PRESS STATEMENT:

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In the last week the principle estimates debated by Parliament were those concerning External Affairs, and as one might expect the constant problem posed by Indonesian policy attracted a lot of attention. At this point of time I am more pessimistic about the outcome of our relations with Indonesia than I have been for a long time. While Australia wants to be friends with people in countries especially in South-East Asia, we cannot allow our desire for friendship to weaken us where we should be strong or to deter us from severe action if this proves necessary.

Let me review our policies briefly to show how I arrive at this attitude. In logic, Indonesia owes a very great deal to Western countries, particularly to the United States. Western countries assisted Indonesia to gain her independence from the Dutch; they have assisted her with military equipment and training and have provided her with large volumes of developmental and technical aid. The United States and, I think Great Britain, helped Indonesia to use their terms to achieve the completion of the revolution over West New Guinea.

There was a hope that after this problem had been resolved in terms which were plainly satisfactory to Indonesia, that Indonesia would devote her attention to the economic development of her potentially very rich land. There was a belief that because of past relationships Indonesia would remain friendly to the West. These hopes and beliefs were short-lived. Giving scant attention to her domestic problems the Indonesians devoted themselves to confrontation and the destruction of Malaysia. This inspired re-examination of Indonesia's long term objectives. As a result of this I believe there can only be one conclusion. The people who have power in Indonesia, and particularly the Communist Party, the Army and the President himself, all like confrontation for particular reasons of their own, but over and above this, there is an Indonesian objective in which they all agree and that is to make Indonesia the dominant nation in this part of the world. To do this the Indonesians ultimately have to achieve two things. They have to drive the British power out of Malaysia and American power out of the Philippines.

It might seem nonsense to suggest that this is an Indonesian objective because how could they remove American bases from the Philippines. There are, however, still some of the old Communist groups in the Philippines and these could be used and exploited by Indonesia to cause civil unrest as she is trying to do in Malaysia. However, this particular conflict cannot be allowed to get this far because Indonesia must not be allowed to be successful in her efforts to destroy Malaysia.

Because of this overall objective, it is nonsense to argue, as some do, that if Malaysia had not been formed there would be no problem in this area. Britain had a defence guarantee for Malaya as she now has for Malaysia and so had Australia. If the purpose of the Indonesians is to remove British power from the region it would make no difference if the British defence guarantee was directed to Malaysia or Malaya.

The recent Security Council vote was certainly a rebuff to Indonesia and at least a moral victory for Malaysia and her friends. As a result of this vote and as a result of the Russian veto, the way is now open, I believe, to respond in more vigorous terms to any renewed Indonesian aggression. If their aeroplanes are used to drop terrorists over Malaya or to drop supplies to terrorists in the Borneo territories of Malaysia then those planes should be shot down. If ships are used to take infiltrators into any part of Malaysia there is no reason why those ships should not be subject to attack.
One of the problems of this kind of war, because it is a war, is to make the campaign expensive to the sponsor. It is always very difficult and very expensive to meet subversion and to respond to it, but it is generally very cheap for the country undertaking this kind of aggression.

The Western countries have not yet learnt the answers to this problem largely because of their over-riding wish to prevent the spread of war and, therefore, they try and meet and combat the subversion, whether it is in South Vietnam or Malaysia, without broadening the base of the war. It may be that at some stage this will have to be done if the war is ever to be satisfactorily concluded. At the present moment the Indonesians have taken confrontation off the boil and this is again in conformity with their policy and past practices. Whenever it looks as though they have over-stepped the mark in their aggression, whenever the Malaysians or the British are about to retaliate with more strength in a way that might harm Indonesia they reduce their efforts, lower the tempo of confrontation, and wait an appropriate time in the future to increase their efforts once again. In this way they believe they can control confrontation and maintain it and ultimately destroy Malaysia. This cannot be allowed to happen.

The Indonesians are very skilful political operators and at the moment President Soekarno, General Nasution and Dr. Subandrio are all abroad canvassing countries around the world to gain support for their cause.

Let me give an example of one of the devices they use to do this. They have falsely said that Australian planes have violated their air space. If they repeat this lie often enough there will be some people who will believe them and these people may then believe that Indonesia has suffered provocation. We know this is false but this is the kind of tactic they use.

I do not believe that the Indonesians will end confrontation. It will not be possible to divert them from this course by general aid policies.

Aid policies have been tried, they have failed; what remains then is the determination of Malaysia and her allies, particularly the United Kingdom and Australia. Determination alone is not enough, it must be backed by force and only if it is backed by adequate force will there be any possibility of avoiding war.

The United Kingdom has moved considerably larger forces into this region in the last three or four weeks and Australia is in the middle of an expanded defence plan which will involve an increasing proportion of our resources. We might regret this. We might regret that we cannot spend this money on roads and hospitals and schools and on general development, but the strategic situation in south-east Asia and in Indonesia is so serious that any Government that was not expanding our defence effort would be open to the highest criticism.