aim on N. Guinea Crisis is Peace', Canberra Times, 13 January 1962; Nancy Viviani, *Australian attitudes and policies towards Indonesia 1950 to 1965*, ANU thesis, 1973, p. 205-206.

<sup>248</sup> NAA A6364, WH1962/01, Washington Cables – Inwards. Cables 1 to 350. 'Cable 107, 16 January 1962. For Barwick from Beale'.

<sup>249</sup> NAA A1838, TS666/62/45, JIC [Joint Intelligence Committee] – Indonesian capability to attack and capture Netherlands New Guinea by December 1962, JIC (62)45, digital copy, p. 106.

the JIC to push back the time frame for Indonesia to capture Biak to late 1963, while Tange directed the JIC to focus on analysing the more 'realistic' low-level operations that Indonesia might launch against West New Guinea, rather than a direct assault on Biak.<sup>250</sup>

As it happened, the views of Tange and the Chiefs of Staff concerning Indonesia's capabilities were more accurate than those of the JIC. On 15 January 1962, just three days after Cabinet's self-described 'do nothing' decision and associated press statement, the West New Guinea dispute dramatically escalated when the Indonesians conducted their largest infiltration attempt to date, launching a three torpedo boat strong infiltration force against Kaimana on the remote south-west coast of West New Guinea.<sup>251</sup> The infiltration attempt was a disaster, being intercepted at sea by Dutch forces, but in March 1962 the Indonesians were able to regroup and launch a campaign of primarily air-borne rather than sea-borne infiltrations.<sup>252</sup> By May 1962 hundreds of Indonesian para-troopers had been dropped into West New Guinea and although the majority of these infiltrators were killed or captured in due course by Dutch forces, the infiltrations had a jolting impact across the Australian Government's policy machinery in regards to the security of Papua and New Guinea.<sup>253</sup>

With the Dutch having commenced negotiations with the Indonesians in March 1962 under the oversight of the American diplomat Ellsworth Bunker, senior Cabinet figures came to

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<sup>250</sup> NAA A1838, TS666/62/45, JIC [Joint Intelligence Committee] – Indonesian capability to attack and capture Netherlands New Guinea by December 1962, JIC (62)45, digital copy, p. 13, 86.

<sup>251</sup> Ken Conboy, *Kopassus: Inside Indonesia's Special Forces*, Equinox Publishing, Jakarta, 2003, p. 66; C.L.M. Penders, *The West New Guinea Debacle: Dutch decolonization and Indonesia 1945-1962*, Crawford House Publishing, Adelaide, 2002, p. 344.

<sup>252</sup> The Dutch had intercepted Indonesian signals weeks in advance of the operation. See Weis Platje, 'Dutch Sigint and the Conflict with Indonesia 1950-1962', *Intelligence and National Security*, Vol. 16, No. 1, 2001, p. 288.

<sup>253</sup> *Canberra Times*, 'Indonesian Army Units "raiding N.G"', Friday, 6 April 1962; Weis Platje, 'Dutch Sigint and the Conflict with Indonesia 1950-1962', *Intelligence and National Security*, Vol. 16, No. 1, 2001, p. 290.



the prompt realisation that they needed to refocus and consider the security of Papua and New Guinea. In April 1962 the Minister for Defence Athol Townley hurriedly requested that a new JPC report be composed examining the strategic importance of New Guinea to Australia based 'on the assumption that West New Guinea comes under effective Indonesian control'. Scrambling to cover itself, one month later during the ANZUS Council meeting in Canberra Barwick sought reassurance from the United States that ANZUS applied to Australian forces serving in Papua and New Guinea, with the Americans happy to confirm this in the meeting's final communique.<sup>254</sup>

With Indonesia launching regular infiltrations into West New Guinea the JIC maintained a notably inflated estimate of Indonesian capabilities in spite of Burrell and Tange's previous instructions. With negotiations between the Dutch and Indonesians stalled, in June 1962 the JIC dramatically assessed that Indonesia might be planning to launch a major amphibious assault against West New Guinea in August 1962 with up to 5,000 troops in an opposed landing or 10,000 if unopposed.<sup>255</sup> Although the JIC assessed that 'we do not rate the chances of success highly' it nonetheless thought that Indonesia might launch such an operation in order to maintain diplomatic pressure on the Dutch to resume negotiations.<sup>256</sup>

These inflated assessments of Indonesia's capabilities seem ironic, considering the fact that twelve months earlier the JIC had blocked the JPC's description of Indonesia as a direct threat in the draft 1962 Strategic Basis. But with the JIC acknowledging in 1961 that it was data deficient in regards to Indonesia's naval capabilities, and having grossly underestimated Indonesia's

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<sup>254</sup> NAA A1838, 689/2/3, Defence of New Guinea – Australian United States discussions.

<sup>255</sup> NAA A1209, 1961/1275, West New Guinea – JIB and JIC reports 1961. 'JIC (AUST) (62)49, June 1962, Joint Intelligence Committee, Netherlands New Guinea – Likely developments up to the end of 1962', digital copy, p. 47-49.

<sup>256</sup> NAA A1209, 1961/1275, West New Guinea – JIB and JIC reports 1961. 'JIC (AUST) (62)49, June 1962, Joint Intelligence Committee, Netherlands New Guinea – Likely developments up to the end of 1962', digital copy, p. 47.

amphibious capabilities three years earlier during the Indonesian Civil War, the JIC now seems to have swung to the other extreme in over-estimating Indonesia's capability to launch and sustain a major amphibious assault.

Modern scholarship is divided on Indonesia's capabilities during this period. Christiaan Penders and David Easter have emphasised Indonesia's force build-up in the east, and the inflammatory role played by the Soviet Union during 1962 in providing Indonesia with modern arms including Soviet crewed Whiskey-class submarines, Tu-16 Badger bombers and MiG-21 aircraft.<sup>257</sup> In contrast, previous studies by Ian MacFarling and Ken Conboy have tended to emphasise Indonesia's lack of capability to launch a major operation and its alternative plans to launch low-level infiltrations in August 1962.<sup>258</sup>

Regardless of this historiographical debate concerning whether Indonesia could have launched a major assault or not, what is certain, is that the Dutch Chiefs of Staff believed that Indonesia's force build-up in the east indicated that a major operation was imminent, and this factor, along with ongoing diplomatic pressure from the United States was sufficient to compel both the Dutch and Indonesians to resume negotiations on 13 July 1962.<sup>259</sup> One month later on 15 August 1962 the two parties agreed to the 'Bunker proposal', involving the temporary transfer of the territory to the UN, before its final transfer to Indonesia on 1 May 1963.<sup>260</sup>

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<sup>257</sup> David Easter, 'Active Soviet military support for Indonesia during the 1962 West New Guinea crisis', *Cold War History*, Vol. 15, No. 2, 2015, p. 214; Christiaan Penders, *The West New Guinea debacle*, Crawford House Publishing, Adelaide, 2002, p. 375.

<sup>258</sup> Ian MacFarling, *Military aspects of the West New Guinea dispute*, Strategic and Defence Studies Centre Working Paper No. 212, Australian National University, Canberra, 1990; Ken Conboy, *Kopassus: Inside Indonesia's Special Forces*, Equinox Publishing, Jakarta, 2003, p. 85.

<sup>259</sup> Penders notes that in July 1962 Kennedy had threatened to change US policy if Indonesia launched attacks against the Dutch. See Christiaan Penders, *The West New Guinea debacle*, Crawford House Publishing, Adelaide, 2002, p. 372, 375.

<sup>260</sup> A final proviso of the agreement was that a plebiscite would be held in the territory by 1969 to determine its final status. Christiaan Penders, *The West New Guinea debacle*, Crawford House Publishing, Adelaide, 2002, p. 375.

## **Cabinet's evolving threat perceptions, September 1962 - May 1963**

With the resolution of the West New Guinea dispute having come much earlier than expected, Cabinet met on 7 September 1962 to discuss the security implications for Australia and the territories of Papua and New Guinea. The Cabinet discussion was centred upon two documents, the first being a brief two page JIC note, which mentioned that Indonesian possession of West New Guinea could cause 'serious difficulties for Australia in eastern New Guinea'.<sup>261</sup> Second, the Cabinet discussion was centred on the 1962 Strategic Basis, which as previously noted, had called for 'a progressive expansion of the Defence programme' in lieu of Indonesia having built 'a formidable inventory of modern land, air and naval weapons'.<sup>262</sup>

With Menzies and Bunting absent the 7 September 1962 Cabinet meeting was led by the Deputy Prime Minister John McEwen. During the discussion the view was expressed that Indonesia was a friendly country, but in a mood reminiscent of the invasion fears that had shaped the drafting of the 1959 Strategic Basis, concern was also expressed that Australia 'could be open to invasion in a decade' if Indonesia 'decides on an expansionist phase'.<sup>263</sup> Notes of the meeting indicated a general converging of the threat perceptions of Cabinet, Defence and External Affairs

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<sup>261</sup> NAA A2031, 8/1962/Reference Copy, 8/1962: The strategic basis of Australian Defence Policy: Agendum Number 53/1961 and Supplement 1: Date of meeting – 25 January 1962, digital copy. 5; NAA A4940, C3640, Strategic basis of Australian Defence policy, 1962-1967, digital copy, p. 228.

<sup>262</sup> 'Strategic Basis of Australian Defence Policy (January 1962)', paragraph 23, in Stephan Frühling (ed.), *A history of Australian Strategic Policy since 1945*, Defence Publishing Service, Department of Defence, Commonwealth of Australia, Canberra, 2009, p. 285.

<sup>263</sup> NAA A4940, C3640, Strategic basis of Australian Defence policy, 1962-1967. 'Discussion of the Strategic Basis of Australian Defence Policy, 7 September 1962', digital copy, p. 215-216.

towards recognising an increased Indonesia threat. Both Cabinet and the Chiefs of Staff were almost unanimous in their 'pessimistic' outlook, with the Service Chiefs noting the importance of military preparedness and 'keeping our powder dry' in case of further Indonesian aggression in the region. Critically, Cabinet agreed with External Affairs' growing concerns about the security of Papua and New Guinea and the Defence Committee's recommendation for a 'progressive expansion' of Australia's defence capabilities. Notes of the meeting recorded that the views expressed about the rising Indonesia threat were genuine and there was little to suggest that the Service Chiefs were exploiting the situation to gain more funding. With Australia now facing the prospect of sharing a land border with Indonesia in New Guinea, Cabinet ordered that a new Defence appreciation be formulated that would consider both the security of Papua and New Guinea and the question of whether to retain Australian forces in Malaya in the context of the growing Indonesia threat.<sup>264</sup>

Of more immediate importance, Cabinet endorsed in principle a range of new defence planning measures aimed at increasing both the size and capabilities of the Australian armed forces.<sup>265</sup> Among these measures some of the more notable proposals included the decision to re-consider the development of a submarine capability and the purchase of a third guided missile destroyer, with these capabilities approved four months later in January 1963. With Indonesia having recently acquired Mig-21 aircraft Cabinet also agreed to purchase a second order of thirty additional Mirage jet aircraft (with a third order purchased in 1963), and reopened the search for

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<sup>264</sup> This review would become known as the '1963 Strategic Position', which was completed in February 1963.

<sup>265</sup> NAA A4940, C3640, Strategic basis of Australian Defence policy, 1962-1967. 'Discussion of the Strategic Basis of Australian Defence Policy, 7 September 1962', digital copy, p. 212; NAA A4940, C3640, Strategic basis of Australian Defence policy, 1962-1967. 'Cabinet Decision No. 441, 7 September 1962', digital copy, p. 226.

a replacement strike/reconnaissance bomber aircraft. In order to improve the mobility of the Australian Army, Cabinet authorised the purchase of helicopters and short take-off and landing aircraft, capabilities that could be used in resisting Indonesian infiltrations in New Guinea.

But arguably the most significant of all the proposals was the decision in principle to begin a ten-year expansion program for the Australian Regular Army (ARA), to increase it from its current size of 21,000 personnel in 1962, to the eventual figure of 33,000 by 1972.<sup>266</sup> This included the decision to double the size of the Pacific Islands Regiment (PIR) to 1188 all ranks, and to establish an intelligence gathering capability on the New Guinea border in case of future Indonesian infiltrations.<sup>267</sup>

While Cabinet was unified in its September 1962 decision to expand the Australian Army, doubts were expressed as to whether the Army's new expansion targets could be achieved by existing recruiting methods. Uncertainty was also expressed about the size of the planned expansion in the face of Indonesia's planned deployments to West New Guinea. Previously in July 1962 Alan Griffith of the Prime Minister's Department had initially supported the Army expansion figure of 33,000, noting that 'The Army is the chief recipient of the increases. This is a sound bias in principle'.<sup>268</sup> However, by February 1963 his view had notably soured, with Griffith arguing that 'The Indonesians plan to put 15,000 men in West New Guinea. To answer that the Australian Army will reach the level of 33,000 by 1972 would not appear to meet the issue'.<sup>269</sup> Griffith would also note in an interview in 1967 that the Army was reluctant to accept conscripts as part of the

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<sup>266</sup> With the intermediate goals of 24,500 to be achieved by June 1965 and 28,000 by 1967.

<sup>267</sup> NAA A4940, C3640, Strategic basis of Australian Defence policy, 1962-1967. 'Discussion of the Strategic Basis of Australian Defence Policy, 7 September 1962', digital copy, p. 219.

<sup>268</sup> NAA A4940, C3640, Strategic basis of Australian Defence policy, 1962-1967, digital copy, p. 255.

<sup>269</sup> NAA A4940, C3640, Strategic basis of Australian Defence policy, 1962-1967, digital copy, p. 116.

ARA and that Cabinet was worried that implementing conscription might equate to 'political suicide'.<sup>270</sup> Hence in late 1962 it was clear that a debate regarding conscription had begun to emerge, driven not by the security of South Vietnam, but rather that of Papua and New Guinea. This would become a major issue for the Australian Government in the ensuing two years in the context of Indonesia's Confrontation of Malaysia, as will be examined in the following chapter.

In addition to an emerging conscription debate, Cabinet's rising perceptions of an Indonesia threat exposed major internal divisions and rivalries within Australia's defence planning. As noted previously, Griffith would reveal in an interview in 1967 his longstanding rivalry with Tange and the ongoing competition between the Prime Minister's Department and External Affairs to be the favoured advisor to the Prime Minister on defence and foreign policy. Griffith confessed that he and Tange 'did not get along well', and expressed his irritation at Cabinet's decisions to follow the advice of Tange and Scherger in purchasing modern jet aircraft and destroyers, or 'show-piece' items as he disparagingly described them, when he had envisaged the RAN and RAAF functioning largely as logistical support units for the Australian Army.<sup>271</sup> Griffith believed that Australia could not financially afford to operate self-sufficient capabilities, and that Australia should focus on supplying troops to operations alongside major allies. While Griffith expressed his support for submarines rather than aircraft carriers, he also noted that his section of the Prime Minister's Department 'invariably opposed any purchase of major items'.<sup>272</sup>

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<sup>270</sup> Hanno Weisbrod, *Australia's security relations with the United States, 1957-1963*, ANU Thesis, 1969, Appendix, p. 105.

<sup>271</sup> Hanno Weisbrod, *Australia's security relations with the United States, 1957-1963*, ANU Thesis, 1969, Appendix, p. 104, 111.

<sup>272</sup> Hanno Weisbrod, *Australia's security relations with the United States, 1957-1963*, ANU Thesis, 1969, Appendix, p. 108.

Thus while there was general agreement in late 1962 that Australia required upgraded capabilities in response to a firming Indonesia threat, there was also considerable disagreement on what exactly these new capabilities should be. This reflected the ongoing debate concerning what kind of Indonesia threat to prepare for, either the immediate challenge of a low-level threat on the New Guinea border, or the future prospect of a strong and hostile Indonesia with capabilities sufficient to pose a direct threat to Australia. This Indonesia threat debate in turn tied into a longer debate in Australian strategic policy concerning whether Australia should prioritise maritime capabilities that were best suited towards defending the Australian continent or to focus on capabilities more suited to overseas deployments.

These disagreements were keenly felt during discussions concerning the fate of the RAN's ageing Gannet anti-submarine aircraft operated from HMAS *Melbourne*. In January 1963 the COSC reconfirmed its decision to retire the Gannets, but in a clear indication of inter-service rivalry and the RAN's determination to preserve its own naval aviation capabilities, the Chief of Naval Staff, Vice Admiral Sir Hastings Harrington had opposed both the retirement of the Gannets and the proposal that the RAAF re-open its search for a replacement strike/reconnaissance bomber.<sup>273</sup>

These differences came to a head in the Cabinet room in April 1963 when Harrington and the Minister for Navy John Gorton chose to defy the advice of the COSC and made a counter-proposal that Australia should retain the Gannets and also acquire a second 'strike' aircraft carrier. Cabinet took issue with the RAN's counter-proposal, with Menzies and McEwen pointing

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<sup>273</sup> NAA A4940, C3640, Strategic basis of Australian Defence Policy, 1962-1967. 'Athol Townley, Minister for Defence, Submission to Cabinet, 23 March 1963', digital copy, p. 167, 185, 186.

out to Harrington and Gorton both the inherent vulnerabilities in operating aircraft carriers, and the fact that 'the other two chiefs and the chairman are against you'.<sup>274</sup> Townley further noted that 'Navy fixed wing flying [should] be dropped – we couldn't afford two air forces in effect'.<sup>275</sup> However, after continued bargaining Gorton was able to secure the future of the Gannets on 29 April 1963, apparently in exchange for the RAN dropping its request for a second aircraft carrier.<sup>276</sup>

In addition to Cabinet authorising a new defence program between September 1962 and May 1963, in early 1963 a series of new reports were completed by the JPC and JIC analysing Australia's security with specific reference to the territories of Papua and New Guinea. The most notable of these reports was the 1963 Strategic Position, which noted that the Indonesian Government held expansionist aspirations to create a 'Greater Indonesia' encompassing Portuguese Timor, Brunei and the Borneo territories. Nevertheless, in a sign of the persisting uncertainty in Defence and External Affairs concerning Indonesia's strategic intentions, the paper also assessed that Indonesia's attitude to Australia was likely to be 'one of reserve' and that 'It is too early to estimate Indonesia's long term attitude and intentions in respect of eastern New

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<sup>274</sup> NAA A11099, 1/60, Notetaker E J Bunting – Notes of meetings 13 February 1963 – 30 April 1963, digital copy, p. 72, 76.

<sup>275</sup> NAA A11099, 1/60, Notetaker E J Bunting – Notes of meetings 13 February 1963 – 30 April 1963, digital copy, p. 72, 76; In addition, Deputy Prime Minister John McEwen noted that the risk of operating an aircraft carrier was that 'if you lose your carrier, you're out of business', and that he was 'troubled by the eggs in one basket concept'. NAA A11099, 1/60, digital copy, p. 78.

<sup>276</sup> The Cabinet debate gives the impression that Gorton may have intentionally over-bid in trying to secure a second 'strike carrier', in order to ensure the preservation of HMAS *Melbourne*. See NAA A11099, 1/60, Notetaker E J Bunting – Notes of meetings 13 February 1963 – 30 April 1963, digital copy, p. 167; A further factor in Cabinet's final decision may have been the advice of Secretary John Bunting, who advised Menzies that although the Gannets should be retired, their operational life had been extended to 1966 and thus a final decision on the fate of fixed-wing naval aviation could be deferred until then.



Guinea'.<sup>277</sup> Nonetheless, the paper went on to muse that an 'unfriendly Indonesia' would be likely to launch infiltrations and other subversive activities on the New Guinea border.<sup>278</sup>

In addition to the 1963 Strategic Position, the JPC and Chiefs of Staff also composed a separate report specifically examining the security of Papua and New Guinea and whether Australia should develop the existing ports and airfields in the territory in anticipation of future Indonesian aggression. In regards to Indonesian intentions the JPC noted that 'it is very difficult at this point of time to foresee the pattern of Indonesian policy over the next five or ten years' and concluded that in the short term Indonesia was unlikely to launch an overt attack against Papua and New Guinea.<sup>279</sup> As a result, the JPC assessed that apart from the ongoing development of the airfield at Wewak, 'the development of bases in the Territory would not be justified at this stage'.<sup>280</sup> However, the Secretary of the Prime Minister's Department, John Bunting, took issue with this contradictory advice from the JPC and Chiefs of Staff. On 5 March 1963 Bunting relayed his frustration to Menzies, noting that

Whether the Chiefs know it or not, what they are doing is first of all telling you flatly and categorically that there should be bases in New Guinea if we are to defend it

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<sup>277</sup> 'Australia's Strategic Position – Report by the Defence Committee, February 1963', paragraphs 14, 17, 20, in Stephan Frühling (ed.), *A history of Australian Strategic Policy since 1945*, Defence Publishing Service, Department of Defence, Commonwealth of Australia, Canberra, 2009, p. 303.

<sup>278</sup> 'Australia's Strategic Position – Report by the Defence Committee, February 1963', paragraphs 14, 21, 29, 36, in Stephan Frühling (ed.), *A history of Australian Strategic Policy since 1945*, Defence Publishing Service, Department of Defence, Commonwealth of Australia, Canberra, 2009, p. 303-305.

<sup>279</sup> NAA A1838, TS677/3 Part 6, Strategic basis of Australian defence policy, digital copy, p. 349.

<sup>280</sup> NAA A1838, TS677/3 Part 6, Strategic basis of Australian defence policy, digital copy, p. 350; NAA A4940 C3640, Strategic basis of Australian Defence Policy, 1962-1967. 'Athol Townley, Minister for Defence, Submission to Cabinet, 23 March 1963', digital copy, p. 176.

against attack, but then inviting you to do nothing about it.<sup>281</sup>

In a clear indication of the ongoing tensions between Cabinet and Defence, Bunting warned Menzies that

My efforts in the Defence Committee were directed at trying to say to the Chiefs that they cannot have it both ways – they must not tell the Government that something is essential and then say it need not be tackled, because if there is a show down in New Guinea, the Chiefs will, if necessary, be able to point back to their document and say that they warned that a base should be put there.<sup>282</sup>

In the ensuing two months Cabinet went on to analyse in detail whether to develop new military infrastructure in Papua and New Guinea. Menzies expressed some reservations at Defence's advice not to develop the port at Wewak, but Cabinet nevertheless decided in May 1963 to follow Defence's recommendations not to develop the port at Wewak, while supporting the development of the airfield at Nadzab, and investigating the further development of the

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<sup>281</sup> NAA A4940, C3750, Papua/New Guinea – Australian Defence Measures. 'Letter, Bunting to Menzies, 5 March 1963', digital copy, p. 81.

<sup>282</sup> NAA A4940, C3750, Papua/New Guinea – Australian Defence Measures. 'Letter, Bunting to Menzies, 5 March 1963', digital copy, p. 81.

airfield at Wewak.<sup>283</sup> Thus by early 1963 there were obvious, unresolved tensions within the Government's policy machinery regarding its analysis of the Indonesia threat. While the JPC and Defence had assessed that Indonesia did not pose an overt threat to Papua and New Guinea in the short term, it was clear that Australia was upgrading its defence capabilities in preparation for the future possibility. As Menzies would note in presenting the 1963 Defence Review to Parliament in May 1963, Australia intended to defend the territories of Papua and New Guinea 'as if they were part of our mainland'.<sup>284</sup>

In like manner to the JPC's dismissing of Indonesia as an immediate threat to Papua and New Guinea, in early 1963 a JIC report downplayed the potential threat to the Australian territory, noting that an overt Indonesian attack was 'improbable' due to the deterrent factor of ANZUS and a lack of broader interest and support from Communist countries.<sup>285</sup> The JIC noted that infiltrations and subversive activities by Indonesians and pro-Indonesian Papuans 'can be expected', but dismissed them from being a serious threat due to a combination of factors including the general disinterest and opposition of the local populace, the logistical difficulties posed by the inhospitable terrain, and the lack of valuable targets along the New Guinea border to warrant such operations.<sup>286</sup> Hence in early 1963 Defence and External Affairs' response to Indonesia's impending acquisition of West New Guinea contained conflicting elements of both caution and confidence. These tensions were epitomised in a statement made by Tange in

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<sup>283</sup> NAA A4940, C3750, Papua/New Guinea – Australian Defence Measures. 'Paltridge, Submission No. 388 to Cabinet, 27 August 1964', digital copy, p. 17.

<sup>284</sup> *Commonwealth Parliamentary Debates*, House of Representatives, vol. 38, 22 May 1963, pp. 1668-72. See also Peter Edwards, *Crises and Commitments*, Allen & Unwin in Association with the Australian War Memorial, North Sydney, 1992, p. 272.

<sup>285</sup> NAA A452, 1963/2466, Joint Intelligence Committee paper on the threat to Eastern New Guinea.

<sup>286</sup> NAA A452, 1963/2466, Joint Intelligence Committee paper on the threat to Eastern New Guinea.

January 1963. In response to a British report which emphasised Indonesia's aggressive intentions, Tange noted in reply that while Australia was already making its own preparations for the possibility of future Indonesian aggression against Papua and New Guinea, he thought that the British report had considerable more 'heat' concerning Indonesia's expansionist regional ambitions than what was truly the case.<sup>287</sup>

But perhaps most poignantly, the JIC report in early 1963 identified that the most likely reason for Indonesia to launch infiltrations into Papua and New Guinea would be as a retaliatory measure if Australian policy was seen to be opposing Indonesian interests on other issues. With Subandrio having recently announced on 20 January 1963 Indonesia's intention to 'confront' the proposed state of Malaysia, the outlook for Australia's future relationship with Indonesia looked increasingly fragile.

## **Conclusion**

In March 1960 the policy debate concerning Australian support for the Dutch in West New Guinea began to draw to a close, with Cabinet firmly rejecting papers by Defence and External Affairs that advocated a larger Australian role. At the same time, during 1960-1961 the debate in Australian defence planning concerning what kind of Indonesia threat to prepare for developed into an open rift, with the JIC attempting to block the JPC's description of Indonesia in the draft

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<sup>287</sup> NAA A1838, TS696/17/1 Part 4, Record of Conversation between Kimber and Tange, Canberra, 17 January 1963, in Moreen Dee (ed.), *Australia and the Formation of Malaysia 1961-1966*, Australian Department of Foreign Affairs and Trade, Canberra, 2005, p. 31-32.

1962 Strategic Basis as a direct threat to Australia's island territories. Despite this disagreement, in August 1962 the threat perceptions of Defence, External Affairs and Cabinet had temporarily converged following Indonesia's diplomatic victory in the West New Guinea dispute. With Indonesia's victory coming much earlier than expected, Cabinet and the Defence Committee endorsed a significant expansion and upgrading of Australian capabilities, driven by rising concerns about the security of Papua and New Guinea. Nevertheless, the period was also characterised by rising uncertainty concerning the Indonesia threat, with the JIC admitting in 1961 that it was data deficient in key areas such as Indonesia's amphibious capabilities. After the temporary convergence of threat perceptions in September 1962, by early 1963 this uncertainty regarding the Indonesia threat had clearly returned. Although the 1963 Strategic Position noted Indonesia's potentially expansionist regional objectives, Defence decided that in the absence of an overt Indonesia threat the development of new port infrastructure in Papua and New Guinea was not merited, while the JIC assessed that without a sufficient motive Indonesia was capable but unlikely to launch infiltrations against Papua and New Guinea.

This analysis significantly revises our understanding of Australian defence planning in the early 1960s, with the Indonesia threat dominating the perceptions of the JPC and Defence in their continuing drive to develop Australia's 'self-sufficient' defence capabilities. In comparison, Peter Edwards in *Crises and Commitments* briefly noted the centrality of Papua and New Guinea's security in the 1963 Defence Review, but was unable to link this to the Indonesia threat presented in the 1962 Strategic Basis, and the longer debate in Australian defence planning since 1958 concerning whether to focus on the worst-case scenario of a strong and hostile Indonesia, or the

more likely scenario of a low-level Indonesia threat.<sup>288</sup> Edwards also claimed that in 1963 Defence was reluctant to further develop Australia's independent capabilities, but the analysis of this chapter has indicated the ongoing drive within the JPC and Defence to continue the development of 'self-supporting' capabilities between 1959 and 1963.<sup>289</sup> Indeed, it is only more recently that Paul Dibb, Richard Brabin-Smith and Stephan Frühling have begun to note the importance of the Indonesia threat in shaping the 1962 Strategic Basis and 1963 Strategic Position.<sup>290</sup>

Thus in early 1963 the Australian Government's response to Indonesia's impending acquisition of West New Guinea was clouded in uncertainty. On the one hand, Cabinet had agreed to a major upgrading of Australia's armed forces, including submarines, new jet aircraft, and an expanded Army, while the JPC had described Indonesia's potentially 'expansionist' regional objectives in the 1963 Strategic Position. However, both Defence and External Affairs continued to emphasise Indonesia's low-level capabilities, assessing that Indonesia was capable but unlikely to launch infiltrations on the New Guinea border. Hence in the following chapter this ongoing uncertainty concerning both Indonesian capabilities and intentions will be examined in the context of Indonesia's Confrontation of Malaysia and the associated policy debates surrounding conscription and the deployment of combat forces to Borneo.

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<sup>288</sup> Peter Edwards, *Crises and Commitments*, Allen & Unwin in association with the Australian War Memorial, North Sydney, 1992, p. 269-272.

<sup>289</sup> Peter Edwards, *Crises and Commitments*, Allen & Unwin in association with the Australian War Memorial, North Sydney, 1992, p. 270.

<sup>290</sup> Paul Dibb and Richard Brabin-Smith, 'Indonesia in Australian Defence Planning', *Security Challenges*, Vol. 3, No. 4, 2007, p. 72-74; 1962 Strategic Basis, in Stephan Frühling (ed.), *A History of Australian Strategic Policy since 1945*, Defence Publishing Service, Department of Defence, Commonwealth of Australia, Canberra, 2009, p. 277.

## **Chapter Four: ‘Graduated Response’ and the Australian Government’s evolving threat perceptions during Indonesia’s ‘Confrontation’ of Malaysia, January 1963 – January 1965**

Between 1963-1965 Indonesia’s diplomatic resistance to the proposed state of Malaysia escalated into a low-level conflict with Indonesia launching regular infiltrations into Borneo. However, in *Crises and Commitments* Peter Edwards noted that it was unclear to what extent the Australian Government had viewed Indonesia as a threat during this period, and especially so in late 1964 when the conflict expanded to the Malaysian peninsula. This chapter analyses these questions in the context of the two issues that dominated the Australian Government’s response to Indonesia’s ‘Confrontation’ of Malaysia, namely the decision whether to deploy troops to Borneo, and second, the closely related decision of whether to implement conscription. These two issues were in turn tied into a larger debate concerning the Government’s policy of ‘Graduated Response’ and the question of finding the most effective diplomatic strategy towards curbing Indonesia’s expansionist regional ambitions.<sup>291</sup>

This chapter’s analysis is structured into three sections which reflect three general phases in the Australian Government’s evolving perceptions and policy response to Indonesia’s

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<sup>291</sup> The 1963 Strategic Position noted the problem of an ‘ultra-nationalist Indonesia pursuing an expansionist policy’. See ‘Australia’s Strategic Position, February 1963’, paragraph 14, in Stephan Frühling (ed.), *A history of Australian Strategic Policy since 1945*, Defence Publishing Service, Department of Defence, Commonwealth of Australia, Canberra, 2009, p. 303.

Confrontation of Malaysia. In the first section from January to September 1963 the chapter analyses how External Affairs and the Prime Minister's Department shared similar views of Indonesia as a low-level threat, but they also differed in their preferred diplomatic strategy, with Menzies and the Prime Minister's Department advocating a tougher diplomatic response compared to that promoted by Barwick and External Affairs.

In the second section analysing the period from September 1963 – August 1964 it is noted that the Australian Government's threat perceptions of Indonesia remained relatively stable, even as its policy machinery wrestled with the increasingly vexed question of whether to deploy combat forces to Borneo in the context of British and Malaysian force requests, and Indonesia's intensified campaign of infiltrations. In the third and final section the chapter analyses how events in Indonesia and Southeast Asia in late 1964 caused a converging of threat perceptions within the Government's policy machinery towards recognising an elevated Indonesia threat to Papua and New Guinea. But to begin with, this chapter sets out the initial threat perceptions in which the policy machinery of the Australian Government first developed the policy of Graduated Response.

### **'Graduated Response' and the debate concerning Indonesia's strategic intentions, January – September 1963**

As analysed in the previous chapter, Indonesia's August 1962 victory in the West New Guinea dispute caused a sharp increase in Cabinet's threat perceptions of Indonesia, particularly with



reference to the security of Papua and New Guinea. These raised anxieties were evident during the Cuban Missile Crisis, when the Australian Government briefly fretted about the possibility of Soviet missiles in Indonesia, and they continued to increase following the failed Brunei revolt in December 1962.<sup>292</sup> Concerns about Indonesia's regional strategic ambitions were further elevated on 20 January 1963 when Indonesia's Foreign Minister Subandrio publicly announced Indonesia's intention to 'confront' the proposed state of Malaysia. Further complicating matters for the Menzies Government, growing public anxiety about Indonesia was politicised by the Federal Leader of the Opposition Arthur Calwell, who took advantage of Indonesia's announcement of Confrontation to claim that Australia was incapable of protecting itself from the 'Indonesian bomber threat'.<sup>293</sup>

In the ensuing three months before Indonesia launched its first infiltration into Borneo on 12 April 1963, Australian officials held a diverse range of views concerning what Indonesia actually intended by its statement that it would 'confront' Malaysia. On 1 February 1963 Barwick noted that the Malaysia concept had many weaknesses, but nevertheless 'we must somehow make it plain to Indonesia that we will not tolerate acts of expansionism and that we disapprove strongly of attempts at subversion or infiltration'. Barwick further noted 'I do not believe we can rule out territorial greed as an important, and perhaps dominating factor in Indonesian thinking as well'.<sup>294</sup>

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<sup>292</sup> NAA A1209, 1962/964, Missile Bases in Indonesia.

<sup>293</sup> During a televised interview on 26 January 1963 Calwell claimed that the Indonesian Air Force could attack any Australian city with impunity, even if Australia was given twenty-four hours' notice. See 'Minister's Position on Defence "Frivolous"', *Sydney Morning Herald*, 30 January 1963.

<sup>294</sup> NAA A1838, 3034/7/1/1 part 1, Letter from Barwick to Holyoake, Canberra, 1 February 1963, in Moreen Dee (ed.), *Australia and the Formation of Malaysia 1961-1966*, Australian Department of Foreign Affairs and Trade, Canberra, 2005, p. 36.

In comparison, Tange noted to Barwick on 4 February 1963 that ‘we must be clear in our own minds what in fact Indonesian expansionism means to us’. In his own opinion, Tange thought that overt conflict was unlikely, but if Indonesia’s interests were not taken into account, then ‘she seems certain to continue attempts at infiltration and subversion on an increasing scale’.<sup>295</sup> In contrast, Australia’s Ambassador to Indonesia, Keith ‘Mick’ Shann had dismissed the prospect of Indonesian aggression towards Malaysia, informing Canberra on 14 February 1963 that ‘I don’t for a moment believe it’.<sup>296</sup> But in the coming months Shann would produce a mixed message concerning Indonesia’s strategic intentions, noting to Canberra after a meeting with Subandrio in March 1963 that ‘I am reasonably certain of one thing – that he genuinely wants good relations with us’, but in the same cable he also noted that Subandrio was ‘a devious fellow’ and that dealing with him was like ‘picking up mercury in a fork’.<sup>297</sup> In similar manner, Australia’s High Commissioner to Malaya Thomas Critchley had warned Canberra on 16 February 1963 to ‘be prepared for Indonesia to infiltrate volunteers into [the] Borneo Territories’, but he also concluded that ‘I find it difficult to see how Indonesia can succeed in its campaign or put us in a position where initiative would be thrown on us to use force against Indonesia’.<sup>298</sup>

Informed by these uncertain opinions, Barwick developed the policy of ‘Graduated Response’, which attempted to maximise the prospect of preserving friendly relations with

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<sup>295</sup> NAA A1838, 3034/10/1 part 12, Submission from Tange to Barwick, 4 February 1963, in Moreen Dee (ed.), *Australia and the Formation of Malaysia*, Australian Department of Foreign Affairs and Trade, Canberra, 2005, p. 40.

<sup>296</sup> NAA A6364, JA1963/01, Djakarta cables inwards chronological, numbers 1 to 400, 2 January to 2 May 1963. ‘Cable 158, Shann, Australian Embassy, Jakarta, to Canberra, 14 February 1963’.

<sup>297</sup> NAA A6364, JA1963/01, Djakarta cables inwards chronological, numbers 1 to 400, 2 January to 2 May 1963. ‘Cable 306, Shann to Barwick, 30 March 1963’.

<sup>298</sup> NAA A1838, 2498/11 PART 1, Cable from Critchley to Canberra: Malaysia – Indonesia Policy, Kuala Lumpur, 16 February 1963, in Moreen Dee (ed.), *Australia and the Formation of Malaysia 1961-1966*, Australian Department of Foreign Affairs and Trade, Canberra, 2005, p. 52-53.

Indonesia by employing *proportionate* diplomatic and military actions in response to Indonesian provocations in Borneo. In doing so, it was hoped that Indonesia could be retained as a potential friend or buffer against Chinese influence in Southeast Asia, while at the same time retaining some elements of deterrence to further Indonesian provocations against Malaysia.<sup>299</sup> However, in the coming months it would become apparent that Graduated Response clashed with the preference of Menzies and the Prime Minister's Department for a more direct mode of resistance to Indonesian aggression.

In late January 1963 Barwick moved pre-emptively before gaining authorization from Cabinet to advise Australian Heads of Missions that Australia would begin promoting regional consultation with Indonesia and the Philippines in the hope of preserving friendly Australia-Indonesia relations. With the backing of his staff, Barwick had then persuaded Menzies and Cabinet that 'Graduated Response' represented the best means of avoiding a 'monolithic structure from Indonesia northwards' while bringing Malaysia peacefully into fruition.<sup>300</sup> With Barwick's advocacy, on 5 February 1963 Cabinet agreed that it would continue to support the Malaysia proposal in spite of Indonesian opposition, although Senator Shane Paltridge cautioned that Australia could not publicly declare its military support for Malaysia ahead of the British, for fear of them withdrawing and Australia being left behind 'holding the bag'.<sup>301</sup>

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<sup>299</sup> It was thought that the potential application of ANZUS to Australian forces serving in Borneo could deter Indonesia from further aggression.

<sup>300</sup> Garry Woodard, 'A Radical Tory': Sir Garfield Barwick, 1961-1964', in Joan Beaumont, Christopher Waters, David Lowe, with Gary Woodard, *Ministers, Mandarins and Diplomats: Australia Foreign Policy Making 1941-1969*, Melbourne University Press, Melbourne, 2003, p. 118.

<sup>301</sup> NAA A11099, 1/59, Notetaker E J Bunting – Notes of meetings 10 October 1962 – 5 February 1963, digital copy, p. 165; NAA A11099, 1/60, Notetaker E J Bunting – Notes of meetings 13 February 1963 – 30 April 1963, digital copy, p. 100.

Although Barwick had supported the Malaysia proposal 'as the best available solution', Barwick's position was closely watched by the Prime Minister's Department.<sup>302</sup> In an indication of the ongoing rivalry between the Prime Minister's Department and External Affairs, on 4 March 1963 the Secretary of the Prime Minister's Department, Sir John Bunting noted to Menzies that Barwick's most recent paper was much improved for its tougher stance towards Indonesia, with Bunting attributing this shift in Barwick's position to 'the discussion in Cabinet a month ago when tentative suggestions that perhaps we are not committed to Malaysia after all were nipped in the bud'. Bunting also noted that Barwick's more overtly pro-Malaysian position was 'a commendable instance of paramountcy of Minister over Department, the latter being, in my view, over-sensitive to Indonesia'.<sup>303</sup>

But although Barwick had persuaded his Ministerial colleagues in February 1963 to adopt the policy of Graduated Response, Menzies' continuing instinct was to take a tougher diplomatic line against Indonesia than that advocated by Barwick. On 28 March 1963 Menzies noted that the British 'must be nailed' in their military support for Malaysia before Australia made its own public commitment, and in a mild rebuke to Barwick and External Affairs, noted that 'we [must] not be too namby pamby about offending Indonesia because this not good policy'.<sup>304</sup> And indeed, in the coming months the effectiveness of Graduated Response in deterring Indonesian aggression towards Borneo would come under increasing scrutiny, especially when Indonesia

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<sup>302</sup> NAA A11099, 1/59, Notetaker E J Bunting – Notes of meetings 10 October 1962 – 5 February 1963, digital copy, p. 159, 162.

<sup>303</sup> NAA A4940, C3389, Association of Singapore, The Federation of Malaya and Territories of British Borneo, digital copy, p. 55.

<sup>304</sup> NAA A11099, 1/60, Notetaker E J Bunting – Notes of meetings 13 February 1963 – 30 April 1963, digital copy, p. 101.

began to launch sporadic infiltrations into Borneo as the date for Malaysia's Federation drew closer.

### **The JIC's stable estimates of the Indonesia threat during 1963-1964**

During Indonesia's Confrontation of Malaysia the JIC's assessments of Indonesian capabilities remained relatively stable in spite of the conflict's gradual escalation. As noted in the previous chapter, in February 1963 the JIC had assessed that Indonesia was capable but unlikely to launch infiltrations against Papua and New Guinea without suitable provocation. Reassessing Papua and New Guinea's security following Indonesia's first infiltration into Borneo in April 1963, the JIC noted in May 1963 that in the five-year period up to 1968 'Infiltrations by both Indonesians and pro-Indonesian West Irianese for the purpose of subversion could be expected, but such infiltrations would be unlikely to be a significant threat'. The JIC observed in the same report that 'We have no evidence that the Indonesians have begun training or even have plans to train Papuan infiltrators'.<sup>305</sup> Reviewing this assessment in September 1963 the JIC found that there had been no significant changes since its May 1963 assessment and 'therefore doubt the necessity for this paper at this stage'.<sup>306</sup>

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<sup>305</sup> NAA A1838, TS696/2/15, Indonesian capabilities against Australian New Guinea short of overt aggression. 'JIC Report 63/56'.

<sup>306</sup> NAA A1838, TS696/2/15, Indonesian capabilities against Australian New Guinea short of overt aggression. 'JIC Report 63/56'.

Seven months later in April 1964 the JIC's estimates had changed little, in spite of Indonesia having launched an intensified campaign of infiltrations into Borneo in January 1964. A draft JIC report in April 1964 noted that if Australia chose to deploy combat forces to Borneo, Indonesia might retaliate by launching infiltrations into Papua and New Guinea. However, the JIC assessed that Indonesia 'would be conscious of the need' to keep infiltrations into Papua and New Guinea 'below the level at which she might assess [that] Australia would be able to invoke the ANZUS Treaty'.<sup>307</sup> The JIC also dismissed the prospect for overt conflict in New Guinea, noting the deterrent factor of ANZUS, the ability of Australian forces to 'deny her a rapid victory', and third, the fact that any military support that Indonesia might receive from Communist countries 'would not outweigh the effect of United States involvement'.<sup>308</sup> Hence between the first infiltration into Borneo in April 1963 and Indonesia's expansion of Confrontation to the Malaysian peninsula in August 1964, the JIC remained relatively confident that Indonesia did not pose a serious threat to Papua and New Guinea.

But although the JIC's threat perceptions of Indonesia remained stable, members of the Prime Minister's Department became increasingly concerned during 1963 that the policy of Graduated Response was setting a precedent for tolerating Indonesian infiltrations into Borneo. During the countdown to Malaysia's Federation the influential foreign affairs and defence advisor Allan Griffith wrote a particularly critical letter on 6 August 1963, in which he advised Menzies that Barwick's concessionary posture towards Indonesia was fuelling Sukarno's regional ambitions and 'hunger for prestige', with potentially dire consequences for the security of Papua

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<sup>307</sup> NAA A1838, TS666/64/56, Indonesian capabilities against Papua New Guinea, digital copy, p. 114.

<sup>308</sup> NAA A1838, TS666/64/56, Indonesian capabilities against Papua New Guinea, digital copy, p. 138.

and New Guinea.<sup>309</sup> Griffith therefore advised Menzies that 'I believe some fresh instructions need to be given', otherwise, 'Barwick will rush off with a wet public statement, setting the line for further appeasement'.<sup>310</sup>

In a sign of the waning influence of External Affairs, Menzies decided to follow Griffith's line of attack two days later when he wrote to inform Barwick that 'I think we are in great danger in taking and encouraging too soft a line with Sukarno. Like all the dictators he will get what he can by threat and bluff. Each concession made to him increases his appetite'.<sup>311</sup> Four days later on 12 August 1963 Cabinet moved further against Graduated Response when it rejected Barwick's proposal that a non-aggression pact should be forged between Indonesia, Malaysia and the Philippines.<sup>312</sup>

Under pressure from his Cabinet colleagues to discard Graduated Response, Barwick adopted a notably tougher diplomatic line when he met with Sukarno in Jakarta on 14 September 1963, just two days prior to the creation of Malaysia. Barwick informed Sukarno that Indonesian tactics in Borneo were jeopardising Australia's goodwill towards Indonesia, which provoked a heated exchange, with Sukarno noting Indonesia's populous demography relative to Australia's,

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<sup>309</sup> NAA A4940, C3389, Association of Singapore, The Federation of Malaya and Territories of British Borneo, digital copy, p. 5, 15.

<sup>310</sup> NAA A4940, C3389, Association of Singapore, The Federation of Malaya and Territories of British Borneo, digital copy, p. 5.

<sup>311</sup> Garry Woodard, 'A Radical Tory': Sir Garfield Barwick, 1961-1964, in Joan Beaumont, Christopher Waters, David Lowe, with Gary Woodard, *Ministers, Mandarins and Diplomats: Australia Foreign Policy Making 1941-1969*, Melbourne University Press, Melbourne, 2003, p. 123.

<sup>312</sup> David Lee and Moreen Dee, 'Southeast Asian Conflicts', in David Goldsworthy (ed.), *Facing North: A century of Australian engagement with Asia*, Volume 1, Melbourne University Press, Melbourne, 2001, p. 269-270.

while Barwick retorted that Australia's military and industrial capabilities were superior to those of Indonesia.<sup>313</sup>

As it happened, the Malaysian state came into existence on 16 September 1963, with Indonesian mobs attacking the British Embassy and Malayan Chancery in protest, whilst the Australian Embassy in contrast was notably spared.<sup>314</sup> But while Graduated Response may have rescued the Australian Embassy in Jakarta from a fiery demise, the policy itself appeared to have fallen out of favour, with Cabinet agreeing on 24 September 1963 to make a public statement of military commitment to Malaysia.<sup>315</sup> The defence historian Peter Edwards has observed that Barwick appeared to have played a notably muted role during these proceedings, while the Minister for Air, Peter Howson noted in his personal diary on 24 September 1963 that 'At last Gar[field Barwick] seems to be realizing [that] some of the problems of handling Sukarno are not as easy as he expected them to be'.<sup>316</sup>

Although Cabinet had moved decisively against the policy of Graduated Response in making a public statement of military support for Malaysia, this statement ironically led to its resurgence as the Government's preferred policy. One month later the Malaysian Government made an informal request that Australian combat forces be deployed to Borneo, which was promptly followed by a formal British request in November 1963. These requests exposed the

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<sup>313</sup> NAA A1838, 3034/10/11/7/ PART 2, Cable from Barwick to Menzies, 14 September 1963, in Moreen Dee (ed.), *Australia and the Formation of Malaysia 1961-1966*, Australian Department of Foreign Affairs and Trade, Canberra, 2005, p. 160; See also Peter Edwards, *Crises and Commitments*, Allen & Unwin in Association with the Australian War Memorial, North Sydney, 1992, p. 267.

<sup>314</sup> Peter Edwards, *Crises and Commitments*, Allen & Unwin in association with the Australian War Memorial, North Sydney, 1992, p. 262.

<sup>315</sup> Menzies made the statement the following day on 25 September 1963.

<sup>316</sup> Peter Edwards, *Crises and Commitments*, Allen & Unwin in association with the Australian War Memorial, North Sydney, 1992, p. 267; Peter Howson, *The Life of Politics*, The Viking Press, Ringwood, 1984, p. 56.



ongoing reluctance of Defence and External Affairs to deploy Australian combat forces to Borneo, which was motivated by a range of factors, including the fear of provoking an Indonesian response in New Guinea, Australia's current lack of deployable ground forces, and Defence's reluctance to implement conscription.

In the second section of this chapter the ongoing policy debate from September 1963 to August 1964 concerning whether to deploy combat forces to Borneo and to implement conscription is examined in the context of Indonesia's intensified campaign of infiltrations into Borneo. It notes that during this eleven month period the threat perceptions of Cabinet and the JIC towards Indonesia remained relatively relaxed, but at the same time there was evidence to suggest that the lower levels of the Government's defence planning machinery were becoming more nervous about Papua and New Guinea's security, with the JPC preparing operational plans for its defence from both overt and covert Indonesian aggression.

### **The ongoing debate concerning whether to deploy combat forces to Borneo,**

#### **September 1963-August 1964**

Encouraged by Menzies' public statement of Australia's military commitment to Malaysia on 25 September 1963, the Malaysian Government proceeded to make an informal request for Australian military support in October. This was promptly followed by a formal British request in

November 1963 for an array of military support measures, including most importantly, the request that an Australian SAS squadron be deployed to Borneo.<sup>317</sup>

A complicating factor in the JPC's consideration of the British force request was American reluctance to provide a comprehensive application of ANZUS to all the Borneo contingencies that Australian forces might face. The Australian Government had first learned of this reluctance in June 1963 during a visit of the American Under-Secretary of State Averell Harriman to Canberra. During Harriman's meeting with Cabinet the Deputy Prime Minister McEwen had pressed for a comprehensive application of ANZUS to the more likely 'grey' scenarios that Australian forces could face in Borneo such as Indonesian subversion and infiltration.<sup>318</sup> However, Harriman was unwilling to make this commitment, and in the coming months Menzies and Barwick attempted to obtain a firmer position from the Kennedy administration. On 17 October 1963 the Americans had issued their final statement on the matter, noting that they would only provide maritime forces and logistic support if required in the last resort against overt Indonesian aggression, but not the ground forces as desired by Australia and its Commonwealth allies, nor the blanket application of ANZUS to all Borneo contingencies.<sup>319</sup>

Nevertheless, the defence planning machinery of the Menzies Government appeared to be undeterred by this limited American commitment, with the JPC on 9 December 1963 approving the deployment of an SAS squadron to meet a shortfall of British SAS forces in

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<sup>317</sup> The British also requested access to Cocos Island for British aircraft, and for the deployment of an Australian engineering unit and light anti-aircraft unit to Borneo.

<sup>318</sup> NAA A4940, C3812, Report of meeting with Mr Averell Harriman in Canberra, 7/6/63, digital copy, p. 12.

<sup>319</sup> The Americans also noted that they would determine what constituted 'overt' Indonesian aggression on a case by case basis.

Borneo.<sup>320</sup> However, the JPC was promptly overruled by the Defence Committee which held a relatively calm outlook on Borneo's security. In particular, the Deputy Secretary for Defence, Gordon Blakers noted that there was 'no over-riding military requirement for Australian participation, although any help would be useful. The decision is essentially a political one for Cabinet'.<sup>321</sup> In similar fashion, External Affairs thought that the Government should 'hold back as long as possible on the provision of combat forces'.<sup>322</sup>

When Cabinet met to consider the British request on 18 December 1963, Menzies was clearly irritated by the advice offered to him by Defence and External Affairs, noting that aspects of the Defence paper were 'pedantic' for emphasising what Australia could not do. During the Cabinet meeting Menzies directly confronted the Chairman of the COSC, Air Marshal Sir Frederick Scherger, noting that 'My trouble is that you keep saying that to contribute will impair our SEATO capacity. Won't we be up for a serious choice if there is overt aggression in Malaysia – what then of SEATO? In reply, Scherger could only note that 'almost certainly we couldn't do both, but to send from Australia now [to Borneo] impairs our flexibility'.<sup>323</sup> The Deputy Prime Minister John McEwen interjected to sum up the Government's predicament, noting that 'we've got political commitments greater than our capacity'.<sup>324</sup>

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<sup>320</sup> NAA A4311, 669/1, Defence Committee Agendum 51/1963 to 71/1963. 'JPC Report No. 101/63, Military implications for Australia of the Malaysia situation'.

<sup>321</sup> NAA A1945, 245/3/6, Minute from Blakers to Hicks, Canberra, 10 December 1963, in Moreen Dee (ed.), *Australia and the Formation of Malaysia 1961-1966*, p. 199.

<sup>322</sup> NAA A1838, 3034/10/1 part 18, DEA Paper: British/Malaysian Request for the Use of Australian Forces, Canberra c. 10 December 1963, in Moreen Dee (ed.), *Australia and the Formation of Malaysia 1961-1966*, Australian Department of Foreign Affairs and Trade, Canberra, 2005, p. 198.

<sup>323</sup> NAA A11099, 1/65, Notetaker E J Bunting – Notes of meetings 18 December 1963 – 15 April 1964.

<sup>324</sup> NAA A11099, 1/65, Notetaker E J Bunting – Notes of meetings 18 December 1963 – 15 April 1964.

But in spite of his displeasure, Menzies and Cabinet eventually decided to follow the advice of Defence and External Affairs to refrain from deploying the SAS squadron to Borneo.<sup>325</sup> Thus by December 1963, Graduated Response, having fallen out of favour only three months earlier during the countdown to Malaysia's Federation, had now ironically made something of a comeback, not because of a change in threat perceptions, but due to a collection of factors, including Australia's lack of deployable ground forces, the Government's wariness about expanding the Confrontation to New Guinea, the ongoing reluctance of Defence to implement conscription, and the determination of both Defence and External Affairs to persevere with the policy. But in the coming months the question of how to juggle this complex mesh of competing commitments and interests would continually resurface.

In early 1964 the pressures on Cabinet to both deploy combat forces to Borneo and to implement conscription continued to increase. In February 1964 the Americans added a further caveat to their already limited Borneo commitment, noting that they would expect Australia to implement conscription before they considered the deployment of their own forces to the conflict.<sup>326</sup> The Australian Defence Committee meanwhile was eager to mend its relations with both Menzies and the British Government. In January 1964 it agreed to the less demanding British and Malaysian request that the Australian battalion in the Strategic Reserve be re-deployed to the Thai-Malaysia border in order to release a corresponding British or Malaysian unit for service in Borneo, with Cabinet subsequently approving the decision on 28 January 1964.<sup>327</sup> Two months

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<sup>325</sup> Cabinet authorised British access to Cocos Island for its military aircraft.

<sup>326</sup> Peter Edwards (ed.), *Defence Police-Making: A Close-Up View, 1950-1980, A Personal Memoir by Sir Arthur Tange*, Canberra papers on strategy and defence, No. 169, Strategic and Defence Studies Centre, Canberra, 2009, p. 13.

<sup>327</sup> Peter Edwards, *Crises and Commitments*, Allen & Unwin in association with the Australian War Memorial, North Sydney, 1992, p. 287.

later in March 1964 the Defence Committee and Cabinet agreed to supply a further collection of smaller military support measures to Malaysia, including the light anti-aircraft battery which had been previously blocked in December 1963. However, once again Cabinet refrained from the key decision of deploying troops to Borneo.<sup>328</sup>

Thus by March 1964 Graduated Response appeared to be secure as the Australian Government's preferred policy in a reflection of the relatively stable views of the Indonesia threat within Defence, External Affairs and Cabinet. But the policy was by no means sacrosanct, with Menzies continuing to be a firm supporter of adopting a tougher diplomatic line against Indonesia. And in a moment of introspection, the policy's primary architect Garfield Barwick appeared philosophical on whether the policy had been a success, noting with a tinge of contrition on 22 March 1964 that 'There has been a great risk that our graduated response to date may have deprived our support of Malaysia and our general policy vis-à-vis Indonesia of credibility'.<sup>329</sup>

### **Indonesia's intensified campaign of infiltrations into Borneo, January 1964**

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<sup>328</sup> NAA A1209, 1964/6040 Part 1, Cabinet Decision No. 39: Submission No. 30 - Defence Assistance for Malaysia, Melbourne, 28 January 1964, in Moreen Dee (ed.), *Australia and the Formation of Malaysia 1961-1966*, Australian Department of Foreign Affairs and Trade, Canberra, 2005, p. 229; Peter Edwards, *Crises and Commitments*, Allen & Unwin in association with the Australian War Memorial, North Sydney, 1992, p. 288.

<sup>329</sup> Shortly after this statement Barwick would depart Federal politics to become Chief Justice in the Australian High Court. NAA A1209, 1961/1318 Part 3, Malaysia – Defence implications and defence arrangements, digital copy, p. 148.

Although Defence and External Affairs had continued to hold a relatively relaxed view concerning the status of Confrontation, in January 1964 the Indonesians launched a more organised campaign of infiltrations into Borneo, characterised by higher operational tempo and the inclusion of a greater proportion of regular Indonesian troops. This intensified campaign led to a renewed British request on 10 April 1964 that the Australian battalion in the Strategic Reserve and Australian SAS forces be deployed to Borneo. In a clear indication that the British position in Borneo was under considerable pressure, two weeks later on 28 April 1964 the British informed the Australian Government that it had launched 'Operation Claret', a program of covert cross border raids and 'hot pursuit' missions into Kalimantan, in order to disrupt and disable Indonesia's improving infiltration forces and their staging areas.

However, the Army's Chief of the General Staff, Lieutenant General John Wilton was unmoved, noting that a decision to deploy Australian troops should only be contemplated when 'there was no further possibility of deterring the Indonesians by other means'.<sup>330</sup> The ensuing Defence report on the British force request was completed on 30 April 1964 and subsequently debated by Cabinet on 12 May 1964. In considering the British request, the Defence Committee acknowledged that Indonesia's rate of infiltrations had dramatically increased in 1964, but it still judged it unnecessary to deploy Australian ground forces to Borneo.<sup>331</sup> At the 12 May 1964 meeting Cabinet followed this advice and declined the British request. Menzies was reluctant to

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<sup>330</sup> David Horner, *Strategic Command: General Sir John Wilton and Australia's Asian Wars*, Oxford University Press, Melbourne, 2005, p. 214-215.

<sup>331</sup> Defence noted that 42 infiltrations had occurred in March 1964 alone, involving 'possibly 900 guerillas', compared to a total of 101 infiltrations in 1963. See NAA A5827, vol. 6, Submission No. 188 from Paltridge to Cabinet, 8 May 1964, in Moreen Dee (ed.), *Australia and the Formation of Malaysia 1961-1966*, Australian Department of Foreign Affairs and Trade, Canberra, 2005, p. 287.

make a blanket rejection, noting that the British were especially low in special-forces and ‘we are giving the UK a pretty hefty knock back’.<sup>332</sup> Menzies therefore persuaded Cabinet to make a more qualified statement in its reply, by noting that this current decline was not the Australian Government’s final answer on the issue, and that it would continue to closely monitor the situation.<sup>333</sup> And in a further indication of the Government’s threat perceptions and reasoning behind this decision, Treasurer Harold Holt noted of South Vietnam that it ‘may be more important to contribute there’.<sup>334</sup>

### **Rising concerns about Communist China and the security of South Vietnam**

Indeed, at this point of time in early 1964 the security of South Vietnam rather than that of Borneo appeared to be exerting a greater influence on the threat perceptions of the Government’s policy machinery. On 22 January 1964 Barwick had delivered a speech to the Australian Institute of Political Science in which he identified China as the greatest threat to regional security.<sup>335</sup> The following month in February 1964 a cable was sent to all of Australia’s

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<sup>332</sup> NAA A11099, 1/66, Notetaker E J Bunting – Notes of meetings 21 April 1964 -2 June 1964. ‘Cabinet notes, 12 May 1964’.

<sup>333</sup> Menzies noted it was likely that Australia would have to consider a similar force request in a few months time, when the British were due to rotate their forces.

<sup>334</sup> NAA A11099, 1/66, Notetaker E J Bunting – Notes of meetings 21 April 1964 -2 June 1964. ‘Cabinet notes, 12 May 1964’.

<sup>335</sup> Sir Garfield Barwick, ‘Australia’s Foreign Relations’, in *Australia’s Defence and Foreign Policy*, John Wilkes (ed.), Australian Institute of Political Science, Proceedings of 30<sup>th</sup> Summer School, Angus and Robertson, Sydney, 1964, p. 22.

diplomatic posts, instructing them to prepare for a region devoid of British and American bases and the consequent importance of preserving friendly relations with Indonesia in order to contain Chinese influence in the region.<sup>336</sup>

One month later in March 1964 the Government's greater security concerns about China and South Vietnam were again on display when the Cabinet Foreign Affairs and Defence Committee met to discuss the state of Confrontation and the latest Malaysian and British requests for military support.<sup>337</sup> As noted previously, during the March 1964 meeting Cabinet had agreed to supply a range of smaller military support measures to Malaysia, but in general it appeared to be untroubled by Indonesia's Confrontation tactics. Barwick in particular would note that with Sukarno merely 'wiggling on the border' the British appeared to have control of the situation with no need for Australian troops.<sup>338</sup> In similar fashion, the Minister for Defence Paul Hasluck noted that both he and Defence were far more concerned about the security of South Vietnam due to the scale of forces involved in Vietnam compared to that in Borneo.

During the March meeting Hasluck went on to mention what was by now a familiar problem, that Australia had 'only one set of forces for either Vietnam or Malaysia'. In reply Menzies noted that if Australia were to deploy to Borneo and was then required to make a 'modest' contribution to a SEATO operation, 'we couldn't do it'. In response Hasluck could only

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<sup>336</sup> NAA A1838, 3006/4/9 part 3, paragraph 4, Savingram to all posts: The problem of Indonesian Hostility towards Malaysia, in Moreen Dee (ed.), *Australia and the Formation of Malaysia 1961-1966*, Australian Department of Foreign Affairs and Trade, Canberra, 2005, p. 242.

<sup>337</sup> The Foreign Affairs and Defence Committee was effectively a skeleton Cabinet created in January 1963 to allow a more efficient decision making process on these matters, without having to call the entire Cabinet. It usually consisted of the Prime Minister and Deputy Prime Minister, the Treasurer, the Minister for External Affairs and the Minister for Defence.

<sup>338</sup> NAA A11099, 1/65, Notetaker E J Bunting – Notes of meetings 18 December 1963 – 15 April 1964, FAD Committee meeting, 10 March 1964, digital copy, p. 111-112.



note that the Army was already well behind schedule in its expansion timetable, with Menzies therefore concluding that he 'could not fully rule out selective military training'.<sup>339</sup>

### **The ongoing policy debate concerning conscription**

As a result of this discussion in March 1964 Cabinet recommended that the Service Chiefs should be contacted in order to hold further discussions with them concerning the possibility of either improving the Citizen Military Force or implementing a selective service training scheme.<sup>340</sup> However, the Army had already anticipated such a Cabinet request and had prepared a paper in advance.<sup>341</sup> The Minister for Army, Dr. Jack Forbes and the Secretary for Defence Edwin Hicks presented the Army paper to Hasluck on 13 March 1964, advising him that with the Borneo conflict currently contained a national service scheme was not required. Hicks went on to note a range of military support measures that Australia could supply to Malaysia if required, but repeating JIC assessments, he feared that any direct Australian military involvement in Borneo could provide Indonesia with just cause to expand the conflict to Papua and New Guinea. Hicks

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<sup>339</sup> NAA A11099, 1/65, Notetaker E J Bunting – Notes of meetings 18 December 1963 – 15 April 1964. 'FAD Committee meeting, 10 March 1964', digital copy, p. 111-112.

<sup>340</sup> NAA A11099, 1/65, Notetaker E J Bunting – Notes of meetings 18 December 1963 – 15 April 1964. 'FAD Committee meeting, 10 March 1964', digital copy, p. 111-112.

<sup>341</sup> Peter Edwards, *Crises and Commitments*, Allen & Unwin in Association with the Australian War Memorial, North Sydney, 1992, p. 303.

therefore advised against an Australian deployment, noting that 'it would be a wrong use of our forces to employ them for political purposes which were not sound militarily'.<sup>342</sup>

But in spite of Hicks' advice, Hasluck followed Menzies' lead and remained supportive of a national service scheme. Hasluck directed the COSC to examine further measures to expand the Army, with the previous time table of reaching 33,000 personnel by 1972 now brought forward to become an immediate base figure from which to expand even further. With Hasluck's new instruction to Defence coming just days after Cabinet's 10 March decision that Confrontation posed no threat in its current form, Lieutenant General John Wilton was incredulous, stating that 'Cabinet appear to wish us to be able to do more for what reason I do not know'.<sup>343</sup>

Two months later Cabinet had been reshuffled following Barwick's departure to the Australian High Court, and with Hasluck shifted into the vacant External Affairs ministry position, it was the newly appointed Minister for Defence Shane Paltridge who presented the findings of the Army's manpower review to Cabinet on 19 May 1964, (one week after Cabinet's decision on 12 May 1964 to decline the British Government's 10 April 1964 Borneo force request). In contrast to his predecessor Paul Hasluck, Paltridge appears to have quickly established a more collegial relationship with his department, with Paltridge agreeing to support Defence's request that it be granted one further time extension to achieve the Army's designated expansion targets, although he confessed to Cabinet that he was 'by no means optimistic' that the goals could be achieved.<sup>344</sup>

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<sup>342</sup> NAA A1945, 245/3/9, Submission from Hicks to Hasluck, Canberra, 13 March 1964, in Moreen Dee (ed.), *Australia and the Formation of Malaysia 1961-1966*, Australian Department of Foreign Affairs and Trade, Canberra, 2005, p. 274-275.

<sup>343</sup> David Horner, *Strategic Command: General Sir John Wilton and Australia's Asian Wars*, Oxford University Press, Melbourne, 2005, p. 222.

<sup>344</sup> NAA A4940, C3969, Army strength and organisation.

Crucially, Allan Griffith, the outspoken conscription advocate within the Prime Minister's Department also supported the proposal to postpone the implementation of conscription. Despite his acute concerns about the vulnerability of Papua and New Guinea to Indonesian infiltrations, Griffith nevertheless thought that a 'snap decision' on National Service was not required in the current strategic environment. As a result, on 20 May 1964 Cabinet accepted the advice of Paltridge and Griffith that the Army be given one further chance to achieve its recruitment targets.

Thus by the close of May 1964 it was clear that Cabinet was slowly moving towards conscription, driven by broader considerations of the regional security environment. However, the fact that Wilton, Paltridge, Griffith and Cabinet saw no urgency to implement conscription gives further weight to the hypothesis that in May 1964 broad sections of the Australian Government, including the JIC and Cabinet, were genuinely of the opinion that Indonesia's Confrontation of Malaysia was relatively well contained in its current form, and posed little threat of expanding to Papua and New Guinea whilst Australia refrained from deploying combat forces to Borneo. In comparison, the security of South Vietnam and the threat posed by Communist China appeared to be playing a larger role in the threat perceptions of both Cabinet and the senior levels of Defence and External Affairs.

Nevertheless, the lower levels of the Government's defence planning machinery continued to prepare for the future prospect of a direct Indonesia threat. Following Indonesia's acquisition of medium range Tu-16 'Badger' bombers from the Soviet Union in 1961, and Calwell's corresponding allegation in January 1963 that Australia was incapable of protecting itself from the Indonesian bomber threat, Cabinet in June 1963 agreed to send the Chief of the

Air Staff, Air Marshal Sir Valston Hancock, along with supporting staff to Europe and North America to find an aircraft capable of conducting a low altitude approach on various targets in Asia including Jakarta and Morotai (see Figure 8).<sup>345</sup>

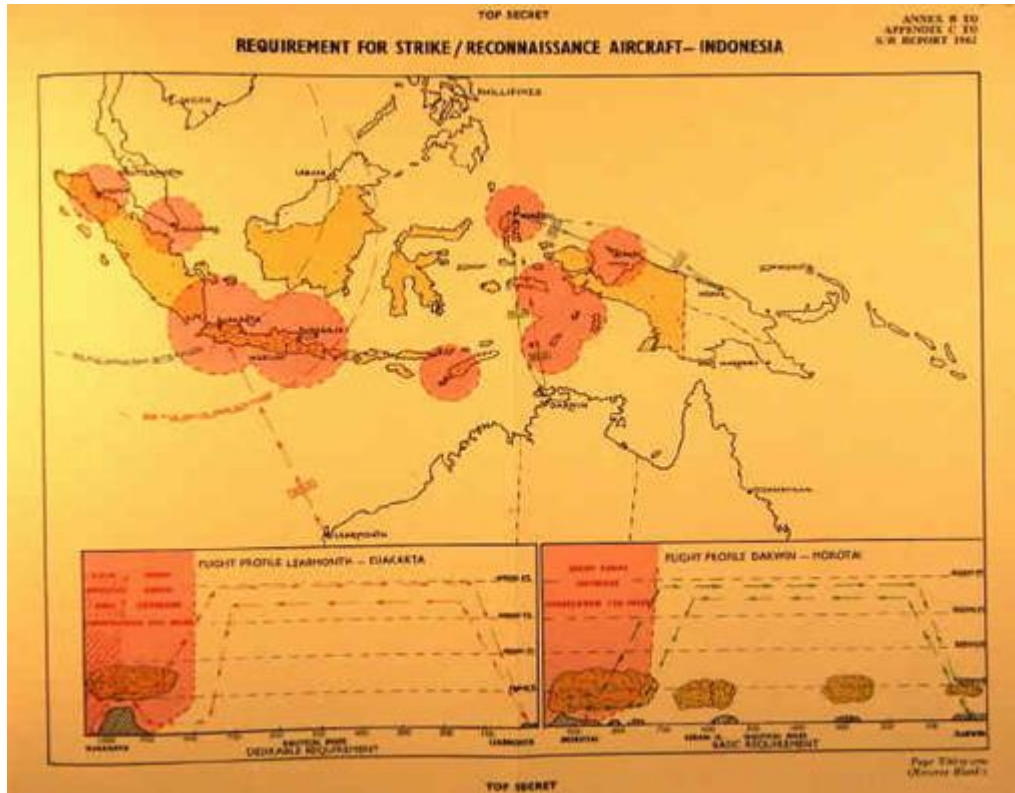


Figure 8. Hancock mission briefing paper. Radar coverage in Indonesia and RAAF flight profiles for attacks on Jakarta and Morotai. NAA A4940, C3852 Attachment

The final 'Hancock mission' report recommended the innovative American 'TFX' (F-111) design as the aircraft best suited to fulfil these capability requirements, and in October 1963

<sup>345</sup> It will be recalled that the search for a Canberra bomber replacement was a long-standing issue heralding back to the 1959 Strategic Basis. Cabinet had agreed to re-open the search for a replacement strike/reconnaissance bomber in September 1962, following Indonesia's diplomatic victory in the West New Guinea dispute.

Cabinet fast tracked the TFX announcement during the countdown to the 1963 Federal election.<sup>346</sup>

### **The JPC's escalating concerns in 1964 about Papua and New Guinea's security**

In addition to the TFX decision the JPC continued to contemplate Indonesia's capacity to destabilise the New Guinea border. Following Indonesia's scheduled acquisition of West New Guinea in May 1963 Australian forces began to compile detailed logs of minor incidents on the New Guinea border, some involving Indonesian forces.<sup>347</sup> Although none of these incidents involved the exchange of live fire, they did paint a disconcerting picture of the porous security environment on the border and the relative ease with which Indonesia could launch infiltrations into Papua and New Guinea if it chose to do so.

With Indonesia having launched in January 1964 an intensified campaign of infiltrations into Borneo, in May 1964 the JPC upgraded its threat assessment, noting in regards to New Guinea that 'we should prepare for Indonesian covert activities as soon as possible' and to prepare 'for overt attack in a one to five year time frame'. In preparation for the outbreak of major hostilities the JPC composed plans for the basing of RAAF Mirage and Sabre jet aircraft

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<sup>346</sup> NAA A4940, C3852 Attachment, Selection of a Strike/Reconnaissance Aircraft as replacement for the Canberra of the RAAF, digital copy, p. 31; NAA A11099, 1/63, Notetaker E J Bunting – Notes of meetings 14 August 1963 – 16 October 1963.

<sup>347</sup> NAA A4311, 669/1, Defence Committee Agendum 51/1963 to 71/1963.

from airfields at Nadzab and Wewak in Papua and New Guinea.<sup>348</sup> Drawing inspiration from the British use of helicopters in Borneo, the JPC composed similar plans for the development of a chain of airfields along the New Guinea border from which Australian troops could be promptly deployed and resupplied in response to potential Indonesian infiltrations (see Figures 9-11).<sup>349</sup> But in spite of these operational plans, the JPC's initial drafting of the 1964 Strategic Basis in late July 1964 painted a relatively optimistic picture of Indonesia, having been completed before Sukarno launched the 'Year of Dangerous Living'. The document noted that the Indonesians 'will probably wish to keep confrontation at about present levels', while in contrast, 'the threat is now most urgent in South Vietnam'.<sup>350</sup>

A final sign of the Government's conflicted views about Indonesia and the regional security environment came in July 1964 when Cabinet considered a British proposal that for planning purposes Australia should designate which Australian forces would contribute to the defence of Borneo if Confrontation escalated into overt hostilities. The Australian Chiefs of Staff supported the general concept of the British proposal, but in an indication of the Army's ongoing manpower woes, they also inserted a clause in 'paragraph 17.f.' that Australia should reserve the right to withdraw its forces from Borneo if required, in order to meet other regional contingencies.

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<sup>348</sup> NAA A8738, 22, Reports by the Joint Planning Committee – 66/1964 to 86/1964, digital copy, p. 11-12.

<sup>349</sup> NAA A8738, 21, Reports by the Joint Planning Committee – 34/1964 to 65/1964. 'Report No. 54/64: Defence on Eastern New Guinea – Airfield Requirements, 15 May 1964'.

<sup>350</sup> NAA A1838, TS677/3 Part 6, Strategic basis of Australian defence policy, digital copy, p. 315, 318.

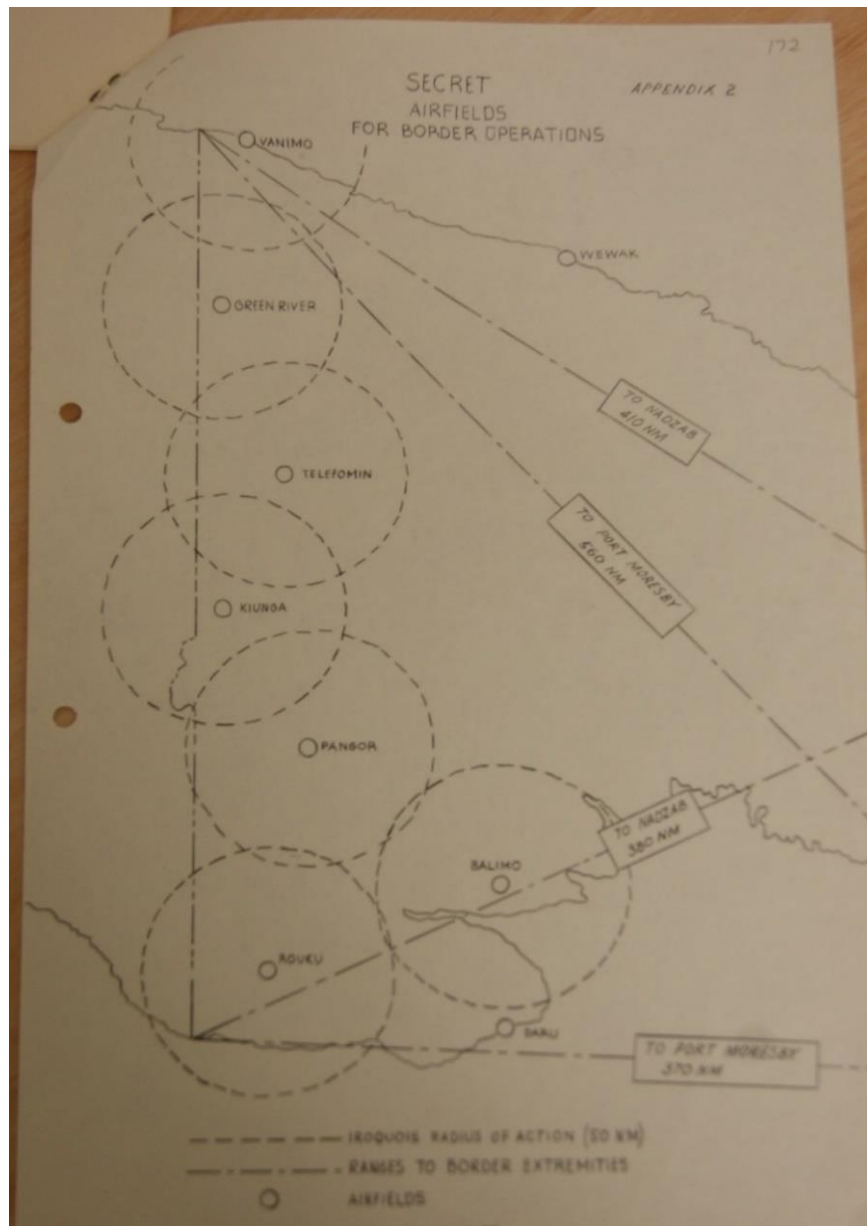


Figure 9. Secret airfields in Papua and New Guinea from which Iroquois helicopters could operate. NAA A8738, 22



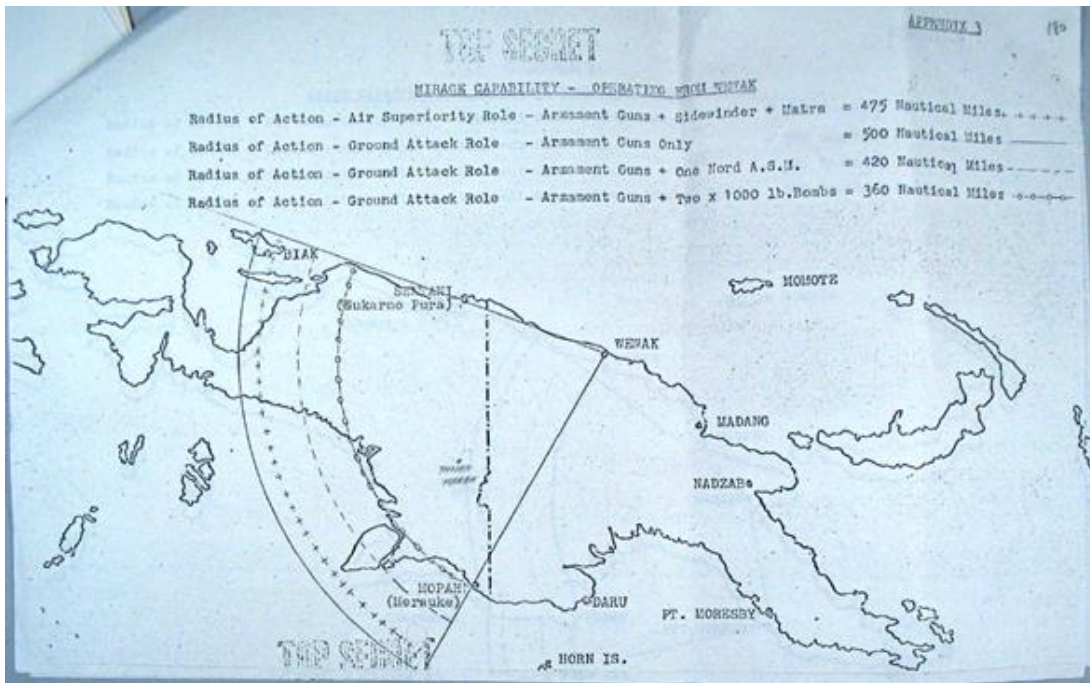


Figure 10. Operational radii of Mirage aircraft operating from Wewak.

NAA A8738, 22

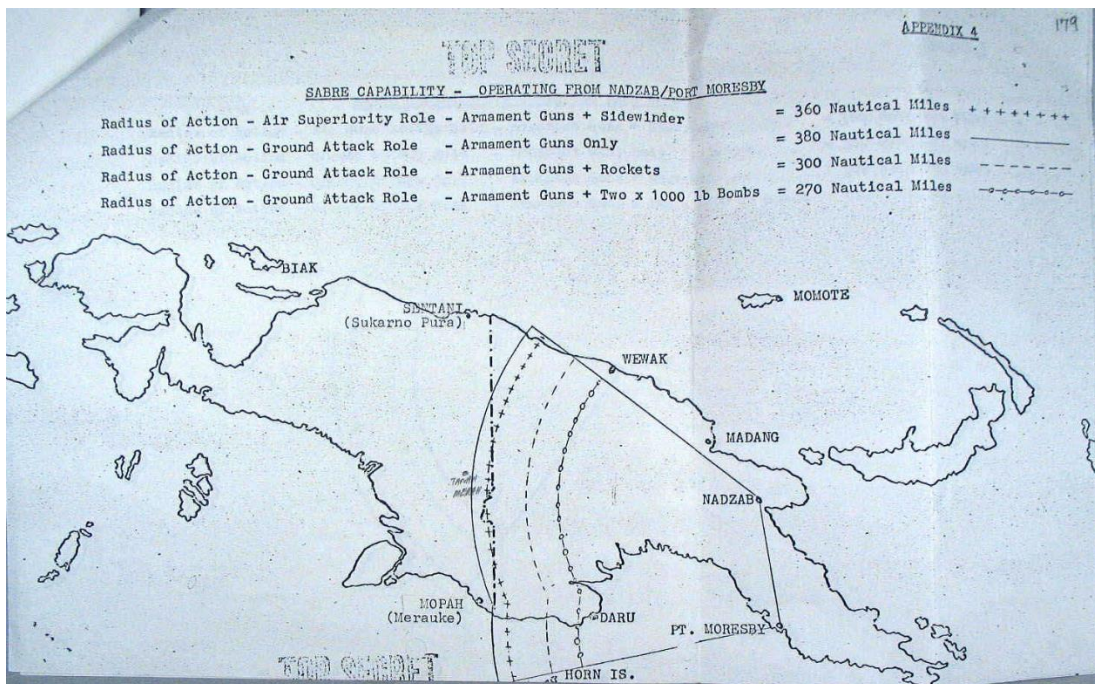


Figure 11. Operational radii of Sabre aircraft operating from Nadzab and Port Moresby.

NAA A8738, 22



Commenting on the paragraph 17.f. clause, the long-term conscription advocate Allan Griffith noted that it was 'inconceivable' that Australia would withdraw its forces from Borneo in order to fulfil its SEATO commitments. However, Griffith continued to be troubled by the possibility of Indonesian infiltrations on the New Guinea border, and therefore conceded that 'we could wish to withdraw them to meet any threat in East New Guinea'.<sup>351</sup>

In the ensuing Cabinet debate on 28 July 1964 Menzies expressed some concern at the 17.f. clause, but Cabinet went on to approve its insertion in the report. Hasluck, perhaps trying to reassure his Cabinet colleagues that the 17.f. clause was of little consequence, noted that he thought it unlikely that Indonesia's Confrontation of Malaysia would escalate in the near future.<sup>352</sup> And indeed, the perspective that Indonesia's Confrontation of Malaysia had reached a stalemate was a view shared by many in the Cabinet room in July 1964. Two weeks earlier Hasluck had noted to the American Secretary for Defense Robert McNamara that Indonesia's Confrontation of Malaysia was 'dragging on' and that he was 'genuinely puzzled' concerning what to do next.<sup>353</sup> In like manner, on 31 July 1964 Menzies had informed the British Prime Minister Alec Douglas-Home that Sukarno was more likely to 'continue a war of nerves' in Borneo and 'is not likely to risk open war'.<sup>354</sup> Meanwhile, the Minister for Air Peter Howson noted on 31 July 1964 that both he and the Australian Chief of the Air Staff, Air Marshal Sir Valston Hancock were

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<sup>351</sup> NAA A4940, C4024, Plans "Spillikin" and "Hemley" to counter Indonesian aggression against Malaysia. 'Comment, A J Griffith, 27 July 1964', digital copy, p. 180.

<sup>352</sup> NAA A11099, 1/68, Cabinet Notebook. Notetaker E J Bunting. Notes of meetings 28 July 1964 – 1 September 1964. Cabinet meeting, 28 July 1964.

<sup>353</sup> Hasluck confessed to McNamara that in the current stalemate 'there was a temptation for Australians to think that the only way out was to "crack Sukarno hard"'. See NAA A1838, 3034/10/1 Part 21, Indonesia – Relations with Australia, digital copy, p. 59-60.

<sup>354</sup> NAA A6706, 35, Letter from Menzies to Douglas-Home, Canberra, 31 July 1964, in Moreen Dee (ed.), *Australia and the Formation of Malaysia 1961-1966*, Australian Department of Foreign Affairs and Trade, Canberra, 2005, p. 310.

expecting a major escalation in South Vietnam before Christmas, rather than in Borneo.<sup>355</sup> These relatively relaxed views of Confrontation stand in contrast to the tentative argument put forth by Peter Edwards in *Crises and Commitments*, in which he argued that ‘probably’ most of Australia’s leading policy officials in Cabinet, Defence and External Affairs ‘regarded Confrontation as the principal potential threat’ at this time rather than the declining security of South Vietnam.<sup>356</sup>

Thus in July 1964 Cabinet and broader sections of the Government’s policy machinery continued to retain a relatively calm outlook regarding the Indonesia threat. Although the JPC had prepared operational plans for the defence of Papua and New Guinea, its initial draft of the 1964 Strategic Basis assessed that an escalation of Confrontation was unlikely. In like manner, both the JIC and Cabinet thought that Confrontation was unlikely to escalate in its current form. But ironically for the Australian Government, the conflict did so dramatically on 17 August 1964 when Indonesia launched an expanded campaign of infiltrations into the Malaysian peninsula. In the final section of this chapter the effect of Indonesia’s escalating Confrontation tactics on the Australian Government’s policy machinery are analysed, with reference to the ongoing policy debate concerning conscription and whether to deploy combat forces to Borneo.

### **Sukarno’s launch of the ‘Year of Dangerous Living’**

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<sup>355</sup> Peter Howson, *The Life of Politics*, The Viking Press, Ringwood, 1984, p. 105.

<sup>356</sup> Peter Edwards, *Crises and Commitments*, Allen & Unwin in Association with the Australian War Memorial, North Sydney, 1992, p. 305.

On 17 August 1964 Sukarno delivered a key note speech during Indonesia's Independence Day celebrations in which he announced the beginning of the 'Year of Dangerous Living'. To coincide with the announcement Indonesia launched an expanded campaign of infiltrations into the Malaysian peninsula, beginning with a seaborne infiltration against Pontian on 17 August 1964, which was backed up two weeks later with the dropping of Indonesian para-troops at Labis on 2 September 1964. Although the infiltrations at Pontian and Labis were abject failures, Sukarno's bald aggression, expanding the Confrontation to the Malaysian peninsula, coupled with recent events in South Vietnam forced a sharp change in Cabinet's perceptions of the regional strategic environment and increased its anxieties concerning the security of Papua and New Guinea.<sup>357</sup>

Prior to these events Defence and External Affairs had been able to maintain their support for Graduated Response based on the view that Confrontation was a relatively well-contained conflict, but with Indonesia's latest acts of hostility, the effectiveness of the policy in deterring Indonesian aggression came under increased scrutiny. On 3 September 1964 Cabinet discussed its response to the latest escalation and agreed that if Indonesia launched any further brazen attacks as it had done in the past two weeks, Australia, with proper consultation, would participate in British led air strikes against selected targets in the Indonesian archipelago.<sup>358</sup> With Commonwealth forces poised to launch airstrikes a tense stand-off ensued in the next two weeks

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<sup>357</sup> The conflict in South Vietnam had also dramatically escalated, with alleged North Vietnamese torpedo boat attacks on the USN destroyer USS *Maddox* on 2 and 4 August 1964. These attacks were used as just cause to increase American involvement in South Vietnam.

<sup>358</sup> NAA A11537, 13, Cable from Canberra to Shann, 21 September 1964, in Moreen Dee (ed.), *The Formation of Malaysia, 1961-1966*, Australian Department of Foreign Affairs and Trade, Canberra, 2005, p. 334.

when the Indonesian Government threatened to attack a British naval force which was scheduled to transit the Sunda Strait.<sup>359</sup>

But more importantly, the expansion of the conflict to the Malaysian peninsula raised Cabinet's strategic anxieties concerning the security of Papua and New Guinea, and thus reinvigorated the conscription debate. During the 3 September 1964 meeting McEwen had repeated the familiar problem that 'we're deficient' in deployable ground forces and had therefore asked 'We can't handle all the situations together and we should be deciding where our priority is – is it in containing the Communists in [the] north or is it in Malaysia? In reply Menzies noted that 'Borneo is not as important as holding in Vietnam', with Cabinet going on to briefly discuss what a national service scheme might entail.<sup>360</sup>

### **The drafting of the 1964 Strategic Basis**

At the same time as these Cabinet discussions took place, the JIC had composed a report which would form the intelligence base for the JPC's upcoming 1964 Strategic Basis. The JIC remained focused on the threat posed by Communist China, noting that 'The main threat to Australia's

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<sup>359</sup> The 'Sunda Strait Crisis' erupted when Indonesia declared that the strait was closed to the impending transit of the British aircraft carrier *Victorious* and its two destroyer escorts. The crisis was peacefully resolved when the British Government called Indonesia's bluff and announced that its ships would transit the strait in spite of Indonesia's threat. In a face saving measure the Indonesians proposed the Lombok Strait as an alternative, less sensitive route for the British ships to pass through, an offer which the British Government tactfully accepted.

<sup>360</sup> NAA A11099, 1/69, Cabinet Notebook. Notetaker E J Bunting. Notes of meetings 1 September 1964 – 7 October 1964.

national security arises from the expansionist aims of communist countries in Asia'. However, in contrast to the position it adopted during the drafting of the 1962 Strategic Basis three years earlier, the JIC was now prepared to concede that 'A threat also arises from Indonesian ambitions'.<sup>361</sup>

In spite of recent events the JIC continued to maintain a low estimate of the Indonesia threat and assessed that Confrontation was unlikely to escalate into limited war. Even if Indonesia did miscalculate Commonwealth reactions to its Borneo provocations, the JIC thought that 'Indonesia would be unlikely to carry out significant attacks against the Australian mainland or territories'. However, the JIC could not rule out the potential for small raids and sabotage, and in a worst-case scenario, it thought that Indonesia 'might even decide to attack or occupy Christmas Island for prestige purposes'.<sup>362</sup> Thus in September 1964 the JIC continued to dismiss Indonesia as a serious threat, but nonetheless, its threat perceptions had changed notably from 1961 when it had completely rejected the Indonesia threat hypothesis put forth by the JPC in the draft 1962 Strategic Basis.

Nevertheless, it was clear that the JIC continued to take a more conservative view of Indonesian capabilities and intentions compared to that of the JPC. Commenting on the JPC's draft 1964 Strategic Basis, on 1 October 1964 C.T. Moodie, the Assistant Secretary of the JIC recorded that 'the JPC paper may have the effect of over-stressing Indonesia rather than Communist China as the threat which should bulk largest in our eyes'. Moodie went on to note

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<sup>361</sup> NAA A1838, TS677/3 Part 6, Strategic basis of Australian defence policy. 'JIC 2/43, 3 September 1964, Intelligence Contribution to 'Strategic Basis of Australian Defence Policy', digital copy, p. 117.

<sup>362</sup> NAA A1838, TS677/3 Part 6, Strategic basis of Australian defence policy, digital copy, p. 145.

that the JPC had presented Indonesian military capability as 'being somewhat more effective than the JIC sees it'.<sup>363</sup>

But in contrast to the JIC, it quickly became evident that Sukarno's 'Year of Dangerous Living', alongside the deteriorating position in South Vietnam, had abruptly forced senior figures in Defence to reconsider their threat perceptions of Indonesia and the regional security environment. On 27 August the Minister for Defence Shane Paltridge finalised a submission to Cabinet which approved the development 'without delay' of the airfield at Wewak, and further investigations into the development of a chain of airfields on the New Guinea border.<sup>364</sup> Having actively opposed conscription for more than a year, on 30 September 1964 Wilton conceded that 'the accelerated deterioration in the strategic situation in South East Asia' and the Army's ongoing manpower deficiencies now warranted the implementation of a selective service scheme.<sup>365</sup> When the Defence Committee met on 1 October 1964 to consider a final draft of the 1964 Strategic Basis, Hancock thought 'we should treat Indonesia as a potential enemy – part of [the] total problem'. In reply, Wilton noted that the 'main threat is China', but 'agree [to] deal with Indonesia as part of the problem'.<sup>366</sup>

However, doubts continued to persist in Defence and External Affairs concerning Indonesian capabilities. Having read the JPC's final draft of the 1964 Strategic Basis, the Defence Committee had sought a second opinion from the JIC about Indonesia's level of operable military capability and its ongoing reliance on Soviet military support. In keeping with its assessments first

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<sup>363</sup> NAA A1838, TS677/3 Part 7, Strategic basis of Australian defence policy, digital copy, p. 279.

<sup>364</sup> NAA A4940, C3750, Papua/New Guinea – Australian Defence Measures, digital copy, p. 21.

<sup>365</sup> David Horner, *Strategic Command: General Sir John Wilton and Australia's Asian Wars*, Oxford University Press, Melbourne, 2005, p. 225.

<sup>366</sup> NAA A1838, TS677/3 Part 7, Strategic basis of Australian defence policy, digital copy, p. 97.

developed in 1959, the JIC noted in reply that the 'efficiency of the three Indonesian Services is low by Australian standards', but it also cautioned that in the next five years it 'would be prudent to assume' that Indonesia would develop 'a higher degree of efficiency for individual and joint service operations including an increased offensive amphibious capability'.<sup>367</sup>

On 15 October 1964 the outcome of this debate concerning Indonesian capabilities and intentions was resolved, with the Defence Committee, containing the secretaries of both Defence (Edwin Hicks) and External Affairs (Sir Arthur Tange) approving the 1964 Strategic Basis and its description of Indonesia as posing 'a direct threat' to Australia's security.<sup>368</sup> In a strong indication of their raised concerns the paper noted that 'Indonesia will aim to achieve regional hegemony' and that Indonesia was likely to 'interfere' in Papua and New Guinea by launching infiltrations and other subversive activities.<sup>369</sup> The document therefore noted that 'Our capability should also be sufficient to counter any likely Indonesian activities against our own territory or interests' and cautioned that it could take Australia five to seven years to develop a credible deterrent to resist such acts.<sup>370</sup>

This change in emphasis towards recognising Indonesia as a direct threat led to a change of emphasis within the Government's defence planning. Between 1958-1964 Tange and Scherger

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<sup>367</sup> NAA A1838, TS677/3 Part 7, Strategic basis of Australian defence policy, digital copy, p. 228.

<sup>368</sup> 'Strategic Basis of Australian Defence Policy (October 1964)', paragraph 37, in Stephan Frühling (ed.), *A history of Australian Strategic Policy since 1945*, Defence Publishing Service, Department of Defence, Commonwealth of Australia, Canberra, 2009, p. 322.

<sup>369</sup> 'Strategic Basis of Australian Defence Policy (October 1964)', paragraph 19, in Stephan Frühling (ed.), *A history of Australian Strategic Policy since 1945*, Defence Publishing Service, Department of Defence, Commonwealth of Australia, Canberra, 2009, p. 317.

<sup>370</sup> 'Strategic Basis of Australian Defence Policy (October 1964)', paragraph 23, 71, 75, 78, in Stephan Frühling (ed.), *A history of Australian Strategic Policy since 1945*, Defence Publishing Service, Department of Defence, Commonwealth of Australia, Canberra, 2009, p. 330-331.

had successfully advocated the development of Australia's maritime capabilities in preparation for a future Indonesia threat to the Australian mainland, before the rise of a direct Indonesia threat to Papua and New Guinea caused a shift in emphasis towards the Australian Army. Seizing his opportunity, the long-term conscription advocate Allan Griffith pressed home his argument for a large Australian Army, arguing that the problem of Papua and New Guinea's defence was 'understated both here and throughout all the papers', and that 'an Army of 55,000 is the only thing making sense, if we take our obligation to New Guinea seriously'.<sup>371</sup>

In Cabinet's ensuing analysis of the 1964 Strategic Basis on 4 November 1964 the Indonesia threat dominated the Cabinet discussion in laying out the case for national service. The respective Ministers for Navy and Air, John Gorton and Peter Howson attempted to prioritise the ongoing development of Australia's maritime deterrent capabilities, but they were frustrated in the Cabinet room by the pro-conscription voices of Menzies, McEwen and Holt, who argued that Australia urgently required an expanded Army in order to defend Papua and New Guinea from the low-level threat of Indonesian infiltrations.<sup>372</sup> McEwen in particular argued that

what I grope for is a separable detachable unit which would cope with a N.G. situation. We ought not to rush into bombing Indonesian bases without endorsement of US. But we must have provision to fight a guerrilla action

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<sup>371</sup> NAA A4940, C3640, Strategic basis of Australian Defence Policy, 1962-1967. 'A.J. Griffith, Department of Prime Minister, Cabinet Minute, Decision No. 592, 2 November 1964', digital copy, p. 8.

<sup>372</sup> NAA A11099, 1/70, Cabinet Notebook. Notetaker E J Bunting Notes of meetings 13 October 1964 – 9 November 1964.



in N.G. – public opinion will demand it – this N.G. aspect is the new strategic factor – perhaps political factor more than military. We must provide for that.<sup>373</sup>

Howson would later vent his frustration in private, noting that senior Cabinet Ministers had constructed a ‘false argument’ in ‘twisting’ the logic of the Strategic Basis paper towards justifying conscription and a large Australian Army to defend Papua and New Guinea from Indonesian infiltrations, rather than the development of Australia’s maritime capabilities that would be better suited to deterring a direct Indonesia threat to the Australian mainland.<sup>374</sup> Howson’s perspective appears to have been reflective of the general mood in the RAAF at the time, with the Chief of the Air Staff, Sir Valston Hancock, noting in a private interview in 1965 that East New Guinea was not vital to Australia’s security, although Australia would suffer considerable embarrassment if it fell to Indonesia.<sup>375</sup>

With the security of Papua and New Guinea now dominating its considerations, Cabinet also enquired about the ongoing development of the Pacific Islands Regiment (PIR). McEwen had asked ‘How do we rate [the] P.I.R. in fighting capacity? Wilton had offered a cautious answer in response, noting that its ‘best role is reconnaissance, screening’, but ‘with Australian regulars behind them [they] would be effective’. McEwen had pressed further, asking ‘if Indonesia put up

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<sup>373</sup> NAA A11099, 1/70, Cabinet Notebook. Notetaker E J Bunting Notes of meetings 13 October 1964 – 9 November 1964.

<sup>374</sup> Peter Howson, *The Life of Politics*, The Viking Press, Ringwood, 1984, p. 121.

<sup>375</sup> Hanno Weisbrod, *Australia’s security relations with the United States, 1957-1963*, ANU Thesis, 1969, Appendix, p. 13.

incidents in NG, could PIR handle? More confidently, Wilton had reassured Cabinet that 'Probings a la Borneo could be met by [the] PIR'.<sup>376</sup> During the Cabinet meeting the issue was also raised of how an Australian deployment to Borneo might affect the American Government's commitment to the security of Papua and New Guinea. McMahon had asked 'If we [are] faced with simultaneous actions in 3 places, wouldn't the US excuse us and themselves come in at least one? In reply Scherger noted 'Probably yes' and stated that the Americans 'hope we would contribute to SEATO to provide another flag. Also we are not called on to provide more than our present battalion in Malaysia'.<sup>377</sup>

Hence by November 1964, two years after Cabinet's initial decision in September 1962 to begin a ten-year expansion programme for the Australian Army, Defence had finally agreed to implement a limited conscription scheme. Having been reluctant to do so, Wilton noted to Cabinet that he had considered it 'a duty to endeavour to get [the] required strength by voluntary enlistment', but due to the changing security environment and the failure of voluntary recruiting during the past two years, he was 'now convinced that selective service [is] unavoidable'.<sup>378</sup> And in a further sign of Graduated Response's falling influence, one month later on 18 December 1964 Cabinet approved for planning purposes the participation of Australian forces in British led air strikes against Indonesia in the case of overt hostilities.<sup>379</sup>

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<sup>376</sup> NAA A11099, 1/70, Cabinet Notebook. Notetaker E J Bunting Notes of meetings 13 October 1964 – 9 November 1964, p. 126-127.

<sup>377</sup> NAA A11099, 1/70, Cabinet Notebook. Notetaker E J Bunting Notes of meetings 13 October 1964 – 9 November 1964, p. 127.

<sup>378</sup> NAA A11099, 1/70, Cabinet Notebook. Notetaker E J Bunting Notes of meetings 13 October 1964 – 9 November 1964, digital copy, p. 121.

<sup>379</sup> NAA A1209, 1964/6804, Indonesia – Special action and operational plans – PM to PM messages. 'Menzies, 18 December 1964, To Australian High Commissioner, to be relayed to British Prime Minister Wilson, digital copy, p. 29.

With Graduated Response already under serious pressure, in December 1964 the JIC began receiving reports that Indonesia had commenced a major troop build-up in Kalimantan, potentially in order to launch a major operation into Borneo.<sup>380</sup> This caused a further spike in anxiety regarding Indonesia, with Australia's High Commissioner to Malaysia Thomas Critchley warning Canberra on 6 January 1965 that 'a serious attack may be imminent', while a JIC report on 13 January 1965 predicted that a significant increase in Indonesian activity on the Borneo border was likely.<sup>381</sup>

With Indonesia's troop build-up ongoing, on 17 January 1965 the Defence Committee met to consider an informal British request for an Australian infantry battalion and SAS squadron in Borneo. Having opposed an Australian troop deployment to Borneo for the past twelve months, the Defence Committee reversed its position and approved the informal requests. However, the Defence Committee was divided in its opinion on whether Indonesia would retaliate on the New Guinea border, with notes of the discussion recording that the Defence Committee could not rule out the possibility.<sup>382</sup> Hence by January 1965 the threat perceptions of Defence and External Affairs had shifted notably, with the Defence Committee approving a potential troop deployment to Borneo, even though it was aware that this could lead to direct conflict with Indonesia in New Guinea.

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<sup>380</sup> Indonesia had also announced on 31 December 1964 that it would withdraw from the UN in protest at Malaysia's inclusion on the UN Security Council.

<sup>381</sup> NAA A1838, 3027/9/1 part 5, Cable, Critchley to Canberra, 6 January 1965, in Moreen Dee, *Australia and the Formation of Malaysia*, Australian Department of Foreign Affairs and Trade, Canberra, 2005, p. 355; NAA A4940, C4024, JIC Report, The military situation in Malaysia, 13 January 1965, in Moreen Dee (ed.), *Australia and the Formation of Malaysia, 1961-1966*, Australian Department of Foreign Affairs and Trade, Canberra, 2005, p. 359.

<sup>382</sup> NAA A1209, 1964/6647 part 4, Defence Committee Minute, Canberra, 17 January 1965, in Moreen Dee (ed.), *Australia and the Formation of Malaysia*, Australian Department of Foreign Affairs and Trade, Canberra, 2005, p. 364.

The following day on 18 January 1965 the Foreign Affairs and Defence Committee of Cabinet met to discuss the informal British request, and the uncertain advice offered to it by the Defence Committee regarding whether Indonesia would retaliate on the New Guinea border. It was evident that Borneo's security was not seen as important as that of South Vietnam, with McEwen noting that 'Borneo not critical in military sense. In political sense maybe'.<sup>383</sup> However, McEwen and other Cabinet members were clearly exasperated by Sukarno's ongoing tactics of low-level brinkmanship, with McEwen noting with great frustration that Graduated Response required 'an awful lot of patience' and that 'Sukarno will suck us dry' if he was allowed to continue with his current tactics.<sup>384</sup>

With the Defence Committee having approved in principle an Australian force contribution, Scherger warned Cabinet against becoming involved in a 'bottomless pit' in Borneo and Vietnam. He noted that Australia had effectively 'got into [a] shooting situation with [the] Indonesians' and that Australia was ready to send an SAS squadron to Borneo while leaving some spare for the New Guinea border in case of Indonesian retaliation.<sup>385</sup> With Sukarno's attempts to exhaust Commonwealth manpower resources on the Borneo border having some success,

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<sup>383</sup> McEwen led the debate as Acting Prime Minister, while Menzies was on an overseas holiday during the Parliamentary summer break.

<sup>384</sup> The Minister for Defence Shane Paltridge noted that 'Sukarno is throwing dust in their eyes. He's stepping up confrontation activities'. Paltridge also noted Sukarno's 'cat and mouse' tactics in Borneo, while Treasurer Holt asked 'does this fellow realize he can be put out of action? We're told they could be blown out of [the] war in a matter of days, brinkmanship doesn't make sense for him, [it will] invoke [a] disastrous attack'. See NAA A11099, 236, Notetaker PJ Lawler – Notes of Meetings 18 January 1965 to 25 May 1965, digital copy, p. 10.

<sup>385</sup> NAA A11099, 236, Notetaker PJ Lawler – Notes of Meetings 18 January 1965 to 25 May 1965, digital copy, p. 17, 18.

Scherger noted that the British position in Borneo was 'stretched' and that Commonwealth forces were 'going close with military defeat if [we] don't take pre-emptive action'.<sup>386</sup>

Nine days later Cabinet convened again on 27 January 1965, having since been formally approached by the Malaysian Government regarding an Australian force contribution.<sup>387</sup> In considering the request McEwen remained cautious, noting that 'I don't want to be driven on such a major decision by public opinion'. But with few other options available to deter further Indonesian aggression, and with Defence and External Affairs now supportive, Cabinet approved the proposal.<sup>388</sup> One week later the decision to deploy the SAS and the Strategic Reserve battalion to Borneo was publicly announced on 3 February 1965, thus bringing to a close the two year debate within the Australian Government's policy machinery concerning whether to deploy combat forces to Borneo, and a larger policy debate concerning the effectiveness of Graduated Response in curbing Indonesia's expansionist regional ambitions.

Fortunately for the Australian Government, Indonesia did not retaliate on the New Guinea border, and in April 1965 the Government's focus began to shift once again with the decision to increase its forces in South Vietnam. Nevertheless, between February and September 1965 Indonesia's Confrontation of Malaysia would continue unabated, with Sukarno claiming a diplomatic victory in August when Singapore's expulsion from the Malaysian Federation gave some credence to his long-held critique that the Malaysian state was an artificial construct. However, this event represented a final high point in Confrontation tensions, and seven weeks

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<sup>386</sup> NAA A11099, 236, Notetaker PJ Lawler – Notes of Meetings 18 January 1965 to 25 May 1965, digital copy, p. 20, 25.

<sup>387</sup> Menzies was absent again, having been called to the United Kingdom to attend the funeral of Sir Winston Churchill.

<sup>388</sup> NAA A11099, 236, Notetaker PJ Lawler – Notes of Meetings 18 January 1965 to 25 May 1965, digital copy, p. 84.

later an abortive coup in Jakarta on 30 September 1965 allowed General Suharto to assume emergency command of the Indonesian Army. This enabled Suharto to begin a process of gradually displacing Sukarno from power, and during this delicate process the frequency and size of Indonesian infiltrations into Borneo began to reduce, ultimately culminating with the formal cessation of hostilities on 11 August 1966.<sup>389</sup>

As a result the Australian Government's policy of Graduated Response was left with a complex legacy. Had the events of 30 September 1965 not transpired, it is unclear what course Indonesia's Confrontation of Malaysia may have taken under Sukarno's leadership. But as a means of curbing Indonesia's strategic ambitions, it was clear that by January 1965 Graduated Response had failed, with the policy machinery of the Australian Government unified in its decisions to describe Indonesia as a 'direct threat', to implement a conscription scheme motivated by increased anxiety regarding Papua and New Guinea, and finally, to deploy Australian troops to Borneo.

## **Conclusion**

In *Crises and Commitments* Peter Edwards noted that it was uncertain to what extent the Australian Government had viewed Indonesia as a threat during its Confrontation of Malaysia,

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<sup>389</sup> Suharto would eventually become Acting President of Indonesia in March 1967.

especially in late 1964 when the conflict expanded to the Malaysian peninsula. This thesis argues that despite the controversy that the policy of Graduated Response sometimes caused, the senior levels of Defence, External Affairs and Cabinet shared relatively stable views of the Indonesia threat between January 1963 - August 1964. As a result, Defence and External Affairs were able to consistently advise Cabinet against the deployment of Australian troops to Borneo or the implementation of conscription. In like manner, at the lower levels of the Government's policy machinery the JIC had maintained a relatively stable outlook on the Indonesia threat during this period, assessing that Indonesia was capable but unlikely to launch infiltrations into Papua and New Guinea.

Nevertheless, there was a persisting undercurrent of uncertainty within the Government's policy machinery, with Defence closely monitoring the New Guinea border throughout the period, and the JPC developing operational plans for Papua and New Guinea's defence. But in spite of these contrasting images, in mid-1964 the sense of stability in the Government's threat perceptions towards Indonesia remained, with both the JIC, JPC and Cabinet assessing that Confrontation was unlikely to escalate Confrontation, and that a larger threat to regional security was posed by Communist China and the deteriorating security of South Vietnam.

However, following the expansion of Confrontation to the Malaysian peninsula in August 1964 there was a decisive shift in threat perceptions towards recognising an increased Indonesia threat. While the Chiefs of Staff still considered Communist China to be the region's largest threat, and the JIC thought that the JPC's description of Indonesian capabilities in the 1964 Strategic Basis was overstated, the Defence Committee nonetheless accepted the JPC's

description of Indonesia as posing a 'direct threat' to Australia's security. Cabinet would go on to implement conscription, driven by increased anxiety regarding the security of Papua and New Guinea, and in January 1965 Indonesia's troop build-up in Kalimantan compelled Defence and External Affairs to reverse their previous stance and support the deployment of Australian troops to Borneo. This marked a notable peak in the Government's threat perceptions of Indonesia, with Defence, External Affairs and Cabinet wilfully exposing Australia to the possibility of conflict on the New Guinea border by deploying Australian troops to Borneo.



## Conclusion

Between 1957-1965 the Australian Government's threat perceptions of Indonesia shifted from viewing it as a weak but relatively friendly country vulnerable to Communism, to eventually see it as posing a 'direct threat' to Australia's security. During this period a series of convergence events occurred in the Australian Government's threat perceptions, with Indonesia's victory in the Indonesian Civil War (August 1958), Indonesia's diplomatic victory in the West New Guinea dispute (August 1962) and Indonesia's launching of the 'Year of Dangerous Living' (August 1964) causing notable movement within the Australian Government's policy machinery towards recognising an increased Indonesia threat. This eventually culminated in late 1964 with Defence, External Affairs and Cabinet approving the JPC's description of Indonesia as a 'direct threat'.

In the introduction to the thesis these evolving threat perceptions were depicted on a multi-axis plot in accordance with the formula first presented by Singer in 1958, that 'threat perceptions = estimated capabilities x estimated intentions'. However, it was noted that demonstrating how this change in threat perception occurred within the Government's policy development process has been more difficult to ascertain, with a series of questions remaining unanswered in the broader literature. In particular, Gregory Pemberton in *All the Way* noted that it was difficult to ascertain when the Australian Government shifted away from a military commitment to the Dutch during the West New Guinea dispute, and whether it had even contemplated the possibility. In similar vein, Peter Edwards in *Crises and Commitments* noted

that it was difficult to discern the Australian Government's threat perceptions during Indonesia's Confrontation of Malaysia, and especially so in late 1964 when the conflict expanded to the Malaysian peninsula.

In regards to Pemberton's query, the first chapter of this thesis noted that it was Indonesia's emergence from the Indonesian Civil War with demonstrated capabilities and growing defence ties with the Soviet bloc that facilitated a widespread shift in the threat perceptions of the Menzies Government's policy machinery, with the JIC, JPC, COSC, Defence Committee and Cabinet coming to the shared conclusion in August 1958 that an Australian military commitment to West New Guinea was not wise in the face of Australia's lack of military capability and lack of major ally support.<sup>390</sup> This argument builds upon the brief observation originally made by Richard Chauvel in 1997, that Australia's West New Guinea policy shifted in 1958 in response to Indonesia's military performance in the Indonesian Civil War, and sets the thesis apart from the alternative theories proposed in the broader literature, namely that Australian policy shifted in 1959 with the Casey-Subandrio joint communique, as originally suggested by Alan Renouf in 1979, or in 1962 under the guidance of Garfield Barwick, as originally argued by David Marr in 1980.

However, in the second and third chapters of the thesis it was noted that the debate concerning a military contribution to West New Guinea was far from concluded. In the ensuing two years Defence would continue to consider the possibility, with the JPC drafting the 1959 Strategic Basis around the need for 'independent' Australian capabilities that could operate more

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<sup>390</sup> NAA A1838, TS3036/6/2/2, Netherlands New Guinea/Indonesia – Future status – Cabinet considerations Cabinet decision on NNG. 'Cabinet Minute, 13 August 1958, Cabinet Decision No. 1526 Amended', digital copy, p. 125.

effectively in a West New Guinea contingency. And although Cabinet reaffirmed its policy of non-commitment in January 1959 and March 1960, the JPC had continued to prepare operational plans for West New Guinea's defence before the Chiefs of Staff eventually dropped this option in October 1960.

In regards to the question raised by Peter Edwards concerning the Australian Government's threat perceptions during Indonesia's Confrontation of Malaysia, the fourth chapter of this thesis noted that the policy machinery of the Menzies Government maintained a relatively stable view of Indonesia as a low-level threat from the announcement of Confrontation in January 1963 through to the conflict's expansion to the Malaysian peninsula in August 1964. Although Indonesia intensified its campaign of infiltrations in early 1964 the JIC and Cabinet retained a stable outlook, with Cabinet accepting the advice of Defence and External Affairs that a deployment of Australian combat forces to Borneo was not merited at the current level of conflict. Nevertheless, there were signs of growing anxiety within the Government's defence planning machinery, with Defence remaining attentive to the security of the New Guinea border, and the JPC preparing operational plans for Papua and New Guinea's defence.

Following Indonesia's expansion of the conflict to the Malaysian peninsula in August 1964, the threat perceptions of the Government's policy machinery notably increased, with Cabinet authorising a limited national service scheme in November 1964 motivated by increased security concerns about Papua and New Guinea. However, the JIC in contrast continued to produce a more modest estimate of the Indonesia threat, noting that the JPC's presentation of Indonesian capabilities in the 1964 Strategic Basis was overstated. Nevertheless, the JIC was prepared to accept the JPC's description of Indonesia in the 1964 Strategic Basis as a 'direct threat' to

Australia's security, a notable shift from its response to the draft 1962 Strategic Basis three years earlier, when it had attempted to remove the JPC's description of Indonesia as posing a direct threat to Australia's island territories. By January 1965 it was clear that the threat perceptions of Defence and External Affairs had continued to shift in response to Indonesia's troop build-up in Kalimantan, with the Defence Committee reversing its previous position and supporting the deployment of Australian troops to Borneo. This decision was made even though it placed Australian forces in direct conflict with Indonesian forces, and exposed Australia to the risk of Indonesian retaliation in New Guinea.

In addition to answering these questions in the broader literature, by analysing the policy development process this thesis can conclude that our understanding of the Indonesia threat in Australian defence planning between 1958 and 1965 is fragmented. For example, in the third chapter of this thesis it was noted that in *Crises and Commitments* Peter Edwards identified the security of Papua and New Guinea as a prominent feature of the 1963 Defence Review, but this observation was not linked to the 1962 Strategic Basis and the ongoing policy debate concerning the Indonesia threat since 1958. In like manner, Edwards noted that Indonesia was a significant feature of the 1959 Strategic Basis, but did not link this to the rise of the low-level Indonesia threat during the previous twelve months, and instead emphasised the 1959 Strategic Basis as a continuation of the themes in the 1956 Strategic Basis, when in fact there was a clear breach in the threat perceptions that informed them.

Such observations enable this thesis to revise our broader understanding of Australia's evolving threat perceptions and larger trends in Australia's strategic history. It will be recalled that in the introduction to this thesis it was noted how scholars such as Neville Meaney and Alan

Dupont have described Australia's evolving 'threat perception narrative', with an initial focus on Britain's European rivals in the nineteenth century shifting during the twentieth century towards a focus on Asian countries, initially directed towards Imperial Japan and later towards Communist China. While Dupont noted the dominance of Communist China as the overarching threat in Australian defence planning from 1950 to the early 1970s, this thesis has noted that between 1958 and 1964 Indonesia was the most *prominent* threat in Australian defence planning, being frequently debated and analysed, even though it never rivalled the threat posed by Communist China in sheer magnitude.<sup>391</sup>

Having analysed the policy development process, this thesis can argue that although Defence and External Affairs sometimes disagreed about Australia's defence planning priorities, they occasionally adopted similar policy positions, albeit for different reasons. For example, despite their differing perspectives on the strategic value of West New Guinea, in 1958 External Affairs took advantage of Defence's reassessment of Indonesian capabilities to argue that Australia could not militarily commit itself to the Dutch, and thus secured a major shift in Australia's West New Guinea policy. In contrast, Defence was willing to support the policy of non-commitment as an interim measure while it tried to develop the capabilities necessary to make a credible contribution to West New Guinea's defence. And in like manner, Cabinet had adopted the policy of non-commitment in August 1958 in spite of its political desire to support the Dutch, and in the ensuing eighteen months it would continue to consider the possibility of a military commitment before firmly rejecting the proposition in March 1960.

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<sup>391</sup> Alan Dupont, *Australia's Threat Perceptions: A Search for Security*, Canberra Papers on Strategy and Defence, No. 82, SDSC, ANU, Canberra, 1991, p. 58-59.

These observations lead to a broader theme of the thesis, that of the ongoing debate in Australian defence planning between 1958 and 1964 concerning what kind of Indonesia threat to prepare for. It will be recalled that in late 1958 the Chiefs of Staff and JPC had drafted the 1959 Strategic Basis around the worst-case scenario of an 'Indonesian attempt to conquer Australia', but in contrast the Defence Committee, containing representatives of both Defence and External Affairs, had preferred that the paper focus on the more likely low-level scenarios that Australia might face. This worst-case scenario vs most likely scenario debate would become a hallmark of the Government's analysis of the Indonesia threat between 1958-1964. Due to their differing institutional foci, this debate tended to cause friction between the External Affairs chaired JIC and the Department of Defence chaired JPC, with the JIC preferring to focus on developing Australian policy around the most likely scenario of a low-level Indonesia threat, while the JPC tended to gravitate towards its institutional interest in focusing on Australia's security, and thus emphasised the worst-case scenario of a strong and hostile Indonesia.

Despite this split in defence planning priorities, External Affairs and Defence's threat perceptions of Indonesia frequently merged. For example, in 1960 the JPC and Defence had agreed with the JIC's assessment that Indonesia could only pose a low-level threat in the coming decade. In like manner, during Indonesia's Confrontation of Malaysia, Defence and External Affairs had shared relatively stable views of Indonesia as a low-level threat, which enabled both departments to support Graduated Response as the best means of deterring Indonesian aggression while trying to preserve a friendly Australia-Indonesia relationship. Nevertheless, in spite of their apparent confidence that Indonesia remained a low-level threat, there was a nagging element of uncertainty that continually shadowed the policy positions of Defence and

External Affairs throughout the 1958-1964 period. The JIC's admission in 1961 that it was data deficient in regards to Indonesia's amphibious capabilities, and its wildly inflated estimates of West New Guinea contingencies in 1962 provide small snapshots into this problem. In like manner, the attentiveness of Defence to the security of the New Guinea border during Confrontation, and the JPC's preparation of operational plans for its defence, provide stark contrasts to the stated positions of senior Defence figures that Confrontation posed little risk of expanding to New Guinea.

Looking more broadly, the persisting uncertainty within the Government's policy machinery prior to August 1958, and the eventual convergence of perceptions in late 1964 towards recognising a direct Indonesia threat raises further questions, such as why was the Government's policy machinery repeatedly surprised by Indonesia's strategic behaviour? On a number of occasions during the Menzies years, such as during the Indonesian Civil War, the escalation of the West New Guinea dispute in 1962, and Sukarno's 'Year of Dangerous Living', the Australian Government's policy machinery was surprised by both Indonesia's demonstration of military capability and the audacity and willingness of its leaders to use military force to advance Indonesia's interests.

Looking back even further, Indonesia's pro-active declaration of independence in 1945 and the rise of the PKI in the 1950s had in like manner surprised the Australian Government. These 'Indonesia shocks' have continued to be a hallmark of the contemporary Australia-Indonesia relationship, with notable examples including the collapse of Suharto's New Order and the ensuing shift in Indonesia's policy towards East Timor. These perceptual surprises speak to a considerable 'blind spot' in Australia's own strategic perceptions and worldview.

In 2001 Simon Philpott, in the article 'Fear of the Dark', criticised the Australian worldview and its perennial anxiety towards Indonesia as misplaced, arguing that these perceptions came from long-held cultural anxiety towards Asia.<sup>392</sup> However, Philpott's analysis tended to overlook these Indonesia shocks and the fact that the Australian Government has not always viewed Indonesia as a threat. This thesis has demonstrated that it was Indonesia's growing capabilities and emboldened strategic behaviour during the 1957-1965 period, rather than persisting cultural anxiety towards Asian countries, that led to a fundamental shift in how the policy machinery of the Australian Government viewed Indonesia. Due to their underestimation of Indonesian capabilities and intentions between 1957-1965 Australian defence planners were forced to progressively revise Australia's defence programme in 1959, 1962, and 1964, towards the development of substantially upgraded and expanded capabilities more suited for the direct defence of the Australian mainland and its maritime approaches.

These observations in turn contribute to our understanding of larger trends in Australian defence planning. Australian scholars such as Alan Dupont and Paul Dibb have noted the rise of the 'Defence of Australia' concept in Australian defence planning during the 1970s, but the analysis of this thesis indicates the inception of this concept occurred much earlier in the late 1950s and early 1960s in direct response to the rise of a low-level Indonesia threat.<sup>393</sup> Indeed it was no coincidence that key maritime capabilities such as guided missile destroyers (1960), Mirage jet aircraft (1960), Oberon submarines (1963) and the F-111 strike/reconnaissance

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<sup>392</sup> Simon Philpott, 'Fear of the dark: Indonesia and the Australian National Imagination', *Australian Journal of International Affairs*, Vol. 55, No. 3, 2001, p. 386.

<sup>393</sup> Alan Dupont, *Australia's Threat Perceptions: A Search for Security*, Canberra Papers on Strategy and Defence, No. 82, SDSC, ANU, Canberra, 1991, p. 67; Paul Dibb, 'Defence Policymaking', in Peter J. Dean, Stephan Frühling & Brendan Taylor, *Australia's Defence: Towards a New Era?*, Melbourne University Press, Carlton, 2014, p. 167.



bomber (1963) were selected during periods of raised anxiety concerning Indonesia and its improving maritime capabilities.

The fact that the Indonesian Government's strategic behaviour repeatedly surprised the Australian Government during 1957-1965 provides a cautionary note for Australian defence planners today, reinforcing the argument made by Paul Dibb and Richard Brabin-Smith in 2007 that Australian defence planning should retain a focus on the prospect of a hostile Indonesia, no matter how unlikely it is, rather than focusing on the most likely scenario of a friendly Indonesia.<sup>394</sup> Adding further weight to Dibb and Brabin-Smith's argument, Hugh White has more recently emphasised the possibility of Australia facing a strong Indonesia during the 'Asian Century'.<sup>395</sup> Hence the importance of defence planning focused on the worst-case scenario of a strong and hostile Indonesia rather than the most likely scenario of a friendly Indonesia continues to be a salient consideration for Australian defence planners.

Nevertheless, in spite of this cautionary note, it is important to not lose sight of the fact that Indonesia remains a major asset in Australian defence planning, as was frequently recognised by Australian officials during 1957-1965. It will be recalled that in the introduction to this thesis Indonesia was described as Australia's 'giant next door'. While Australia might retain an element of wariness in its interactions with its large neighbour, the similar geo-strategic interests of each country in preferring the exclusion of great power rivalry from Southeast Asia ensures their security interests will frequently align. If Australia and Indonesia can successfully

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<sup>394</sup> Paul Dibb and Richard Brabin-Smith, 'Indonesia in Australian Defence Planning', *Security Challenges*, Vol. 3, No. 4, 2007, p. 92.

<sup>395</sup> Hugh White, 'Northern Exposure: What Indonesia's rise means for Australia', *The Monthly*, June 2013, <http://www.themonthly.com.au/issue/2013/june/1370181600/hugh-white/what-indonesia-s-rise-means-australia>, accessed 14 October 2014.

negotiate periodic differences concerning the security of their smaller strategic neighbours, something they failed to do between 1957-1965, it will be much more likely that their shared geostrategic interest in excluding Asia's other giants from maritime Southeast Asia will come to the fore as a dominant feature of the security relationship in coming years.

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