INDONESIA, MALAYSIA, AUSTRALIA.

In the last two or three years Australian policy towards Indonesia has taken into account two things that undoubtedly affect Indonesian actions and reactions. These are, firstly, that the Indonesians were subjected to the colonial rule of the Dutch for 350 years. They were not trained in the arts of administration or government, and secondly, there is evidence to show that the Dutch had not played fair with the Indonesians over West New Guinea and thus there was a body of opinion in Australia which recognised there was some justice in the Indonesian case for West New Guinea, even if this did not condone the methods Indonesia adopted to gain possession of that territory.

Australian policy makers had recognised that these two matters - the fact of colonial rule and of the argument over West New Guinea loomed large in the minds of all Indonesians, and were ones on which the extreme Right and the extreme Left of Indonesian politics were united.

It was hoped that once the Indonesian revolution for Independence was complete that the Indonesians would settle down to solve their own internal problems as they themselves said they would do. The revolution became complete with their possession of the last Dutch territory in this particular region but the Indonesians have not settled down to solve their internal problems and live peaceably with their neighbours.

The Indonesians embarked on a policy of confrontation with what was then the shortly to be formed Federation of Malaysia. This Federation comprises Malaya, Singapore, Sarawak and North Borneo.

The Indonesians claim that this Federation will be Chinese dominated, and they fear the Chinese. However, Tunku Abdul Rahman, the new Prime Minister of the new Malaysia, wanted Malaysia because he believed that it would enable a union to take
place between Singapore and Malaya which would not lead to Chinese domination.

It should be pointed out that the Malay people as a general rule comprise a majority in all the islands to our North. Both Indonesia and Malaya have a deep suspicion of their Chinese minorities.

At this stage of our history, however, we must 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 comes 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 pointed out 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 say 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 take-over 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 shape Indonesia so that she will understand that interference in the affairs of her neighbours will not be tolerated or allowed.