PRESS STATEMENT ISSUED BY
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In the last two or three years, Australian policy towards Indonesia has tried to take into account the fact that the Indonesians were subjected to Dutch rule for 350 years and the fact that the Indonesians, to some degree, legitimately felt that they had been tricked by the Dutch over what is now West Irian. It was hoped that once their revolution in terms of obtaining possession of all the former Dutch colonies in the area was complete, the Indonesians would settle down and manage their own affairs. However, this has proved to be a vain hope and we must now look at the present situation and discount past history.

Colonial rule, lack of training and suspicion can be allowed to excuse certain things but there becomes a time when independent nations, if they wish to remain so, must say: "This far and no farther."

Tunku Abdul Rahman has done everything that can be expected to quiet Indonesian fears of the proposed Malaysia. He has pointed out that the economic reasons for the Federation; he attended a Summit meeting at Djakarta and became a party to what may become the infamous Maphilinda Declaration. He postponed the forming of the new Federation for 16 days so that a team of United Nations experts could visit the territories to assess whether the peoples of these territories wished to become part of Malaysia. This was at the express request of Indonesia.

The Tunku, Australia and the United Kingdom had never had any doubt about their wish because elections had recently been held in these territories which overwhelmingly supported the Federation.

However, the Tunku agreed to the United Nations assessment which confirmed the opinions already held and reported there was an overwhelming majority in favour of Federation.

Thus, the Federation was announced and celebrated on the 16th September.

Indonesia, however, has indicated that she is not prepared to accept the assessment of the United Nations survey team, and since the formation of the Federation we have seen evidence that Indonesia will continue her policy of confrontation. There are raids and Terrorist activities in Sarawak and North Borneo which the British may have been proved to have been sponsored by Indonesia.

There have been riots in Djakarta in which the British Embassy was burnt a few hours after the British Ambassador had asked unsuccessfully for additional police protection.
Now we have seen the height of all absurdities - a decision by the Indonesian President that trade relations between Malaysia and Indonesia will be cut. This may well damage Malaysia to some extent, but, in general, Malaysia has a strong economy with a healthy overseas balance of trade. Sanctions imposed by Indonesia against Malaysia will hurt Indonesia much more than they will hurt Malaysia.

The time has come when the nations in this region can no longer afford to take into account Indonesia's unhappy past history. This large and populous country, in many ways rich in resources, cannot be allowed to unsettle South East Asia indefinitely.

The United Kingdom Government has given Malaysia an unequivocal guarantee that the United Kingdom will supply whatever defence Malaysia needs, and our previous defence commitments to Malaya will be extended to cover Malaysia. As is well-known, we will stand behind the Commonwealth countries in any future crisis that may arise. Malaysia is a member of the Commonwealth.

We should not be provocative or bombastic but we must make it quite clearly known that we will not tolerate the sort of behaviour we have recently seen.

Indonesia as she stands now has not the resources to be a direct military threat in this region unless she is backed by Russia or China. This is because her industries are almost non-existent and she could not support a modern army in the field for more than a few weeks. Therefore Indonesia alone could not be a direct military threat. With assistance, or in ten or twelve years' time, the story may be different.

However, the sort of circumstances to which she is driving herself may cause so much economic unrest and disquiet that a military or Communist takeover in Indonesia may become inevitable.

A Communist Indonesia, with the ruthlessness that Communism affords might well produce the industrial capacity to enable Indonesia in its own right to be a military threat. However, this is for the future and the future is impossible to predict.

A more likely course of events will be Indonesian action hostile to Malaysia, with border conflicts between the Indonesian and Malaysian borders in the Borneo Territories.

There will be difficult days ahead for Malaysia, Australia and the United Kingdom. It will be the urgent task of all three Governments to restrain Indonesia with firmness and with complete resolve, but, if possible, without driving her to Communism.

Now is the time to end Indonesia so that she will understand that interference in the affairs of her neighbour will not be tolerated or allowed.

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