Australia & East Timor: elitism, pragmatism and the national interest.

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Abstract

For over two decades the issue of East Timor’s right to self-determination has been a ‘prickly’ issue in Australian foreign policy. The invasion by Indonesian forces in 1975 was expected, as Australian policy-makers had been well informed of the events leading up to the punitive action being taken. Indeed, prior discussions involving the future of the territory were held between the Australian Prime Minister and the Indonesian President in 1974. In response to the events unfolding in the territory the Australian Labor Government at the time was presented with two policy options for dealing with the issue. The Department of Defence recommended the recognition of an independent East Timor; whereas the Department of Foreign Affairs proposed that Australia disengage itself as far as possible from the issue. The decision had ramifications for future policy considerations especially with changes in government. With the Department of Foreign Affairs option being the prevailing policy what were the essential ingredients that give explanation for the government’s choice?

It is important to note the existence of the continuity and cyclical nature of attitudes by Labor governments toward Indonesia before and after the invasion. To do so requires an analysis of the influence ‘Doc’ Evatt had in shaping any possible Labor tradition in foreign policy articulation. The support given by Evatt for the decolonisation of the Netherlands East Indies (Indonesia) gave rise to the development of a special relationship—so defined. Evidence of the effect Evatt had on future Labor governments may be found in the opinions of Gough Whitlam. In 1975 when he was Prime Minister, Whitlam felt the East Timor issue was merely the finalisation of Indonesia’s decolonisation honouring Evatt’s long held anti-colonialist tradition existing in the Australian Labor Party. The early predisposition toward Indonesia’s cohesiveness surfaced again in the Hawke and Keating Labor governments of later years. It did not vary a great deal with changes in government.

The on-going commitment to preserving and strengthening the bilateral relationship meant Indonesia’s territorial integrity became the focus of the Australian political elites’ regional foreign policy determinations. The actions taken by policy-makers served to promote the desire for a stable region ahead of independence claims of the East
Timorese. From a realist perspective, the security dilemma for Australian policy-makers was how to best promote regional order and stability in the South East Asian region. The desire for regional cohesiveness and stability continues to drive Australian political elites to promote policies that gives a priority to the territorial integrity of regional states. Indonesia, in spite of its diversity, was only ever thought of as a cohesive unitary state and changes to its construct have rarely been countenanced. Australia’s political elite justifications for this stance vacillate between strategic and economic considerations, ideological (anti-colonialism) to one of being a pragmatic response to international politics.

The political elite argues the projection of power into the region is in Australia’s national interest. The policies from one government to the next necessarily see the national interest as being an apparent fixed feature of foreign policy. The persistent fear of invasion from the north traditionally motivated Australia’s political elite to adopt a strategic realist policy that sought to ‘shore up’ the stability, strength and unity of Indonesia. The national interest was deemed to be at risk if support for East Timorese independence was given. The national interest though can involve more than just the security issue, and the political elite when dealing with East Timor assumed that they were acting in the common good. Questions that need to be addressed include determining what is the national interest in this context? What is the effect of a government invoking the national interest in debates over issues in foreign policy? And, who should participate in the debate? In an effort to answer these questions an analysis of how the ex-foreign affairs mandarin Richard Woolcott defines the national interest becomes crucial.

Clearly, conflict in East Timor did have implications for the national interest. The invasion of East Timor by Indonesia had the potential to damage the relationship, but equally communist successes in 1975 in Indo-China raised Australia’s regional security concerns. During the Cold War, the linking of communism to nationalism was driving the decision-making processes of the Australian policy-makers striving to come to grips with the strategic realities of a changing region. Because of this, did the constraints of world politics dominated by Cold War realities combined with domestic political disruption have anything to do with Australia’s response?
Certainly, Australia itself was experiencing a constitutional crisis in late 1975. The Senate had blocked supply and the Labor Government did not have the funds to govern. The Governor-General by dismissing the Labor Government finally resolved the impasse. What were the reactions of the two men charged with the responsibility of forming the caretaker government toward Indonesia’s military action? And, could the crisis have prevented the Australian government from making a different response to the invasion?

Importantly, and in terms of economic security, did the knowledge of oil and gas deposits thought to exist in the Timor Sea influence Australia’s foreign policy? The search for oil and gas requires a stable political environment in which to operate. Therefore for exploration to continue in the Timor Sea Australia must have had a preferred political option and thoughts of with whom they preferred to negotiate. What was the extent of each government’s cooperation and intervention in the oil and gas industry and could any involvement have influenced the Australian political elites’ attitude toward the prospect of an independent East Timor? Australia’s subsequent de jure recognition that East Timor was part of Indonesia paved the way for the Timor Gap (Zone of Cooperation) Treaty signing in 1989. The signing underpinned Australia’s acceptance of Indonesian sovereignty over East Timor.

The outcome of the analysis of the issues that shaped Australia’s foreign policy toward East Timor showed that the political elite became locked into an integration model, which was defended by successive governments. Moreover, they formed an almost reflexive defence of Indonesia both at the domestic and international level.
Introduction

In 1999 the people of East Timor finally expressed their vote on self-determination. The result was an overwhelming success for the pro-independence movement. What was astounding was the number of people who attended the polling booths to cast their vote, despite the promise of violence by pro-integrationists. For twenty-five years the East Timorese have lived with violence and oppression and yet remarkably they remained resolute in having their say. The tragedy of East Timor though was that it was within a short distance of Australia's shores, and despite the documented human rights abuses, the Australian political elite seemed determined to deny the East Timorese their rights by shrouding the issue within foreign policy rhetoric.

Several authoritative monographs and books have been written covering the history of the events leading up to and since the invasion of East Timor by Indonesian forces in December 1975. James Dunn, John Pilger and Jill Jolliiffe have all written of East Timor's tragedy and recorded the brutality of the occupation, though not as much discussion of Australia's motives in the story has appeared. What has driven the Australian policy-maker's responses? How can Australia's foreign policy toward East Timor be explained?

Rather than take an historical approach, what becomes more compelling is an analysis giving explanation to a policy that has survived Australian governments of all persuasions. Significantly, in 1975 the Australian government had two stated and written options before it. One from the Department of Defence and a second put forward by the Department of Foreign Affairs (DFA). In both scenarios the deference to realist base thinking was clear. The aim was to prevent East Timor becoming an irritant in the relationship between Indonesia and Australia. However the Defence Department proposed that Australia base its policy on the supposition that East Timor's Fretilin
would remain a political force in the territory and that there be an acceptance of an independent state in Portuguese Timor. Further, that the Indonesians be persuaded to also accept this reality. The understanding that the territory would be heavily dependent on both countries and that they could jointly work to prevent any external force from gaining influence would enhance the importance of the defence relationship. Moreover, getting on with defence aid to Indonesia would also help offset any bitterness over Australia's support for the existence of a new small independent state in the region. This was a most unusual recommendation from a government institution that by its very nature and culture was traditionally conservative in its thinking.

The second option proposed by DFA and the one that became policy orthodoxy recommended that Australia disengage itself as far as possible from the Timor issue. Indonesia appeared to have a settled policy for the incorporation of East Timor. Therefore should Indonesia resort to punitive action, Australia ought to do all it could to show understanding and restraint in its criticism especially as the territory was geographically part of the Indonesian archipelago. Australia's national interest required a stable secure region and it made sense to stay on side with the established power in Indonesia. Being the prevailing policy what were the essential ingredients that give explanation for the choice of this latter option?

To begin to explain Australia's foreign policy toward East Timor it is necessary to identify where the policy-makers attitudes toward Indonesia had developed. Chapter one opens with an examination of the influence the enigmatic 'Doc' Evatt had in shaping a Labor tradition in foreign policy articulation. The chapter looks at how anti-colonialist dogma uncomfortably merged with the desire to have a continued European presence in the South East Asian region. The support given by Evatt for an independent Indonesian state gave rise to the development of a special relationship that appeared to transcend all future governments but in particular may well have established a tradition in future Labor policy. The relationship that developed was stormy and often challenging. In no small way was this relationship tested by the actions of President Sukarno who had been seen
by Australian policy-makers as going ‘soft’ on communism. The situation was only relieved by an alleged coup in 1965 when Suharto came to power.

The chapter also considers the important role of Gough Whitlam. Whitlam was Australia’s Prime Minister in the months leading up to the invasion and has been accused of giving support to Indonesia’s claims to East Timor. The publishing of his books and recent release of secret documents in the media has only served to fuel the debate over his role in the affair. Leaving this aside what is apparent is that he seemed rather predisposed toward Indonesia and in particular Suharto. His preference for the integration of East Timor into Indonesia is openly conceded. And, he sought to blame the ex-colonial masters—Portugal for the tragedy that had befallen the people of the territory.

Chapter two investigates how Indonesia’s territorial integrity became the focus of the Australian political elites’ regional foreign policy determinations. The geo-political aims of stability and cohesion constitute the security dilemma for political policy-makers. At once realism emerges as the orthodox explanation. Realism maintains that the search for power and security is the dominant logic in international politics, where the state is the primary actor in a self-help system. Realism also makes assumptions about territorial integrity and the unitary state where it is assumed particular interests are commonly shared. The assumptions however may be challenged by an analysis of the Indonesian state. In turn, an analysis of Australian foreign policy reveals a remarkable influence of realist thinking in regional foreign policy articulation. Bilateral realism was expounded as essential in developing the relationship with Indonesia. Idealism represented an unproductive method in diplomacy and a pragmatic approach was considered more practical. Why is it though successive Australian governments saw it necessary to continue with this approach?

Perhaps the concept of regional ‘power plays’ and the notion that small states not in a position to prevent external influence heightened the strategic fears of Australian policy-makers. Certainly Indonesia’s rulers were in no doubt, as they preferred the military
option in East Timor. But what geo-strategic realities held sway over Australia's political elite thinking? Clearly Australia has economic and military interests in the region. Vital shipping lanes pass through the seas adjacent to the Indonesian archipelago. And, with Australia relying on considerable maritime trade for its economic well being it is understandable the region constitutes a major policy interest.

In chapter three the notion of the national interest is developed further. Of the two options before the Australian government in 1975 the DFA policy prevailed. The national interest was deemed to be at risk if support for East Timorese independence was given. However, what is the national interest in this context? Who determines what is in the national interest and what is the effect of a government invoking the national interest in debates over issues in foreign policy? Taking a look at who participates in the decision-making process thus provides valuable background to understanding Australia's East Timor policy.

Australian foreign policy may well develop from the elites' own interpretations of the national interest. The chapter examines statements by an influential ex-foreign affairs staff member in order to give an understanding of how and why this may be the case. The chapter also uses a watershed diplomatic event between President Suharto and Prime Minister Paul Keating as a case study to illustrate the elites' justifications and arguments for the necessity of secrecy in diplomacy. Neither the Australian public nor the Parliament was aware of the negotiations until the announcement in the media. The elite stressing the importance of the relationship had purposely set about defraying any possible increase in friction between the two states caused by media and/or public criticism.

Importantly though, what impact did the invasion of East Timor by Indonesian forces have on the relationship between Australia and Indonesia? To be sure the outbreak of violence so close to Australia's shores was of more than a passing interest. Chapter four
analyses the influences that dictated Australia's response in the midst of a Cold War and domestic political turmoil.

For Australia, the memories of Vietnam were still fresh and the apparent rise in successes of nationalist movements around the world again fuelled fears of communist expansionism. The linking of communism to nationalism drove the decision-making processes of the Australian political elite striving to come to grips with the strategic realities of a changing region. Thus, were Australian policy-makers considering any major change or shift in attitude toward Indonesia at the time of the invasion of East Timor?

Certainly, Australia itself was experiencing a constitutional crisis in late 1975. The Senate had blocked supply and the Labor Government did not have the funds to govern. An impasse had developed which the Governor-General dismissing the Labor Government finally resolved. What were the reactions toward Indonesia's military action of the two men charged with the responsibility of forming the caretaker government? The Opposition Coalition had been critical of the Labor government's policy toward East Timor and there had been elements of support for the right to self-determination claimed by the East Timorese. Did the constraints of world politics dominated by Cold War realities combined with domestic political disruption have any impact on Australia's response? Significantly, Australia's political elite looked to the broader picture, which included Australia's strategic and economic security.

Chapter five investigates how much influence economic security and the knowledge of oil and gas deposits existing in the Timor Sea had on Australia's foreign policy. Australia as an industrial nation-state consumes a considerable amount of fossil fuel. Dependency on a world market places constraints on the economy and questions the longevity of supplies. To be largely self-sufficient, Australia needed to encourage new exploration sites to replace the dwindling reserves from existing fields. The Timor Sea has been an area of commercial interest for Australian companies and governments for many years.
Early indications from surveys were encouraging for the existence of substantial oil and gas deposits.

Oil and gas exploration is expensive and requires political stability to prosper. The cooperation of governments therefore becomes necessary. Thus, for exploration to continue in the Timor Sea what was Australia’s preferred political option and with whom did they prefer to negotiate? Certainly there was conflict over who had the right to explore and drill in the area. Australia and Indonesia had to resolve the issue with the aim of bolstering their respective economies. With this in mind what is important to examine is the extent of each government’s cooperation and intervention in the oil and gas industry and, if this has influenced the Australian political elites’ attitude toward the prospect of an independent East Timor. The chapter then considers the negotiation process of the Timor Gap Treaty and if the interests of the East Timorese were taken into account.

Australia’s response to calls for assistance by the East Timorese had until 1999 not gained any significant resonance. The people of East Timor had been asking for the right to self-determination that would enable them to shape and organise their own lives. This right was denied by an authoritarian regime bent on using violence to suppress political dissent. This right too has been denied by the Australian political elite focussing on pursuing a special relationship with Jakarta, and on the issue of where Australia’s national interest lies. History though, will show a judgment of Australia’s political processes and of those who influenced the decisions during Indonesia’s occupation of East Timor will not be kind in its findings.
CHAPTER ONE

Labor Tradition - post-colonial legacy

Introduction

In attempting to explain Australia's foreign policy towards East Timor it is important to establish if there was a link between the Australian Labor Party (ALP) attitudes to Indonesian nationalism and its attitude to the Indonesian occupation of the territory. Certainly there was a remarkable continuity of policy in succeeding Labor governments towards Indonesia. For the purpose of establishing the origins of such a commitment the attitudes of key political figures from the late 1940s through to the Labor Government of 1975 will be examined. In so doing it is recognised that not all are Labor politicians but in the final analysis (within the ALP) it was Herbert Vere (Doc) Evatt and Gough Whitlam both of whom were in positions of power in Labor governments where the sympathetic attitude towards regional decolonisation and Indonesian nationalism surfaced most clearly. In the first instance it was Evatt who gave moral support for Indonesia's bid for independence from its Dutch colonial masters. And, in the later, it would be Whitlam as Prime Minister between 1972 and 1975 who declared that the unfolding events in East Timor were largely the result of a finalisation of regional decolonisation.

With this in mind an appropriate place for the chapter to begin is with the role Evatt portrayed in the decolonisation of the Netherlands East Indies (NEI). Such analysis gives a valuable insight into the suggested Labor tradition in foreign policy and illustrates from where the so-called special relationship had developed. The importance of the
relationship between Australia and Indonesia would have critical implications for East Timor. Furthermore, an examination of the views of the Liberal External Affairs Minister Garfield Barwick gives an early example of how the sympathetic attitude survived a change in government. And finally, the chapter considers the key role Whitlam played during the months leading up to the invasion of East Timor especially in light of Labor’s traditional anti-colonial stance in foreign policy.

An independent foreign policy

During the immediate post-World War Two period it was not only the decline of British power but also the proliferation of nationalist and independence movements to Australia’s north (including Indonesia) that produced difficulties for Australian foreign policy (Greenwood, 1966, 402). For Canberra, these nationalist uprisings posed the possibility of threatening the foundations of its social life as an European outpost in the midst of Asia. The conundrum for the incumbent Labor government was to find a new modus vivendi in the changed international environment when guidance from Britain seemed anachronistic (Greenwood, 1966, 402).

In part this strive for a more independent foreign policy resulted in the tendency for the Labor government to have sympathy for struggles for national independence, in particular Indonesia (Greenwood, 1966, 402). Three reasons may explain this phenomenon: first Labor ideology expressed criticism of colonialism and the resulting exploitation of colonial peoples. Secondly, demands for independence could not permanently be resisted and were illogical in the emerging post-war order; and thirdly it was prudent to be friendly toward Australia’s neighbours with the realisation of having to co-habitat in a region where some may become troublesome (Greenwood, 1966, 402).

If one sought a traditional theory of Australian external (foreign) policy up until at least the Second World War a way of expressing that tradition may be found in the words
of Robert Menzies when in 1946 he remarked...

if Great Britain and each of the dominions is to pursue its path on these foreign matters as if completely independent of others...then not only will such action diminish the real value of our own voice...but it will most seriously diminish the Strength which Great Britain itself can exercise'.

(Greenwood, 1966, 401-2).

Evatt, the serving Labor External Affairs Minister, by contrast determined Australia should become a co-operative and benevolent neighbour to the emerging nation-states and developed the concept of 'a harmonious association of Democratic states in the south-east Asian area' (Greenwood, 1966, 403). Evatt claimed Australia must speak independently outside of the Commonwealth irrespective of the importance of a close relationship with Britain (Greenwood, 1966, 398). It was a position that did not sit well with the Menzies lead Opposition, which suggested that it was foolish for Australia to support, for example, decolonisation of the NEI against the Netherlands who had traditionally kept the region stable and reliable. Labor believed that by accepting moderate nationalism in Indonesia and South East Asia generally, Australia's security could be protected along with bringing much desired stability to the region (George, 1980, 2). Such was the divergence of policy between the two political parties. Importantly, though the early support given by Labor for the decolonisation of the NEI had established a tradition in Labor governments to consider Indonesia as almost their own creation, and one which opposed independence for small states, for example East Timor that threatened possible fragmentation. Thus the origin and motivations that encouraged Evatt's attitude toward decolonisation of NEI have renewed relevance.

**Tradition as a legacy**

According to Gareth Evans, Labor Foreign Minister 1988-1996, the three dominant themes in 'traditional' Labor foreign policy particularly since Evatt have been
nationalism, internationalism and activism (Evans, 1994, 2). The manner in which Evatt viewed the New World after World War two shaped the Labor government at the time, and he articulated Labor’s themes exceedingly well. For him, the United Nations (UN) offered the opportunity for a more democratic method of resolving disputes with the hope that the avoidance of power blocs within the UN could result in the less powerful being able to exert greater influence on world politics (Greenwood, 1966, 399).

Evatt’s nationalist instincts could be recognised in his institution-building both domestically and internationally. He rapidly consolidated a professional Australian diplomatic service reflecting the view that Australia should have a more independent foreign policy focus together with the desire to see Australia ‘make a difference’ in the creation of the UN (Evans, 1994, 2). In this context, Evatt’s support for Indonesia’s independence was perhaps an early form of understanding the new forces at work in the region, specifically anti-colonialism and south East Asian nationalism. Internationally, Evatt’s most strident achievement was his commitment to the building of ‘cooperative multilateral institutions and processes to address both security and development objectives’ (Evans, 1994, 2). He had a faith in the UN as a vehicle for promoting the rights of smaller powers and as an ‘agent for social and economic reform, and as a protector of human rights’ (Evatt, 1994, 2). As an activist Evatt maintained a sustained pace during the period of his office. He was aggressive and able to match his ideas to the times. If there is such a thing as a deep-seated Labor tradition in foreign policy then it is these three themes, which stemmed primarily from Evatt; they existed in the Whitlam government of the 1970s and resurfaced in the Hawke-Keating Governments of the 1980s and 1990s (Evans, 1994, 2).

The origins of continuity in Labor policy towards Indonesia

Having identified the traditional themes in ALP policy it is possible to begin to understand the articulation of these themes by Evatt in relation to the issue of the decolonisation of NEI. In a sense Australian Labor Party attitudes toward Indonesia
commenced during World War Two when Australia had become host to the NEI administration-in-exile, following the Japanese invasion. The Netherlands government coincidentally in exile in Britain had concluded that Australia's interest in establishing a closer relationship with the NEI administration was a sign of support for the future separation of NEI from the Netherlands (George, 1980, 16). Evatt's statements at the time would seem to confirm the Netherlands government's claim as he had been recorded as stating that 'the Australian Labor government shared the anti-colonial viewpoint' expressed by the British and United States governments in the Atlantic Charter (George, 1980, 16). He was controversial in suggesting that Australia be interested in expanding economic relations with its near neighbours and to forestall the re-establishment of monopolistic colonial economies in the region. He emphasised the importance of international economic integration challenging the notion of sovereignty by the Dutch in NEI (George, 1980, 16). This conflicted with the Dutch attitude toward post-war reconstruction of NEI, one, which was based on the strict concept of sovereignty (George, 1980, 17).

Evatt's achievements included the prominent status as President of the UN General Assembly during 1948-9. He embodied the liberal internationalist paradigm with a strong belief in international law, institution building and in the UN as an organisation which could prevent war. Liberal internationalism draws on eighteenth and nineteenth century ideas for the prevention of war. Briefly, liberals argue in favour of democracy over Aristocracy, free trade over autarky, and collective security over balance of power (Burchill 1996, 31). For Evatt, the prospect of eliminating war lay within the UN. By institution-building he believed the means emerged where nation-states could negotiate to settle differences rather than resorting to violence.

By the time these principles had become a guiding influence in Australian foreign policy the question of Indonesia's (NEI's) bid for self-determination had already surfaced. The legacy of the Japanese occupation of the NEI and elsewhere in South East Asia was the feeling of resentment toward the return of the colonial masters. In August 1945 this
expression of nationalism prompted Drs Sukarno and Hatta, two Indonesian leaders, to proclaim the Indonesian Republic (George, 1980, 30).

The challenge to Australian foreign policy was immediate as during the war the political elite had come to the conclusion that despite the fallibility of the European powers to defend the region colonialism still represented a plausible means of neighborhood defence. Evatt commented in 1944 to a Dutch official that after the war 'there should be close co-operation between our two governments' on an area over which both held common responsibilities and interests (Crockett, 1993, 192). The post-war rise in nationalist aspirations in Indonesia despite Evatt's enlightened views would create a conundrum for the Labor government policy-makers. The consciousness of being vulnerable and distant from powerful allies fed the belief in the benefit of colonialism as a security asset. For the Australian government and Evatt as External Affairs Minister the Dutch presence in the region was crucial to Australia's national interest.

Shaping Labor's attitudes

Against such history what becomes essential in the ongoing process of analysing Evatt's legacy in shaping Labor's attitudes is an assessment of how he responded to the proclamation for independence. As already mentioned for the most part he stressed Australia was concerned for 'Dutch sovereignty interests to be preserved' in NEI but he became increasingly frustrated by the constant lack of fulfillment of the promises of self-government for Indonesia (George, 1980, 60). The subsequent actions by the Dutch to violently suppress the Indonesian nationalists prompted him to take a stance that supported the rights of the Indonesians to self-determination. To Evatt, the use of force by the Netherlands indicated a disregard for legal authority both at the local and international level (Crockett, 1993, 192).

In a sense Evatt did not necessarily seek to fully oust the Netherlands from South East Asia on the basis that he wanted to keep West New Guinea in Dutch hands as a bulwark
between Australia and Asia. He did however have concern for the future security and welfare of the South East Asian people and believed in the importance of the rising nation-states in the region (Tennant, 1970, 201). Although a little ambiguous it was clear to Evatt that the identifiable ideology in the right to self-determination for Indonesia comfortably sat within Labor's traditional anti-colonialist sentiments. The result was that Australia's colonial experience linked to the desire for the need to establish greater cultural and political independence had concluded with Evatt's support in the UN for Indonesia's bid for self-determination. Such an attitude clearly had the impetus to carry through as an influence in future Labor foreign policy. Moreover, at the time with the incorporation of the principle of self-determination in the UN Charter, Evatt as Australia’s representative appeared to have legal argument on his side. Article 73b states:

> to develop self-government, to take due account of the political aspirations of the peoples, and to assist them in the progressive development of their free political institutions, according to the particular circumstances of each territory and its peoples and their varying stages of development....

(Dolivet, 1946, 101)

Accordingly, despite opposition from the Netherlands' Government, Australia was instrumental in the UN's attempts to mediate a solution (Lee & Waters, 1997b, 221). Evatt argued more strongly that renewed European colonial attempts to re-establish empires in Asia was anachronistic and not in keeping with the post-war order.

**Merging of sentiments**

The significant point to be drawn from Evatt's actions is that his sympathies had now somewhat merged with the Indonesian nationalists striving to establish an independent nation-state. This is clear in his statements when he had told his External Affairs Department 'nothing was more important than the emerging nations in the near north' (Tennant, 1970, 185). However was there an unanimous consensus of opinion toward Evatt's support for Indonesian nationalism among Australia's political elite? Obviously
not as Opposition leader Robert Menzies claimed Evatt was being obstinate by suggesting 'the Dutch our friendly allies, have been treated in a most offensive manner by the Australian Government' (Tennant, 1970, 185). He further claimed the government had been dictated to and influenced by the communist union movement. Menzies considered that Evatt was championing an inappropriate cause and was seeking 'a false and useless reputation as a leader of the small nations' (Tennant, 1970, 185). The government (Evatt in particular) countered by asserting Australia's position was one of neutrality and that the dispute in Dutch-Indonesia was an internal matter (George, 1980, 38).

Evatt's response in Parliament 13 March 1946 however gives an indication of the direction he felt Australian foreign policy should take toward Indonesia:

Australia has a vital interest in the preservation of the wartime friendship with the Dutch in relation to the N.E.I. At the same time, it is important to do everything to establish good relations with the Indonesians and others moving towards self-government. Australian policy is aimed at discouraging provocation and violence.


Essentially, the language of this statement confirms Evatt's anxiety for the continued presence of European powers in the region while still trying to recognise the right of self-determination for Indonesia. The statement also indicates how important he considered the building of good relations with the Indonesian nationalists. The ramification would be that in no small way would such statements influence future Labor policy toward the Indonesian nation-state.

*Strengthening Indonesian Nationalism*

Perhaps a way of recapitulating the impact of Evatt's legacy for Labor is to establish how his actions helped in strengthening Indonesian nationalism. The outcome of his,
along with Nehru of India having given a report over the Dutch violence in Indonesia to the Security Council of the UN was that the Indonesian nationalists enthusiastically interpreted this as strengthening their nationalist ambitions. The Indonesian Republic announced 'we are deeply grateful to the governments of India and Australia' (Tennant, 1970, 199).

Some points are thus worth noting about Evatt’s efforts to internationalise the decolonisation process. Evatt attended an assembly in San Francisco in 1945 to draft the World Organisation Charter, which promised to reconstruct the World polity (Tennant, 1970, 164). Evatt raised the issue of Indonesia and South East Asia expressing the need for guardianship with the welfare and development of native peoples as its mandate. Evatt drew attention to the legacy of Japanese occupation as one where Indonesian and South East Asian people remembered 'that their former rulers were overcome' (Tennant, 1970, 169). However he was confronted by differing views. The victorious allied governments argued that the Republican nationalist’s claim for independence in Indonesia was merely a response by a puppet Japanese government impregnated with anti-colonial policies. Therefore the claim by Sukarno and Hatta did not receive a great deal of attention among the peacemakers (George, 1980, 30-32). Australian policy pointed to Indonesia as a vital security area, meaning the claim was a more pressing issue for the Australian policy-makers.

*Australia’s contributions*

The desire for a stable and cohesive Indonesian archipelago has driven Australia’s policy towards regional decolonisation issues. And, at the time of Indonesia’s bid for independence it was primarily Australia’s contribution as a member of the UN’s Good Offices Committee that gave the much-needed support to the Indonesian nationalists. In essence this was due to Australia’s outspoken denunciation of the Netherlands violence, a request in 1949 with India for the UN General assembly to consider the Indonesia question and notably in concert with India the sponsorship of Indonesia’s admission into
the UN in 1950 (Hudson, 1970a, 119). The Netherlands claimed from the beginning the Indonesian problem was within Dutch jurisdiction. By contrast Australia and in particular Evatt argued the opposite (Hudson, 1970a, 119). Australia considered the Republic was not hidden in the rights of Dutch sovereignty and the nationalists in Indonesia deserved international status in negotiations.

The cumulative effect of such moral support for Indonesia meant that Australia recognised the de facto authority of the Republic and sought trading contacts, (offering) the planned interim government of Indonesia advice and assistance in the fields of trade, finance, communications and economic rehabilitation and development' (Hudson, 1970a, 120). Support for Indonesia was not only in the international political arena but also at the domestic level. Chifley confirms this to be the case when he defended the waterside workers refusal to load Dutch ships-as an Australian opinion that the Dutch administration was indefensible in Indonesia. (Hudson, 1970a 123). Chifley cited his government's firm commitment to a policy of every country as having the right to be free to choose its own form of government (Hudson, 1970a, 124).

For Australia in particular Evatt, the ascendancy of a viable Republican administration could not be ignored. Although Evatt and Chifley tried to espouse neutrality in their policies the actions they were instigating in UN fora suggested otherwise. The violent attempts by the Dutch to eliminate the Republic as a political entity caused a defensive reaction from the Australian government, which by now considered the Republic the harbinger of Indonesian nationalism.

Challenges for the good neighbour policy

In light of Evatt's support for decolonisation in the South East Asian region it is understandable that the Republic of Indonesia was an entity to which Australia gave recognition and wished to be in close harmony with. Evatt's argument that he was neutral and not anti-Netherlands is not entirely plausible as he gave early official recognition to
the autonomous identity of an Indonesian state. In a Parliamentary speech in 1949 Evatt stated the Australian government has merely sought for the Netherlands and Indonesian nationalists to consult. Significantly though, Evatt gave specific identity to the 'Indonesian Republic (and) other Indonesian governments' (George, 1980, 146).

Nonetheless, when Menzies gained power in 1949, Evatt's aspirations for a continuing independent foreign policy for Australia diminished. For Menzies an Anglophile, the relationship with Britain was of paramount importance and he displayed indifference toward a good neighbour policy in South East Asia (Renouf, 1979, 459). Menzies rhetorical articulation of foreign policy re-incarnated the 'evergreen' security concerns this time conditioned by an intense fear of communism. Australia thereby progressed to a position of over-identification with US policy. Menzies argued the only power to maintain peace for Australia against the Communists lay in the strength of the US and Britain.

A challenge to Labor's (now the Opposition) positive attitude towards Indonesia occurred when the future of West New Guinea (West Irian Jaya) emerged as a major foreign policy issue. The notion of self-determination that Evatt had championed was still very clear in a policy speech in 1958. He outlined Labor's unqualified support to 'the acknowledgement of the right of peoples to determine their own form of government and their own policies both domestic and foreign' (Lee & Waters, 1997b, 222). In this context, Evatt, although referring to the rights of regional people to self-determination was also encompassing the concerns the political elite held over a direct land border between an Asian power and Australia. Essentially, he was opposing Indonesian expansionism, but he remained committed to regional decolonisation while maintaining regional stability and security for Australia.

For the incumbent Menzies Liberal government, the institutionalisation of defence arrangements with powerful friends meant that any clash of policy over good neighbour relations and concerns for security saw the latter prevail (Renouf, 1979, 460). At least
this was the tone of the rhetoric from the Menzies government. This may well have been for domestic consumption and as a show of support for powerful allies. In reality Menzies sought a plurality of alliances to offset the US being the only major power in the regions (Leaver & Cox et al., 1997, 78). Although there was no formal alliance with Indonesia the region was considered an important area in the defence of Australia. This internationalist attitude toward a plurality of alliances, which continued through the Liberal government years of the 1950s and 60s was specifically inherited from Labor’s post-war policies.

A continuation of attitudes

In illustrating how the continuity of a sympathetic attitude towards decolonisation survived governments of different persuasions it is compelling to reflect on Garfield Barwick’s (External Affairs Minister in 1961) responses to the West Irian Jaya issue. He argued that the issue was the finalisation of the decolonisation of NEI. Barwick ‘observed the attitudes of (his) colleagues in Cabinet, watching for any softening towards Indonesia and its leaders’ (Barwick, 1995, 173). Barwick knew of reports that had circulated the Foreign Affairs Department expressing fears of communism, a distrust of Sukarno and a comfortable attachment to the Netherlands. Barwick concluded that this prevented Australians from accepting the integration of West New Guinea into Indonesia as merely the rounding off of independence claims (Barwick, 1995, 173). Certainly this was a remarkable continuation of sympathy for Indonesia this time from a conservative government minister.

It is illuminating to consider Barwick’s reasons in light of the security concerns being raised over expansionism of the Indonesian state. He argued to a dissenting backbench that an independent West New Guinea would be economically weak. In essence, he argued that such a small nation-state between an antagonistic Indonesia on one side and Papua New Guinea with aspirations for self-determination on the other was too provocative. He firmly doubted West New Guinea’s national unity and ability to create a
stable administration. For Barwick, the international stability of the region would be experiential to an independent West New Guinea thus possibly embroiling the Australian defence forces in conflict (Barwick, 1995, 176). He believed the Indonesians would consider 'the existence of an economically weak and perhaps politically unstable state'...in the archipelago as a source of tension and possible conflict (Barwick, 1995, 176). Over a decade later much the same arguments surfaced in response to calls for the right to self-determination in East Timor, and in the political rhetoric prior to and since the invasion by Indonesian military forces.

Still, in 1961 Barwick supported Indonesia by claiming that the Indonesian government could not accept an independent small state nor could he determine any advantage to Australia. In compiling a report to Cabinet supplementing an official Foreign Affairs Department document, Barwick based his approach to Indonesia on five premises:

- the avoidance of armed conflict in the region
- adherence to the principle of self-determination
- development of friendly, cooperative relations with Indonesia
- promotion of negotiations as a means to settle disputes
- subject to agreement between parties, acceptance of Indonesian control over Dutch West New Guinea.

(Barwick, 1995, 176)

These points highlight the continuing sense of ambiguity in the Australian Government's foreign policy at that time in relation to Indonesia. Australia since Evatt had supported Dutch sovereignty over West New Guinea while at the same time supporting the principle of self-determination in the region (Barwick, 1995, 176).

Of interest though is that Barwick in his first few months as External Affairs Minister, managed to convince the Prime Minister that Australia should make friendly gestures towards Indonesia particularly as the nation-state had ten times the greater population
(Perkins, 1968, 214). (Barwick however, in his Indonesian diplomatic relations, countered Sukarno’s use of this asset by alluding to Australia’s production capacity) (Barwick, 1995, 183). Importantly, herein lay a foundation for much of successive governments’ assessments of relations with Indonesia; because of a vast population Australia must maintain good relations at any cost. Barwick’s early regional stand against the Anglophile Menzies heralded an interesting turning point in the Conservative government’s foreign policy. In spite of this achievement, Barwick continued in his traditional support for the Commonwealth. But with the rising strength of Indonesia his approach was obviously one of sustaining the integrity of Indonesia and seeking a friendly, supportive bilateral relationship. One further conclusion which can be drawn from the continuity in policy from the Evatt era for the Menzies government was the advantage to be gained from diverse international dealings, Indonesia included (Leaver & Cox et al., 1997, 78).

*The threat of Sukarno*

Despite the auspicious start in Australia’s relations with an independent Indonesia, discord did erupt between the two states. The Menzies government (irrespective of Barwick’s assessments) supported West New Guinea’s claims for self-determination whereas the Indonesian government considered the territory rightfully theirs (Renouf, 1979, 402). For the Indonesian nationalist leaders it was important to foster the ‘consciousness of nationality’ which had developed in the former Dutch territories (Renouf, 1979, 402). Of these leaders President Sukarno was the most influential in promoting Indonesian nationalism. However, Australian suspicion of Sukarno grew, as the Communist Party (PKI) in Indonesia appeared to ingratiate itself with him over their support for Indonesian acquisition of West New Guinea (Perkins, 1968, 213).

With the difference of opinion between the Australian and Indonesian governments it is not unreasonable to think a falling out of relations or a major change in the Australian policy-makers attitude toward the Indonesian regime had taken place. In a rare departure
of acquiescence to US policy, Menzies in the early 60s held fears over Indonesian expansionism and supported the Dutch over West New Guinea. The US had no interest in the Dutch presence and supported Indonesia. By the mid-60s the fear of Sukarno being 'soft' on communism however began to surface in the speeches and media interviews of political activists such as B.A. Santamaria, the pivotal figure in the split of the Labor Party in the 1950s. Initially, Santamaria supported the US policy that West New Guinea should be Indonesian (Santamaria, 1997, 229). His reason centred on the assumption of Soviet expansionism and the danger of India becoming a Soviet enclave (Santamaria, 1997, 229). He believed in the US policy of keeping a close friendly relationship with Indonesia. However by 1965 Santamaria held the same view of Sukarno as Menzies. The close association between Indonesia's Communist Party with China and an Indonesia-Soviet alliance posed a circumstance which was becoming untenable to Australian-US strategic interests (Santamaria, 1997, 229). A major concern for Australia was the readiness of Sukarno to use force to achieve Indonesian aims possibly destabilising the region.

*Continuing paradoxical policies*

Evidence of Sukarno's willingness to use force surfaced again during the Malaysian Confrontation. With the value of hindsight it was perhaps an indicator of what Indonesia would do in future regional issues, East Timor included. But for Australian foreign policy at the time, the Malaysian Confrontation issue reiterated the paradoxical attitudes during the 1960s towards Indonesia. In spite of the confrontation, the Australian government held to the belief that the special relationship must be preserved and it worked hard to maintain that relationship. The fear for Australia was that Sukarno's alleged communist sympathies may result in a 'reverse domino' effect from south to north threatening strategically important Singapore (Renouf, 1979, 436). He was believed to be under Chinese influence and there existed the thought of where if there were success in dismembering Malaysia would Indonesia turn next (Renouf, 1979, 436)? Australia also placed considerable importance to the up holding of rules in international politics as
Barwick was in the difficult position of commenting 'Indonesia cannot expect that Australia can do other than condemn breaches of accepted norms of international conduct' (Renouf, 1979, 437).

It certainly appeared as though the political elite had changed their demeanour towards Indonesia as the diplomatic language had stiffened. Not entirely it seemed as further into Barwick’s statement he took a restrained yet measured tone by mentioning his regret. 'I am sorry thus to speak of Indonesia. I have constantly sought to promote the friendship of the two peoples...'. And that 'Australian policy towards Indonesia will continue to be one of seeking to promote sound, friendly relations... ' even in the face of a worsening regional situation (Renouf, 1979, 437-438). The Cabinet concluded that it recognised...

the risk of tension, and possible military involvement with Indonesia, but said
that Australian diplomacy would be directed towards maintaining a firm but
friendly attitude to that country.

(Edwards & Pemberton, 1992, 259).

Despite the continued effort at maintaining amicable bilateral relations, the Menzies government in 1965 no longer exercised military restraint and committed Australian troops to Borneo. The least desired outcome from Australia's point of view had occurred; direct opposition with Indonesia and the deployment of troops. The well-nurtured relationship continued to appear to be unravelling. Sukarno had after-all already set Indonesia on a collision course with Malaya, Britain and its Commonwealth partners in the region (Greenwood & Harper, 1968, 97). One conclusion from his actions is he saw Indonesia as the guardian of the struggle against imperialism in the South East Asian region

A notable development at the time was that the Labor Opposition led by Arthur Calwell added to the political tension by giving bipartisan support to the Menzies government decision to send troops. Gough Whitlam in his book *Abiding Interests* refers to the alleged personal vendetta Calwell conducted against Sukarno (Whitlam, 1997, 66).
Whitlam claims Calwell portrayed Sukarno as 'sabre-rattling in a manner reminiscent of Adolf Hitler' (Whitlam, 1997, 66). The suspicions of Sukarno deepened within the Labor Party as portrayed in a speech given by Kim Beazley (senior) in support of Calwell's assessment. He claimed the objective of Australian diplomacy as '(o)ur interest is to mobilise restraining influences on Indonesia' (and) 'the object of Indonesian policy was to eliminate Western influence in the area...' replacing it by Indonesian and ultimately Chinese (Greenwood & Harper, 1968, 100). Clearly the Menzies' government decision, albeit lengthy in process, was designed to confront Sukarno showing a commitment to continued Western influence with the aim of maintaining stability in South East Asia.

The coup

When the alleged coup occurred in 1965 in Indonesia, Suharto emerged as the new Leader replacing Sukarno. The struggle between the Communists and the government resulted in triumph for the anti-communist leaders. The resultant decision by the new hierarchy to discontinue the Malaysian Confrontation was welcomed by the Australian government (Renouf, 1979, 438). For Menzies, having a leader who shared his anti-communist sentiments in power in a region traditionally referred to, as Australia's last ring of defence, was most comforting.

A look at this history shows that the fears generated by Sukarno now held no relevance but the challenging task of re-building relations with the new regime had begun. Indeed, the concerns Australia held over Sukarno are well documented in the assessment Whitlam himself later made when he commented that Australia should have provided more political, diplomatic and economic assistance to Suharto especially as he had successfully defeated the so-called communists in Indonesia. Whitlam alluded to the alternative had Suharto failed—Australia would have a communist country of considerably more than 100 million people (mostly Muslim) as a neighbour (Whitlam, 1985, 102). When in government Whitlam drew on this assessment as a means of justifying the importance of seeking good relations with Indonesia. Perhaps B.A. Santamaria
paraphrased the situation succinctly by stating in his book *Santamaria a Memoir* that once Suharto had come to power 'Indonesia was to become a considerable accretion of strength' (Santamaria, 1997, 232). Menzies held the same opinion (turning his attention to Vietnam) as Indonesia under Suharto began to associate itself more closely with the West. It is not too provocative to suggest that the shaping of Indonesia in terms of Australian interests was about to begin again just as it had in Evatt's era. A secure and cohesive archipelago had returned and the special relationship that developed from the early support for Indonesian nationalism could be re-ignited with more confidence. This policy of commitment to the cohesiveness of the boundaries of the Indonesian state as perceived by Evatt and Menzies precluded Portuguese Timor. The right of self-determination was routinely seen as an expression of anti-colonialism. Indonesian hatred of the Dutch was more intense than Timorese hatred of the Portuguese, which possibly explains why the issue of self-determination did not become intense until it was in the form of a challenge to Indonesian colonialism.

*Post-colonialism-What price cohesion in Indonesia*

In the shadow of Evatt's support for decolonisation, Whitlam as Prime Minister tacitly gave support during 1974-75 to the integration of East Timor into the Indonesian state. To establish why he did so involves analysing Whitlam's own assessment of Australia's Indonesian policy. He argues in his book *The Whitlam Government 1972-1975* that between 1949 and 1972 foreign policy was determined through the focus on communism with a loyalty toward Britain and the US. The ANZUS Treaty epitomised this where Australia followed the US into the Vietnam War as a test of loyalty to the US and to itself. For Whitlam, this distorted the realities of what Australia, the US and Britain should be dealing with in the region namely the legacy of colonialism not communism (Whitlam, 1985, 29). He had long held to Labor's traditional stance against colonialism as he was rebuked by the Liberal government in 1954 for suggesting nationalism and colonialism were the fundamental issues in South East Asia, particularly in Indo-China (Whitlam, 1985, 29). Whitlam's statement ensured the Labor Party tradition of being
anti-colonialist and nationalist as articulated by Evatt was to continue and re-surface more powerfully than ever in his government. Gareth Evans claims that during the Whitlam government years there was a more confident nationalism that recognised the need for Australia to make independent foreign policy judgements. This realisation worked comfortably well with the New World Order internationalism sympathetic with decolonisation (Evans, 1994, 3).

Whitlam entered politics in 1953 and there should be little question of the influence on a young politician the enigmatic Evatt would have had. Evatt’s influence convinced Whitlam to strongly believe relations with Indonesia had declined considerably after 1949. He argued that the Australian government failed to build on the legacy of the goodwill of the actions of Evatt (Whitlam, 1985, 102). In 1967 Whitlam wrote an article in The Australian newspaper outlining these claims and suggested Australia had a second opportunity of supporting the new leader of eighteen months, Suharto (Whitlam, 1985, 102). He blamed the tone of relations of the 1960s on Australia's diplomatic efforts to prevent Indonesia from annexing West New Guinea (Whitlam, 1985, 104) Whitlam rebuffed his predecessors for not providing stronger opposing views to Liberal policies (Whitlam, 1985, 104). He suggests that West New Guinea was the last of the struggle against the Dutch by Indonesia to unite its borders (somewhat similar to Barwick's claims). Notably in an earlier statement in 1957, Whitlam laid the basis for his later apparent defensive responses toward criticism of Indonesia. He said 'we persist in misrepresenting Indonesia's claim to that territory' (Whitlam, 1985, 104). Although he refers to West New Guinea and went on to state Indonesia had no further claims to territory in East Timor or East New Guinea the tenor of his ensuing government's foreign policy toward Indonesia had spawned.

*Indoctrinated attitudes*

It is evident from the outset Whitlam believed just as Evatt did in the importance of a good relationship between Indonesia and Australia, and in the stability and cohesiveness
of the Indonesian nation-state. This view along with his anti-colonialist beliefs underpinned Whitlam’s responses to the unfolding events in East Timor during 1974 and 1975. The two major political groups in East Timor had ended their deteriorating relationship resulting in a brief civil war from which the Fretilin Party emerged as the victor, much to the chagrin of Indonesia. Whitlam determined there was no support for Australian intervention (Whitlam, 1985, 110). To him, the idea of Australia sending troops to East Timor hinted at colonialism. Whitlam had earlier declared in Parliament his government’s policy of no further intervention by Australia ‘in land wars in South East Asia’ (Hansard (c), 1975, 492). Significantly, Whitlam conceived Australia’s relations with Indonesia would have declined to the level of resentment when Australia co-operated with the Dutch in West New Guinea (Whitlam, 1985, 110). A position Whitlam could not accept and one, at least for the Indonesians which indicated an extraordinary ‘windfall’ of support. He visited Indonesia early in his term with the mandate to ‘demonstrate the political and economic interest Australia would now take in the region’ (Whitlam, 1985, 107). In so doing Whitlam sought to reinvigorate the relations existing in the late 1940s when Evatt was External Affairs Minister.

Whitlam’s attitude to Indonesia represented an accommodating and understanding demeanour something echoed in the cables sent by Richard Woolcott, Australia’s Ambassador in Indonesia in 1975. Woolcott’s cable 17 August 1975 to Alan Renouf, Secretary foreign affairs stated...

(What Indonesia now looks to from Australia in the present situation is some understanding of their attitude and possible action to assist public understanding in Australia rather than action on our part which could contribute to criticism of Indonesia. (Toohey & Wilkinson, 1987, 177)
He went on to advise the Government to...

leave events to take their course; and if and when Indonesia does intervene to
act in a way which would be designed to minimise the public impact in
Australia and show privately understanding to Indonesia of their problems.

(Toohey & Wilkinson, 1987, 179)

The tenor of these cables in the months leading up to the invasion of East Timor
ratifies conclusions Australia wished to strengthen the state of Indonesia and reduce the
impact of hostile public opinion. Criticisms of Indonesia did occur but the actions were
different to the political rhetoric. The Woolcott cables represent an example of how
Australia's political elite viewed the Indonesia-East Timor problem—a legacy of
colonialism requiring understanding and little interference.

*Fashioned views*

Whitlam's domineering style of political leadership ensured that his early views
towards decolonisation prevailed through his government. Admittedly he had a
consensual Foreign Affairs Department and a pragmatist in Richard Woolcott in Jakarta,
so there was little pressure to change (Dunn, 1996, 124). The departmental brief covering
East Timor for Whitlam's scheduled meeting of 6 September 1974 with Suharto outlined
a clear policy of self-determination (Renouf, 1979, 443). Whitlam however, allegedly
changed the policy to support for the integration of East Timor into Indonesia with the
provision such integration should not be by force with a respect for the right to self-
determination (Renouf, 1979, 443).

Indeed, the point made by Whitlam that he was opposed to force and that the right to
self-determination be respected surfaced in a copy of a secret letter obtained in 1999 by
*The Australian* newspaper. According to journalist Greg Sheridan, the letter clearly
exonerates Whitlam of the claim that he conditioned Indonesia's forced military takeover
of East Timor. The letter states that Whitlam told Suharto 'no Australian government
could allow it to be thought, whether beforehand or afterwards, that it supported such action' (Sheridan, 1999). The key issue is however, that Whitlam was contradictory in his approach between support for incorporation and his support for a process of self-determination (Brereton, 1999, 4). He had effectively reversed the Labor government's official policy; that of the recognition of all remaining colonial territories to the right to self-determination. By putting the goal of integration of East Timor into Indonesia ahead of official policy, Whitlam had created a policy which had become irreconcilable (Ball & McDonald, 2000, 11). Hamish McDonald of The Sydney Morning Herald cites official records (in his possession) of meetings between Suharto and Whitlam as clear evidence of Whitlam's preference for integration of East Timor into Indonesia. Any respect for the wishes of the East Timorese to self-determination was given a token second place and was mentioned by Whitlam in the document as necessary 'for the domestic audience' in Australia (McDonald, 1999).

*Whitlam's predisposition*

Irrespective of this debate, it is possible to conclude from Whitlam's statements and his book *Abiding Interests* that he was particularly well disposed toward Suharto. In a quote from the book he stated that in 1973 he referred to '(t)he importance of Indonesia to Australia (as) indisputable' (Whitlam, 1997, 61). He did qualify his statement by suggesting relations with Indonesia should not be at the expense of relationships with other South East Asian countries (Whitlam, 1997, 62). His definition however, of the priority given to Indonesia by his government does not necessarily support his qualification. Whitlam also defends the views Indonesians had of Australia and criticises the importance Australia placed on their immediate neighbour. He draws attention to the lack of Prime Ministerial visits and constructive attitudes adopted toward Indonesia. Whitlam claims 'President Suharto is a reasonable and honourable man'. And, the 'Australian media have no credibility in Indonesia'...since the death of the newsmen at the hands of Indonesian forces at Baliho in 1975 (Whitlam, 1997, 70-71). Whitlam goes further when he criticises the more recent Labor Prime Minister Bob Hawke that during
his term in office he was in error for not visiting Indonesia often enough (Whitlam, 1997, 70-71).

Whitlam was well aware of the divide between right and left in Australian politics and in the media. At his next meeting with Suharto in April 1975 expressed that there was a ‘regrettable over-reaction from the Australian public’ to the reports of invasion plans by Indonesia of East Timor (Ball & McDonald, 2000, 20). In Australia the political Right still held to the belief in the benefits of colonialism claiming Australia was not in a position to handle Indonesian expansionism. On the Left were the paternalistic pundits who were more idealistic and believing in the ‘soundness of their own views’ (Ball & McDonald, 2000, 20). Whitlam though repeated his claims that Australia wanted no responsibility for the outcome in Portuguese Timor (Ball & McDonald, 2000, 21).

Laying blame and finding justification

For Whitlam, the fault of the tragedy of East Timor lies firmly with Portugal, the colonial power. By claiming East Timor was in turmoil from a bloody civil war and as Portugal had surreptitiously withdrawn, Whitlam argues Indonesia was cornered into making a move on the territory. He further claims that his critics have him wrong (Whitlam, 1997, 73). He held to the view 'the status of Portuguese East Timor should be based on the freely expressed wishes of the people of East Timor' (Whitlam, 1997, 74). But earlier in his book he made reference to the 'Indonesian' province of East Timor suggesting a pre-emptive acceptance of incorporation (Whitlam, 1997, 73).

Whitlam justified his assessment on the basis of the economic unviability of the small state and the perceived threat to regional security. His contempt for small states meant he did not press Indonesia into respecting the latter provisions of his changed policy. From Australia's point of view it would be better to have one large neighbour than a multitude of smaller states and the Indonesia-East Timor issue was nothing more than a legacy of colonialism yet to be resolved (Lee & Waters, 1997b, 226). The colonial history of the
island of Timor includes government by the Dutch in the West and the Portuguese in the East. According to this logic the island had been mistakenly divided by the colonial powers. Considering Indonesia’s claims to Dutch colonial territories the isolated case of East Timor represented a throwback to these colonial times. The integration of East Timor into Indonesia was therefore understandable due to West Timor already being an Indonesian province.

Whitlam believed there was historical evidence of Australian acceptance of Indonesian intervention in East Timor. He supports his argument by referring to a memorandum to Cabinet authored by Barwick in February 1963. Barwick suggested Cabinet accept 'the view that in the current state of world opinion, no practical alternative to eventual Indonesian sovereignty over Portuguese Timor presented itself' (Whitlam, 1997, 65). Whitlam claims this preparedness to accept the incorporation of East Timor into Indonesia was made at a time when relations were strained (Whitlam, 1997, 65). This indicates an extraordinary acceptance of Indonesia’s claims and aspirations as a nation-state on behalf of Australian political elite. In spite of a history of tense Indonesian-Australian relations, Australian policy condoned and indeed has historically encouraged the incorporation of East Timor into Indonesia (Brereton, 1999, 3).

As foreshadowed in the discussion to date the attachment to the policy of support for Indonesia gives some explanation to understanding preceding Australian governments’ opposition to independence for East Timor. Australia arguably until Evatt (and perhaps after under a conservative government) did not have foreign policy independence. The emergence of a more independent policy had nonetheless developed during the war when the nation-state fought for its survival. Perhaps then all post Chifley-Evatt governments liked to feel some nationalistic sentiment to the notion that Australia’s foreign policy developed from this period. And in a strange way the support for Indonesia’s independence in the late 1940s placed Australia in a special relationship with Indonesia. The Australian political elite continually re-lives the memories of the era when Australia
gave the now well acknowledged support for Indonesia's independence, and the good relations existing at that time between the two nation-states (George 1980, 4).

Certainly, in 1975 an independent East Timor was never going to be supported by Australian foreign policy-makers. When the invasion took place and the Indonesian military occupied the territory a noticeable shift of attitudes within the Labor Party towards Indonesia had occurred. The government's most vociferous critics were within its own ranks (Ball & McDonald, 2000, 22). On the political right Whitlam had always maintained that East Timor was a decolonisation issue that was to be resolved internally with no interference from Australia or the international community. The left concerned by the violence and reported loss of life were more ideological and became Canberra's 'most conspicuous holdouts' to the policy of acceptance of the inevitability of the integration of East Timor into Indonesia (Ball & McDonald, 2000, 23). East Timor was still considered to be a decolonisation issue but it was considered to be in contravention of Labor philosophy as the rights of the East Timorese to self-determination were being denied. The left continued to raise this ideological perspective but with strong right wing leaders such as Whitlam, Hawke, Keating and Foreign Minister Gareth Evans the views of the right prevailed. In this regard once Whitlam's policy had been adopted it became a never-ending spiral of successive governments (particularly Labor) defending that policy. And in the end, Evatt's moral support for the decolonisation of NEI left a legacy, which resulted in Australia considering Indonesia 'as almost its own creation' with Labor governments in particular displaying a penchant for close relations and considerable sympathy for preservation of its geographical design. The almost mid-wife approach has driven a seemingly reflexive defence of Indonesia that until 1999 had also shown remarkable continuity across party lines during changes in government.
Conclusion

To determine the origin of commitment to Indonesia and the attitudes towards the occupation of East Timor by succeeding Australian governments requires assessment of the effect the nationalist Doc Evatt had on future governments, in particular Labor policy. To identify such a commitment becomes problematic as new governments respond and develop policies to the issues and changes that are occurring around them. A few things are clear; Evatt set about creating a vision of independent foreign policy for Australia, and the liberal internationalist agenda he revered continued, particularly through the Labor Party.

Evatt's belief in the merits of the liberal internationalist approach toward international relations led him to expressing a view supporting decolonisation and in the importance of the new states in the region. No less so than when the Netherlands took to violence in an effort to crush the Indonesian struggle for independence. The moral support given by Evatt for an independent Indonesia taken in UN fora instigated the beginnings of a stormy bilateral relationship. From an ideological perspective this support merged with the beliefs of the ideologues within the Australian Labor Party as being anti-colonialist.

The influential Australian political elite though never seriously countenanced any notion of independence for individual states within the Indonesian archipelago. Perhaps this is expressed adequately in the words of Paul Hasluck when he said that 'Indonesia should maintain its integrity, and we should like to see it progressive and prosperous'. And, fragmentation 'of Indonesia would not come by our wish' (Greenwood & Harper, 1968, 111-112). However what was the Indonesian state to be defined as? Was there a clear definition by Australia's political elite of what Indonesia was to look like on a geographical map or was the support driven by a belief Indonesia's nationalism represented something of their own post-colonial creation? Certainly the actions taken by
Australia to strengthen Indonesian nationalism indicated a desire for a strong Indonesia and a cohesive region. Clearly the assessments by key politicians suggested that Australia needed to establish and maintain good bilateral relations with Indonesia even during times of crises.

Sukarno had however challenged Australia's traditional stance. As fears and suspicion grew in Australia over his expansionist and increasingly aggressive tactics, the very substance of the special relationship began to be questioned. Concerns grew as Sukarno, held the view that the Communist Party had an important role in the nationalism of Indonesia, increasingly allowing its influence on political events. Coupled with the belief China would be the major power to gain from Indonesia's belligerent actions, Australia's concerns become more explainable. However, amid the confrontations the rhetoric from the Australian government took on an almost apologetic tone as it held to the belief Indonesia's actions were ephemeral in nature. And, the heady days of Indonesia being grateful for assistance given would soon return.

Thus hidden within the commitment to decolonisation lay much of the acceptance of Indonesia's actions in maintaining stability in the region even at the expense of independence for East Timor. Importantly, all Labor governments' policies have reflected a continuity of commitment by Australia's political elite developed under Evatt to regional decolonisation, and to the cohesiveness of the Indonesian state. Whitlam's fashioned views contributed to him being particularly well disposed towards Indonesia. Clearly he saw the East Timor as a decolonisation issue and his preference for the integration of the territory into the Indonesian state meant marginalisation of the issue. By placing his preference for the integration of East Timor into Indonesia ahead of the right to self-determination he had effectively reversed the priority of his Labor government's policy toward decolonisation. Definitively, a divergence in attitude now had occurred between the left and right of the Labor Party political spectrum in response to the invasion and subsequent occupation of East Timor by the Indonesian military. In sum though the views of the more powerful right prevailed. And, despite the paradoxes
and challenges, Labor's legacy did manage to filter through all future governments of both persuasions influencing attitudes to the occupation of East Timor.

In chapter two the issue of strategic realism as an influence on Australian policy-makers in pursuit of the national interest (interpreted by the political elite—as survival of the state being connected to cohesion in the region) is discussed.
CHAPTER TWO

Strategic Realism

Introduction

Throughout the history of European settlement in Australia, fear of an invasion from the north has constantly influenced political, social and cultural discourses. This fear had a touch of reality during World War Two when Japanese forces swept through South East Asia. Indeed, after the war Britain acknowledged Australia’s need and concern for planning the defence from its near north, namely the Southwest Pacific and South East Asian region. At the 1946 Prime Ministers’ Conference Britain defined the region including the adjacent sea-lanes as ‘Australia’s homelands’ (Dupont, 1991, 37). For the incoming conservative government led by Robert Menzies, elected December 1949, the region remained the major defence and foreign policy focus. The new Minister for External Affairs, Percy Spender canvassed the requirement for ‘a firm agreement between countries that have a vital interest in the stability of Asia and the Pacific’ (Dupont, 1991, 37-38). For Australia, any such agreement must include the US. Hence the ANZUS treaty with the US and New Zealand appeared to satisfy Australia’s quest for regional security as it was a way of sharing the military, economic and political power of the US. The need for ‘stability’ in the region dominated Australia’s political elite thinking as anything to the contrary would challenge the ‘very basis of democratic order and the norms of international conduct to which Australia adhered’ (Dupont, 1991, 39).

Based on this history, the territorial integrity of regional states appears as a priority for Australian foreign policy, particularly in the Indonesian archipelago where regional stability and cohesion was determined as being strategically critical to Australia’s
national interest. A unitary, steadfast and cohesive Indonesia provides a buttress against instability caused by any future shifts in the regional balance of power between the US and China. The projection of the national interest seeking security and stability in the region specifically rejects a proliferation of new states, secessionist and nationalist movements, all of which could disrupt stability. The immediate affect on Australian foreign policy was to belie any meaningful call for any act of self-determination by nationalist movements such as those existing in East Timor.

The territorial integrity of Indonesia thus became a principle in Australian foreign policy and the Indonesian nation-state although encompassing a vast number of islands and cultures was only ever thought of as a unitary state by the majority of Australia’s political elite. In this way any idea of change and alternative political practices was resisted. The geo-political goals of regional order and stability represent the security dilemma for Australian foreign policy-makers trying to pursue the state’s interests. This illustrates a symbiosis between the Australian Foreign Affairs Department and realism which ‘codifies a world view based on the primacy of the state as an actor in world politics’ (Burchill, 96, 82). Realism immediately makes the assumption that the unitary state has broad popular support and is an adjunct to territorial integrity.

The realist perspective

Early theorist E.H. Carr believed the maintenance of the status quo of power distribution in international politics was an expression of the satisfied powers (Burchill, 1996, 85). The universal principles of peace, harmony of interests, collective security and free trade were unconscious reflections of national policy existing at a given point in time (Burchill, 1996, 69). The self-interests of the elite within the satisfied powers become the national interest in the common good of all citizens, and are therefore assumed to embrace the whole community. The notion of the unitary state encompassing this harmony of interests that promotes order, stability and security is therefore a basic assumption in realism.
Realists would have us believe that world politics is dominated by the notion that states seek to maximise their strategic power. States cannot escape the struggle for security and survival because of the anarchical condition of the international system. The Cold War, which immediately followed the Second World War, helped establish realism as the orthodoxy in the study of international relations as the events which circumscribed the continuing antagonism between the US and the Soviet Union provided salience to the correlation between reality and realist theory (Wohlforth, 1994, 91). Any meaningful discussion of international relations that avoids the traditional realist lexicon becomes difficult to sustain. Power, sovereignty, security and anarchy in the absence of a world government all emerge at some point in the ensuing debate. And, the state appears as the central actor with 'each possessing a government and asserting sovereignty over a portion of the earth’s surface and a particular segment of the population' (Bull, 1995, 8). Survival is paramount, as the desire for power becomes the only means to security in a self-help system.

Definitions of a state's power in realist nomenclature are described in Hans Morgenthau's book *Power Among Nations*, and include geographic location, military capability, economic and industrial base, and the political and psychological will of the people (Morgenthau, 1985, 115-168). The neo-realist Kenneth Waltz in his book *Theory of International Politics* argues that states must use their combined capabilities in order to serve their interests (Waltz, 1979, 131). He argued that international politics could be thought of as a system with a defined structure where states exhibit similar behaviour despite differing internal political and social orders (Burchill, 1996, 85). The more equal the power the more stable the environment with states behaving with the same regard for power and security. The structure of the international system under conditions of anarchy therefore socialises and homogenises the behaviour of states. A state's own security and survival will always dominate policy-makers' decisions. Accordingly, realists emphasise 'human nature and the intentions of statesmen' (Burchill, 1996, 86). The statesmen represent the state and its national interest based on the 'common good'. For this to
happen realism makes assumptions that the state is unitary and governments speak for all.

**Political communities**

For realists the territorial integrity of the state therefore, becomes a priority and survival is linked to a state’s pursuit of power with each spending a considerable amount of time estimating one another’s capabilities and intentions (Waltz, 1979, 131). By arguing that the international system is made up of unitary states each pursuing their own interests within an anarchical system, realism makes the assumption that all states are unitary actors concerned with their own territorial integrity. Certainly Australia fits the definition of a sovereign nation-state being a ‘geographical and political entity with a commonly respected border and a national political and judicial system’ (Burchill, 1994, 3). Importantly, when the political elite claims that a given foreign policy is good for the state they are presupposing the state has unitary national interests that are commonly shared by all its citizens (Burchill, 1994, 3). The term unitary state invokes questions over the concepts of sovereignty being political authority based on territory and autonomy; territoriality being the exclusive right to political authority over a defined geographical space, and autonomy where no external actor enjoys authority within the state’s borders (Viotti & Kauppi, 1997, 48).

**Australian realism**

Importantly then how much weight should be given to the realist assumptions in the determination of Canberra’s policy toward East Timor? Australia as a middle power on the world scale has limited influence but regionally its power is quite substantial (Evans & Grant, 1995, 343). Consequently Australia’s political elite, for example Gough Whitlam, displayed a preference for dealing with a small number of states. This follows the realist argument that since the ‘Treaty of Westphalia eight major states at most have sought to co-exist peacefully or contended for mastery’ (Waltz, 1979, 131). The desire
for order and stability in realist thinking results in a preference for the status quo with conflict necessary to correct shifts in the balance of power. Realism is concerned with strategic interaction, the balance of power and the continuity of the structure of the international system and not with the internal issues of states, for example, democratisation. For instance, the secessionist impulse in Bougainville linked to social and environmental dislocation caused by CRA Copper mine operations did not persuade Australia’s Hawke Labor Government to support the indigenous population. Indeed, the government reaffirmed its commitment to Papua New Guinea’s integrity and increased military aid presumably because Australian interests were at stake (Fry, 1991, 99). Moreover, much the same occurred with respect to East Timor where for over two decades any debate in Australia over Indonesia’s annexation of the territory had been disciplined by the need for regional security. Indonesia must be preserved as a unified state to provide a bastion against instabilities that may arise in the region.

The difficulty in adopting this approach is that it ignores the aspirations of people who seek self-determination because they do not wish to belong to a larger state or be governed in common with others. Often this is accompanied by violence that may overflow into regional volatility. Stability is therefore an abstract term that realists only recognise in terms of states maximising their power and exploiting their spheres of influence to create favourable conditions in which to survive. Stability interpreted under such a perspective remains rather narrowly defined as it ignores the plight of those struggling for democracy whose life is anything but stable in a repressive regime.

As a consequence the interests of the East Timorese were studiously included as being defined within the unitary Indonesian state by Australian foreign policy-makers. Foreign policy that supports existing boundaries as being the preferred shape of Indonesia, and representing it as a cohesive modern independent post-colonial state however becomes unsustainable. Even the most ardent realist must as a consequence have a view that allows for the disintegration of artificially constructed states like Indonesia. The construction of new states within this fragmentation would still fit into
the realist’s description of world politics with states being recognised as the central actors and shifts in power being necessary in a self-help system.

Woolcott’s bilateralism

Irrespective, of the theoretical issues an analysis of the statements and writings of the influential Richard Woolcott provides considerable evidence of realist assumptions within the Australian governments’ determination of foreign policy. Woolcott was one of only two senior diplomats who attended the Wonosobo meeting between Gough Whitlam and President Suharto in September 1974 (Dunn, 1996, 125). A discussion of Woolcott’s bilateral realist stance will therefore provide an insight into the approach that until 1999 has been consistently adopted by Australian policy-makers.

Writing in The Australian Woolcott claimed that the Australian government in the 1997 Defence White Paper rightly focused on the national interest (as he understands and defines it) as opposed to any views Australia is retreating from Asia (Woolcott, 1997). Woolcott however, avoided the institutionalist approach congratulating the government for correctly placing more emphasis on bilateral realism rather than multilateral idealism and targets the real issue of Australia as having little choice over increasing engagement with Asia as it is ‘not just a marketplace for us but a neighbourhood’ (Woolcott, 1997). This engagement is political, cultural, economic and strategic. Woolcott saw the contents of the White Paper as not involving Australians in any form of idealism trying to reform the region, and for having clearly understood the realities of diplomatic relations in the pursuit of Australia’s national interest.

Even so, Woolcott claimed the White Paper also provided the government with the opportunity to give unqualified commitment to racial equality and to the elimination of racial discrimination as a tenet and ‘guiding principle of Australia’s international behaviour’ (Woolcott, 1997). An interesting observation because when he was Ambassador to Indonesia in 1975 he suggested a pragmatic stand rather than one of
principle by Australia as a response to the pending invasion of East Timor. His reasoning was that the pursuit of the national interest and making of foreign policy should be bereft of idealism or merely defined in commercial terms (Toohey & Wilkinson, 1987, 179-180). Bilateral realism in Woolcott’s terms saw Australian foreign policy toward East Timor as being necessarily negligent of human rights issues.

Additional support for Woolcott’s views surfaced in the proceedings of the 1994 Conference on Indonesia held in Canberra by the Australian Institute of International Affairs. Senator Gareth Evans, and Shadow Minister Peter Reith echoed Woolcott’s pragmatic bilateral approach by suggesting Australia should ‘keep in perspective’ Indonesia’s oppression in East Timor (Barker, 1994). Strategic and security interests supersede Australia’s response to human rights abuses—at least this was the case toward East Timor. For example, Gareth Evans’ response to the Santa Cruz massacre in 1991 was to suggest that the massacre was an ‘aberration’ as he welcomed Indonesia’s investigation into bringing those responsible to justice (Dunn, 1996, 348). All Australian foreign affairs ministers have argued that recognition of incorporation of East Timor into Indonesia has helped the plight of the East Timorese. The general thrust of Australian diplomacy had been one of gentle persuasion and quiet diplomacy with the aim of achieving an improvement in human rights in East Timor (Dunn, 1996, 349). However as James Dunn argues, the policy of quiet diplomacy was designed to ‘make integration a success not to question it’ thus avoiding the issue of self-determination for East Timor (Dunn, 1996, 349). In the UN Australia has a history of giving direct support to Indonesia or has been a key player in ‘watering down’ resolutions seeking responses from Indonesia—this despite international criticism of the regime’s human rights record (Dunn, 1996, 349). In a further demonstration of support Prime Minister Paul Keating travelled to US in 1993 and made diplomatic utterances to President Clinton to withdraw human rights issues from underpinning defence and economic contracts with Indonesia (Aubrey, 1998, 287). Clearly, Australia’s support of Indonesia had in mind the aim to minimise offence to Suharto’s regime.
Indonesia's regional importance

Nonetheless, the relationship with Indonesia since 1945 has been episodic and has tended to be highlighted by conflicts. From 1945-49 the Chifley Labor government gave support to NEI decolonisation; the Menzies Liberal governments after 1949 became increasingly suspicious of Indonesian foreign policy fuelled by claims to West New Guinea (Smith et. al., 1996, 151-2). During the 1950s and 1960s, President Sukarno alarmed Australian policy-makers by engaging in the Malaysian Confrontation, and appearing as a communist collaborator as he embarked in dialogue with the Soviet Union and China. In 1966, when Suharto emerged as the new leader, Indonesia changed its foreign policies to become formally non-aligned (Smith et. al., 1996, 152). These transformations changed the orientation of Australian policy-makers from considering Indonesia as being a potential threat to one of potential ally in the Cold War (Smith et. al., 1996, 151-2).

Since the end of the Cold War Indonesia's importance in the region has grown. The significance as a friend for Australia seemed obvious in assisting Australia's thrust into South East Asia. Unquestionably, 'Indonesia has the power to facilitate or check Australia's' entrance into the regional forums and also the capability to disturb or enhance the regional balance of power (Viviani, 1976, 201). Consequently, diplomatic presentations of Australia's defence plans have throughout the 1980s and 1990s taken considerable care to not see Indonesia as a threat. Nevertheless, all Defence White Papers to date have involved greater emphasis on defending the north (Smith et. al., 1996, 153). At the core of Australia's security policy is the national interest in encouraging the maintenance of a favourable strategic area by contributing to ensuring the regional states remain free of major instability and external interference (Mediansky & Palfreeman, 1988, 116). Essentially, the major strategic concern for Australia is the seemingly developing five-sided balance of power emerging in the Asia-Pacific between China, US, Russia, India and Japan (Dibb, 1995). Australian policy-makers have historically expressed concern over the influence and ambitions of China, for example, Hasluck in
1964 when he became Foreign Affairs Minister declared ‘South East Asia is threatened by the Communist Chinese’ (Renouf, 1979, 326.) Such beliefs in part resulted in Australia becoming involved in the Vietnam conflict.

Paul Dibb claims the states in the region namely Indonesia, Papua New Guinea, the islands in the South West Pacific and New Zealand are all basically friendly with no apparent ‘disputed territorial issues’ (Dibb, 1992, 2). However, concerns do exist. The future of American involvement; the ambitions of China, Japan, and India; the relationship between India and Pakistan; North Korea; and the dispute in the South China Sea over ownership of the Spratly group of islands (Dibb, 1992, 2). Indonesia shows concern for China’s claims to the ocean areas near the Natuna islands (which is Indonesian territory) and the growing Chinese influence in Myanmar. Australia also holds fears over Indonesia’s ability to secure its territorial waters near the strategic approaches to the Straits of Malacca (Sherwood, 1994, 44). China is a rising superpower with the potential to rival the influence and power of the US in the region much to the concern of Australian governments. Should the Asian balance of power shift to favour China, Australian policy-makers will feel insecure. For this reason a strong and united Indonesia represents for Australia a bulwark against such a possibility.

The instability therefore caused by nationalism in the small territory of East Timor added to the fear Australian diplomats and political leaders have of states breaking up in the Indonesian archipelago. Such an occurrence would conceivably lower the resistance Indonesia would be able to mount against China and may provide a corridor through which Australia’s security could be compromised. Equally, new states in the region could be brought under the influence of more powerful states. For Australia, these represent key strategic uncertainties and since the 1997 White Paper, not a great deal has changed as these same concerns influence defence and foreign policy. Australia’s foreign and defence policies thus reflect an attempt to shape a strategic environment in the region, which meets its security interests.
Regional mini-states

The concept of mini-states does not sit well with some regional powers and Australia is no exception. The idea of new small states not strong enough to defend themselves from external manipulation suggests to the regional power there is a chance of other regional power brokers attempting a 'hand at regional politics' (Navaratna-Bandara, 1995, 89). In an effort to contain the proposed mini-state's secessionist activity or to deny self-determination claims, a big neighbour may intervene with force (Navaratna-Bandara, 1995, 121). Indonesia did so in December 1975 after a period of clandestine operations to destabilise the East Timorese community. The coup in the territory provided a trigger for Suharto to sanction the invasion on the justification of bringing order to a potentially unstable small independent state within the Indonesian archipelago. Very few countries though have achieved independence without going through a period of instability. Suharto was not prepared to wait he sought the military option rather than being a mute spectator because he saw the small state of East Timor as being a potential security threat to his regime (Arndt, 1979, 16).

There has also been long held dislike by Australian policy-makers for mini-states and this is clearly demonstrated by Gough Whitlam. When in power he suggested the Solomons and the New Hebrides islands should combine. Nancy Viviani noted 'he genuinely had an obsession about the stupidity of creating small nation-states'. (Viviani, 1976, 203). Arguably this notion existed on both sides of politics and probably was a factor in the Liberal Australian government granting de jure recognition of Indonesian sovereignty over East Timor in 1979. The notion is again supported by the later Hawke Labor government refusing to support the creation of another mini-state in Bougainville that would see the possibility of the disintegration of Papua New Guinea if other small islands pressed for independence (Navaratna-Bandara, 1995, 89). Much the same argument was continually uttered over the East Timor issue. Any instability in the Indonesian archipelago is construed as posing a threat to Australia's national interest—so defined. But despite the diverse ethnicity and vastness of Indonesia, East Timor was
never part of Indonesia, which only took control by annexing the territory in 1976. Internationally the world community has adopted a doctrine of ‘non-recognition of territorial changes brought about by force or threat of force’ (Navaratna-Bandara, 1995, 90). Notwithstanding this doctrine, it is this dislike of mini-states and fear of instability by the Australian political elite, which contributed to preventing them from accepting the secession of territories or islands in the region.

*Geo-strategic realities*

Australia’s coastline stretches approximately 21,600km and the 1994 Maritime Legislation Amendment extended Australia’s claims in accordance with the United Nations Convention on Law of the Sea to 200 nautical miles Exclusive Economic Zone (EEZ) (Sherwood, 1994, 31). This gives the Australian government one of the largest ocean areas of the world to oversee (McCaffrie et al., 1995, 49-50). As a nation-state surrounded by water and the ninth largest trading economy Australia has ‘the biggest transport task measured in tonne kilometres. The economy is dependent on ships to transport in produce and goods and take out minerals, primary produce and manufactured exports’ (McCaffrie et al., 1995, 49-50).

In 1995 imports and exports combined amounted to 34 per cent of the country’s gross National Product (GNP) or approximately AUD$400 billion (McCaffrie et al., 1995, 49-50). Of this sea transport carried around 76 per cent (AUD$100 billion) by value and over 99 per cent by weight (300 million tonnes) (McCaffrie et al., 1995, 49-50). Moreover, freight charges for imports and exports totalled AUD$6.2 billion and the coastal freight charges amount to AUD$700 million (McCaffrie et al., 1995, 49-50). In terms of visits to ports this all amounts to in excess of 10,000 calls per year made by ships of all nationalities which travel 64,000 million kilometres within the Search and Rescue Area (which is greater than the EEZ) (McCaffrie et al., 1995, 49-50). Marine trade is therefore of extreme importance to the prosperity of Australia’s citizens and so becomes an issue for the Defence and foreign policy-makers.
The traditional fear of volatility in an unstable region, threats of invasion from the north, and of refugees flooding into Australia all mean Australian political elites work very hard to keep good relations with Indonesia. Territorially large but small in population, Western, separated from mainland Asia geographically and psychologically, at best Australia is an associate member of the Asian states (Millar, 1991, 335). Limited political and economic power often prevents Australia from taking the major initiative in South East Asia despite the rhetoric about engagement emanating from the political leadership (Millar, 1991, 335). Irrespective of the rates of success, Australia’s defence and foreign policies continue to stress South East Asia and the Indonesian archipelago as crucial.

Lessons of history, geography and common sense indicate Australia cannot ignore the strategic challenges the region pose. Broadly speaking Australia’s neighbourhood covers almost 50 per cent of the earth (Sherwood, 1994, 35). The nature of the region being distinctly maritime and historical tradition indicates the region contains many significant sea-lanes and focal areas for trade. Kim Beazley, ex-Labor Defence Minister, noted ‘the ability of the nations contained therein to control their own affairs rests squarely on control of the maritime environment’ (Ball, 1990, 341). The sea-lanes passing through the Indonesian archipelago represent crucial avenues through which trade with North Asia and Indo-China pass. Defence policy governed by this reality places the archipelago as a region of strategic interest and focal area of surveillance.

The nation-states of the Asia-Pacific are becoming increasingly aware of marine resources and the subsequent threats to national security arising from transit by shipping through the surrounding oceans (Sherwood, 1994, 31). The Australian government has for some time acknowledged the threats from environmental pollution of waterways and oceans, increasing narcotics trade and the possibility of unregulated population flows. The concerns are however growing in national importance (Sherwood, 1994, 32). As a result, Australian citizens should have a reasonable expectation from their governments
to adopt appropriate policies that afford protection. Beazley adequately described this policy by stating South East Asia along with the South Pacific forms Australia’s ‘area of primary strategic interest... (and)...the sea lines of communication’ are essentially that security interest (Sherwood, 1994, 35). For this reason, Australia pursues a policy of dialogue with ASEAN to boost the confidence of regional countries with the aim of ‘weaving a web of regional security cooperation’ (Sherwood, 1994, 43). Gareth Evans in his 1991 Ministerial Statement on regional security stated such focus was ‘in order to locate Australia’s regional defence policy in such a broader regional security policy envelope...(and the non military policy gave)... instrumental value to the maintenance of a positive security and strategic environment for Australia in our region’ (Fry, 1991, 146).

In essence, Australian policy makers have striven to preserve the Indonesian state believing its integrity will ‘shore up’ Australia’s security in the region. Moreover, the basing of policies on the understanding that all the regional maritime nations desire freedom of navigation for both military and commercial shipping is a point where cooperation can begin (Davis, 1996, 19). Australia’s foreign and defence policies reflect an attempt to shape a strategic environment in the region, which includes Indonesia’s geographical boundaries. The result is the development of a foreign policy that has been obstructive to East Timor’s claims for self-determination; and where Australian policymakers in an effort to meet security imperatives, have preferred to promote the immutability of the Indonesian state.

*Indonesia-as a unitary state?*

Because realists assume the idea of the unitary state they firmly believe that the state has unitary interests particularly that of national survival. In terms of Australian interests in the Indonesian archipelago the political elites assume they are acting in the best interests of all Australians and that these interests are shared (Burchill, 1994, 3). Not to make this assumption challenges the realist notion of sovereignty of the state.
Certainly the argument and the assumption rests on reasonably firm ground by asserting a common interest in strategic terms where the population is assumed to want to remain citizens of their ‘particular state’ (Burchill, 1994, 5). Indeed, when Gareth Evans argued ‘all foreign policy is, or should be, directed at the protection and advancement of the national interest’ realism immediately emerges as a theoretical underpinning (Burchill, 1991, 4). However, assumptions about the unitary state (as in realism) may be challenged by discussion over the definition of Indonesia as a unitary state by Australian policymakers.

According to Damien Kingsbury, throughout Indonesia there are many provinces that openly acknowledge they are Indonesian but many associate themselves with other minorities within the state rather than with the Indonesian government in Jakarta (Kingsbury, 1998, 174). Many of the archipelago’s peoples resent Javanese domination of Indonesian politics and identify more closely with their cultural group (Kingsbury, 1998, 174). The question of whether citizens of a state want to remain part of that state arises when dealing with nationalist behaviour. Nationalist phenomena is vast and driven by ethnicity, religion, language and culture, the politics of liberalism, communism, fascism, integrationists, separatists and irredentists (Hutchinson & Smith, 1994, 4). The goals of achieving autonomy and self-government have common aspirations for nationalist behaviour. Nationalism is thereby initially a doctrine of ‘popular freedom and sovereignty’ (Hutchinson & Smith, 1994, 4). The people must be able to determine their own destiny, be united, gathered together in historic territory and have a ‘homeland’ in which they have legal equality and share a single public culture (Hutchinson & Smith, 1994, 4). The idea of the state fits comfortably within Max Weber’s definition of the state as ‘that agency within society which possesses the monopoly of legitimate violence’ (Gellner, 1988, 3). The assumption of the unitary state in realism is challenged when it can be identified that nationalism is ‘more often located in subnational organizations and parties than in social and political institutions of the dominant culture’ (Manzo, 1996, 5).
The Indonesian government has outwardly promoted the appearance of a unified state and the notion of an imperialist power demanding unqualified devotion from its citizens has come from the ongoing ideal of power prestige. The TNI (Indonesian Armed Forces) dealt with opposition to themselves and the state (often construed as the same thing) by force. The violence inherent in Indonesia's political process has historical roots in the violent manner in which the country gained independence. And, in the cultures of varied peoples, the manner in which dominant groups and the individuals who have chartered the state's progress (Kingsbury, 1998, 3). A legacy of Dutch colonialism was the concept that power needed to be centralised. Up to the time of independence the Javanese had been foremost in leading the revolution against the Dutch. A natural consequence was that they should lead the new state after independence. As the most populous province and having been at the centre of Dutch administration meant that the Javanese had some justification in claiming to be the ruling group (Kingsbury, 1998, 46). For the Javanese who have continually held power in steering the common conduct of being a unified state, the notion of the state as an imperialist power demanding unqualified devotion came from the on-going ideal of power prestige (Hutchinson & Smith, 1994, 4).

Inside this structure there existed material and ideological interests that were privileged within the polity which transformed into the idea of a unified nation-state. For example, Sukarno's idea of Guided Democracy supported by martial law in 1958 served to strengthen the TNI providing legal grounds for the army's intervention in civil affairs (Kingsbury, 1998, 52). TNI (then ABRI) with Sukarno as president had claimed it was the only institution with the organisational skills to manage the state of Indonesia. Under Suharto and his New Order government liberalism and representative democracy were vehemently rejected (Kingsbury, 1998, 69). TNI dealt with opposition to their claims as if it were opposition to the state with severe consequences meaning political consensus counted for nothing and force was the rule.
This may have been partially successful but the expansion of the Indonesian state to include East Timor was not politically successful. Furthermore, acceptance of Javanese domination has been historically rejected in Aceh, and there is strain between ethnic Indonesian and ethnic Chinese groups, the latter having tended to dominate business interests. As much the tensions between the Islamic majority and Christians scattered throughout the archipelago also provide reasons for nationalist sentiment to overrun leading to violence (Kingsbury, 1998, 48). If the ideas of Sukarno in having a vision of a unified state are scrutinised cracks appear in the vision as it focused both on power and economic resources being centralised in Jakarta. Sukarno's nationalist ideas for a greater Indonesia may have been endorsed by intellectuals and the armed forces, but throughout the outer reaches of the former Dutch colony there was 'at least as much to separate as to bind' (Kingsbury, 1998, 47).

**Indonesian politics**

The internal construct gives a picture of corruption of power, violence and repression of political dissent on a grand scale. This did not change during Suharto's presidency as he and the New Order government controlled the Opposition parties that were formed under the auspices of the government (Kingsbury, 1998, 71). Government permission was required for political rallies and no criticism of policies was permitted. People found violating electoral rules were liable to be charged with subversion of the state (Kingsbury, 1998, 71). This control is enforced by TNI, often by violent means, as it has adopted the 'dual function' of defending the state and helping to administer it by maintaining political stability (Kingsbury, 1998, 7). In return the interests of Suharto and the generals have been closely intertwined. In East Timor control of the sandalwood forests rested with Batara Indra, a conglomerate backed by retired generals Moerdani and Kalbuadi (Aditjondro, 1999). And, Suharto's eldest daughter Rukmana who also held a monopoly on coffee production and export from the territory owns the best marble deposits. The connection is that Batara Indra also exports Buddhist statues produced from Sandalwood and marble (Aditjondro, 1999). According to George Aditjondro, the
'entire top brass of (TNI) and civilian bureaucracy in East Timor are closely interlinked with Suharto’s inner circle'..., which is a compelling reason why there had been political and violent repression in East Timor (Aditjondro, 1999).

Indonesia’s immutability

What also emerges from the corruption of power is that the people across the Indonesian archipelago had little say in the political development of their state. According to Kingsbury, Indonesia was pulled together from the disparate remnants of a former Dutch colony (Kingsbury, 1998, 10). The claim however that the nation-state of Indonesia is a unitary state may be untenable especially when such fervent opposition to incorporation exists throughout the archipelago. ‘Neither nations nor states exist at all times and in all circumstances’ (Gellner, 1988, 6). Perhaps the idea that people share the same culture has merit, as does the idea that people recognise each other as belonging to the same nation. Neither however is a complete definition in itself. Indonesia is one example where diverse societies have been congregated to form what globally represents a multi-ethnic/multi-cultural unitary state.

In a sense Indonesia has always been aware of diverse cultural differences. The nationalist slogan ‘unity in diversity’ followed the belief that cohesion would come through embracing these differences (Kingsbury, 1998, 163). In reality Indonesia has become a centrist state based in Jakarta reflecting Central Javanese ‘conceptions of appropriate political and social behaviour’ (Kingsbury, 1998, 11). The practical power politics of the regime bent on expanding its position has created opposition and division within the state itself. The idea of the immutability of state boundaries cannot be sustained as shifts in territorial boundaries do occur in world politics as evidenced by the collapse of the Soviet Union and the conflicts in the Balkans. Certainly boundaries based on the illegitimacy of Dutch colonialism present challenges to the immutability of the Indonesian state. As a consequence, the idea of Indonesia as a unified state with common goals may also be challenged, as it is arguably an artificial edifice.
Under such a kaleidoscope of different races of people it seems unwise for Australian policy to focus on the state of Indonesia as being a cohesive unitary state ignoring the nationalist groupings in Aceh, Irian Jaya and in the past East Timor. The incorporation of a national territory into a larger empire by political rulers belonging to a nation other than the majority of the ruled is often an intolerable violation of rights (Gellner, 1988, 1). Such impropriety manifested a nationalist spirit within East Timor that rejected domination often by violent means. The East Timorese goals of achieving autonomy and self-government have been common aspirations for their nationalist behaviour and could not be eliminated.

*Why not East Timor?*

The people of East Timor seemed to qualify as a community meeting the requirements for nationalism to manifest itself into a politically recognised independent state. Australia's Department of Defence understood the possibility of an independent East Timor yet DFA successfully lobbied against Australia diplomatically promoting such a scenario. It was in Australia’s national interest to incorporate East Timor into Indonesia. Nonetheless, by applying the notion of in the ‘national interest’ to Australian foreign policy towards Indonesia a compelling question arises when considering the people of East Timor. Why were some entitled to self-determination in a form of their own choosing and others not? In part this can be explained by the application of strategic realism assumptions influencing Australia's political elite policy decisions which have been struck by an intense fear of existing states breaking up within the region. To ensure cohesion and stability, Australian governments have befriended the authoritarian Indonesian regime regardless of the documented human rights abuses perpetrated against the East Timorese.

The promotion of friendship with Indonesia and diplomatic efforts to ensure its territorial integrity has been a priority for all Australian foreign ministers since Evatt.
Perhaps this is driven by the traditional fear Australian governments have held of Indonesia and other regional Asian powers. The fear of excessive migration, of refugees fleeing conflicts, and of the growing military strength of regional players is only satiated by security pacts such as ANZUS, and in promoting regional friendships. Conversely it may be driven by the political elites’ own version of what they perceive is in Australia’s best interests as being solely based on the common security interest as opposed to the inclusion of issues such as the environment, human rights and economic justice (Burchill, 1994, 5).

**Conclusion**

In many respects Australian foreign policy-makers follow the security dilemma perspective articulated by the realist tradition. From Morgenthau to Waltz this tradition has stressed that international politics involves an anarchical world made up of sovereign nation-states each attempting to maximise their own power and interests. The Defence White Papers delivered in Parliament by governments give credibility to this perspective not only at the global level but also at the regional. Australia’s relationship with Indonesia recognises the status of the archipelago as being of strategic importance and crucial to Australia’s power projection into South East Asia. Having a stable and cohesive Indonesian archipelago ruled by a friendly government has been the goal of all Australian foreign policy-makers.

Historically, some Australians and governments have held an irrational fear of Asian people streaming down to invade the country. Various measures have been undertaken by policy-makers to protect the integrity of Australia; these have included implementing racially unacceptable immigration policies and relying on a powerful friend. No perceivable threats are obvious but the search for security goes on. The Defence White Papers have identified possible regional conflicts, Australia’s otherness in the region and the necessity of engagement with Asia. The White Papers also locate Australia’s national interests within the traditional definition of security which meets the realist paradigm and
gives justification to the argument Australian political elites are interpreting foreign policy from a strategic realist posture. The importance of the state, the preoccupation with military security and the projection of power are foremost among these. The relationship that Australia seeks with Indonesia is almost exclusive of other concerns as the elite pursues a policy of promoting regional stability and cohesion.

Certainly, Indonesia does rank highly in strategic importance as it sits astride crucial sea-lanes required by both military and commercial shipping. Australia’s geo-strategic location is primarily maritime, as it has no land borders with any other power. With the considerable amount of goods passing daily through Australian ports it is understandable the South East Asian region and the Indonesian archipelago should occupy the minds of the policy-makers. The projection of power by Australia into these areas identifies the concerns over possible conflict in the region and the threat this would be to Australia’s advantage.

The assumptions of realism evident in Australian foreign policy have meant that Indonesia has always been thought of as a unitary state which will stay intact. And, these assumptions have clearly influenced the determination of policy toward East Timor. The idea of mini-states forming from any fragmentation resulted in the Australian political elite giving little support to the right to self-determination of the East Timorese. Australia had not canvassed the possibility that East Timor would gain independence preferring to recognise its incorporation into Indonesia. However, changes to the political boundaries of states are common. And significantly, the denial of the right to self-determination often kindles conflict and violence. This in itself can be the volatility which realists fear. What ramifications would such a possibility have in defining Australia’s national interest? Chapter three expands on what is the ‘national interest’ and considers how the influential Richard Woolcott has defined it.
CHAPTER THREE

Statecraft and the National Interest

Introduction

Perhaps a relevant place to begin with the concept of the national interest is starting with the truism that all foreign policy begins with the protection and advancement of the nation-state’s national interest (Evans & Grant, 1995, 33). But what is the national interest? It could be described as the development by the government of a coherent set of policies reflecting the individual, social, and sectional interests existing within the nation-state for presentation to the outside world (Burchill, 1994, 1). The mythical notion that a policy is for the common good invokes an aura of loyalty and patriotism, and may be used by the political elite to justify a controversial policy to press upon the public the specific views of ruling groups (Burchill, 1994, 1). It is also possible to argue that the apparent permanently fixed features of the foreign policy transcending changes in government can be labelled the national interest (Haas, 1975, 44). The need therefore to ensure a government does not depart from the national myth gives some form of consistency to national foreign policies through changes in government (Haas, 1975, 44). For Australian policy-makers, the overriding geopolitical or strategic interest remains the defence of Australian sovereignty and political independence (Evans & Grant, 1995, 33).

This rigidity and exclusive grasp of reality was demonstrated during the second Gulf war when the policy process was closed to the Australian public and its Parliamentary institutions were taken for granted (Leaver & Cox et al., 1997, 17). The lack of political debate highlighted the elites’ ‘lack of acknowledgement of the enormously contested nature of their assumptions about the reality of the Gulf conflict, ‘resulting in the prompt
dispatch of Australian military personnel in support of the United States action' (Leaver & Cox et al., 1997, 17). The reluctance 'to acknowledge the debatability or even the actuality of public choices' indicates a notion that those in power are experts at determining what is best for the Australian public (Leaver & Cox et al., 1997, 17). These experts have the national interest firmly in mind in their diplomatic endeavour and often have much closer relationships with the leaders in other nation-states.

Ernst Haas supports the argument by suggesting the national interest is 'little more than the claim on other states which correspond to the specific aims of ruling groups' (Haas, 1975, 45). It is therefore possible to claim that experts in diplomacy and strategic thinking are only concerned with the requirement for order and stability, the understanding of power politics and the vicissitudes of international affairs. Expert strategic thinking developed two differing opinions that were subsequently presented to the Australian government in 1975 as a response to the events occurring in East Timor. Both took recognition of Australia's national interest in the region. The view of the DFA however prevailed to become the adopted policy that successive governments historically defended.

**Differing options in 1975**

Over the years the option put forward by the Department of Defence in 1975 has rarely been spoken of. Generally the Australian government sold the invasion of East Timor to the Australian public as an inevitable outcome and that it had little choice but to accept what had happened. The government's assessment was that there was not a great deal that could have been done, and that there really was no other alternative.

In an unusual break with tradition, the Department of Defence usually known as an ultra-conservative institution made a recommendation to the government on how the situation in East Timor should be handled. The minute dated 9 October 1975 (two months before the invasion) to the Minister of Defence, W.L. Morrison rejected the
arguments put forward by the Australian Ambassador in Jakarta (Richard Woolcott) (Toohey & Wilkinson, 1987, 183). Specifically, the Department argued that the Australian government should persuade the Indonesian regime to accept 'the unpalatable reality of Fretilin' (Toohey & Wilkinson, 1987, 183). The submission by W.R. Pritchett, First Secretary, takes account of the importance a 'secure, united and well-disposed Indonesia' is to Australia's strategic policy desideratum (Toohey & Wilkinson, 1987, 184). However he argued that the issue of East Timor might develop in such a way as to harm the relationship between Indonesia and Australia with the result being an erosion of the mutual understanding and confidence between the two countries.

Pritchett saw that there would be a problem in the relationship whether Australia opposed a forceful takeover of East Timor by Indonesia or otherwise. The Australian domestic reaction to the use of force by Indonesia may be immense and something that the government if it did little in response had to determine if it could survive (Toohey & Wilkinson, 1987, 186). Equally, Indonesia's reaction to any Australian opposition to its forceful action in East Timor may be unfavourable and the continuation of friendly relations may deteriorate.

Despite the policy dilemma the Department continued to submit that the Indonesians be persuaded to accept the reality of an independent state of East Timor. Such a stance would risk Indonesian suspicion but would remove the threat of force and satisfy demands for self-determination (Toohey & Wilkinson, 1987, 189). The Department's position was such that it could not support an expansion of the Indonesian state. The idea of supporting Indonesian nationalism, which increased Indonesian territory by the use of force, was anathema to good strategic planning. Having an independent East Timor would provide a security buffer for Australia against Indonesian regional ambitions. Pritchett was against a policy of riding out the expected difficulties and suggested that the defence interest and policy be separated from political policy. He felt the importance of the common strategic interest with Indonesia needed public emphasis (Toohey & Wilkinson, 1987, 190).
In terms of the concerns expressed over communism, Australia and Indonesia could jointly work toward gaining a settlement that would reduce the possibility of external infiltration gaining ascendancy in the region (Toohey & Wilkinson, 1987, 189). The result would be a substantial field of cooperation being injected into the relationship. And, any bitterness over Australian support for East Timor could be offset by getting on with 'the follow-on' defence aid program (Toohey & Wilkinson, 1987, 190). To this end, the Department of Defence was sceptical of the DFA arguments.

In contrast the DFA recommendation differed to the Department of Defence option in its assessments of the situation and the course the government ought to pursue. In a sense the pro-Indonesian policy developed more strongly under the tutelage of DFA and Whitlam. DFA, in particular Woolcott, thought that if the takeover of East Timor occurred by force then any adverse Australian domestic reaction should be dealt with to minimise the harming of relations. He suggested that Australian domestic reactions should be contained in the interests of preserving the long-term national interest (Toohey & Wilkinson, 1987, 187). Woolcott and the DFA alluded to the defence interest above trade and investment as being critical to Australia's national interest. Indonesia was a large territory inherently unstable and one through which an attack could be launched. Indonesia itself was most favourably placed to attack Australia. Any such attack by Indonesia would not necessarily be of global proportions so Australia may have to stand-alone. Friendly and cooperative relations with Indonesia were therefore essential especially in view of its proximity to Australia. With the strategic and commercial national interests in mind there was a 'plea for understanding' of Indonesia's concerns over East Timor made by Foreign Affairs to the Australian government (Toohey & Wilkinson, 1987, 175).

In the end the DFA option was the one that prevailed and transcended all governments through until 1999. Political policy overruled the Department of Defence option most probably due to the single-mindedness of Prime Minister Gough Whitlam, and because
of the recommendations in cables from Ambassador Woolcott in Jakarta. Successive governments were committed to defending the policy believing in their own rhetoric—Australia’s long-term national interests of security and economic survival encompassed a stable and secure region which included the unitary state of Indonesia. Woolcott’s position is an example of how DFA presented its arguments at the time based on what was in the national interest and how this was construed. An analysis of Woolcott’s interpretation of the national interest therefore gives an insight into how foreign policy has been determined in Australia. And, because of his influence and preparedness to defend his position he makes an obvious case to examine.

Challenges for Woolcott’s interpretation of the common good

Woolcott followed the belief that a pragmatic rather than a principled approach to diplomacy better serves Australia’s national interest (Toohey & Wilkinson, 1987, 179-180). For Australia, a stable and cohesive South East Asian region has become a priority in foreign policy articulation. Under such evaluation the nationalist guerrilla movement in East Timor could be construed as a threat to the stability of Indonesia and in consequence a threat to Australia’s national interest. Nonetheless, this form of strategic realism raises issues challenging the notion of what is in the national interest and in whose interests is the political elite acting? And, is a state that discourages public debate on the formulation of foreign policy acting in the common good?

According to the Australian Foreign Policy orthodoxy, national interests transcend changes in government (Burchill, 1994, 4). Arguably three basic issues are identified as core interests. First, national survival, second, economic vitality and prosperity ensuring economic growth and third, preservation of the society’s core values, for example, democratic rights (Viotti & Kauppi, 1997, 86). Nonetheless, a clear definition of national interest becomes problematic as it can cover everything from these core interests to peculiar cultural—national values of what it is to be Australian, amongst others (Burchill, 1991, 36-7). But if Hans Morgenthau is used as the prime example of describing the
early realist definition of national interest in terms of the pursuit of power by states, it becomes relatively easy to understand Woolcott’s interpretation of diplomacy.

However, states are merely human creations that are made up of individuals and groups each having separate interests (Burchill, 1994, 4). To this extent states are not in themselves moral agents. Irrespective of these theoretical underpinnings it is difficult to argue that a state’s citizens would not have a common interest in security. This is why the criterion of invoking decisions in the national interest by governments deflects criticism and narrows the focus of the objective in terms of being in the common good.

A logical conclusion could thereby be proposed that those in power believe they know what is best with the result the national interest becomes what the elite declares it to be. During the months leading up to the invasion of East Timor, Woolcott saw the relationship with Indonesia as critical to the national interest and declared Australia should do nothing in response. Australia’s national interest did not include an independent East Timor within the Indonesian archipelago. He favoured an Australian foreign policy that steered clear of becoming involved and a policy that disengaged itself from East Timor. Woolcott had recommended strongly against Australian opposition to the use of force by Indonesia (Toohey & Wilkinson, 1987, 176).

Essentially, Woolcott’s assessment of the national interest in 1975 led him to declare to his political masters in Canberra to leave events in East Timor to take their course and should Indonesia intervene, to act in a manner that would privately give support to Indonesia but ‘minimise public impact’ in Australia (Toohey & Wilkinson, 1987, 179). His cables argued that Indonesia was looking for understanding from the Australian government of their attitude toward East Timor and to take action to assist in deflecting Australian public criticism. Woolcott also claimed that it would be easier to deal with Jakarta than Dili in negotiations over the suspected oil and gas reserves of the Timor Sea (Toohey & Wilkinson, 1987, 179). He did qualify his statements not wanting the Australian government to become ‘apologists for Indonesia’ but he then stated
‘(p)haps we should make an effort to secure through Parliament and the media a greater understanding of our policy, and Indonesia’s...’ (Toohey & Wilkinson, 1987, 179). Did this mean the Australian media and public would need to be ‘massaged’ on the policy being recommended? Could the national interest therefore be a little more complicated to define than the elite contends, especially if it is to be ‘common’?

In an article in The Canberra Times on 11 August 1994 Woolcott recognised as such by stating there is a contrast....

"between the warm and healthy state of relations between the Australian and the Indonesian governments, the business communities, and increasingly the cultural and academic communities on the one hand, and, on the other hand, the lingering negative perceptions of Indonesia in the wider Australian community...".

Implicit in this statement is the belief that the political elite, business groups and intelligentsia have a good understanding of the realities of what is in the national interest. The close friendly relationship between governments is in contrast with the perceptions in the wider Australian community. For this the media received much of the blame for presenting superficial television coverage of the events in East Timor. This preyed on the traditional fears and concerns that had permeated Australian society in their attitude toward Indonesia. It was based on outmoded racism, a preoccupation with the human rights abuses in East Timor and the perception of the Indonesian rulers as being corrupt and authoritarian in nature (Woolcott, 1994).

Such a perception represented and informed a widespread ignorance in the community that continually damaged Australia’s diplomatic relationship with Indonesia (Woolcott, 1994). The only practical method in diplomatic relations with Indonesia is to give recognition to the realities of Australia’s national interest and place in the region. Accordingly, Australians are expected to understand that they share crucial security and
economic interests with Indonesia and that Suharto provided strong leadership through the transition in economic and social advances being experienced in the Republic (Barker, 1994). Combine this with Indonesia’s fears over fragmentation, for instance the TNI’s repression in Aceh, and any Australian foreign policy toward Indonesia should reflect an understanding of these problems (Barker, 1994).

*An intrusive public*

Woolcott’s response to public criticism of Indonesia was to suggest that they were dishonest and ‘living in a world of fantasy’ (Barker, 1994). He blamed the negative perception by Australians on ‘a small but vociferous group hostile to Indonesia’ (Woolcott, 1994). He suggested the intrusive and obsessive attitudes by East Timor lobbyists and human rights activists could cripple the wider relationship particularly if the government were to allow its policy to be influenced by such groups (Woolcott, 1994). However does this mean that foreign policy should be left to experts because it is only the political elite who understands the nuances of international diplomacy? And, does this also mean that the public should not participate because they are ignorant of the processes and issues involved? Woolcott argues ‘we cannot allow foreign policy to be made in the streets, by the media or by the unions’ (Woolcott, 1995a). If it is though only the elite who have influence on foreign policy decisions in whose interests are they acting? Is it the public in a democratic state or is it specific interest groups? Perhaps it is a genuine belief by the elite and ruling groups ‘that national interest will flow from the enlightened judgments of what they think will profit the collective whole...’ (Burchill, 1994, 5).

Certainly Woolcott is sure about who should make international diplomatic decisions, and the influence ill-informed lobbyists have on Australia’s relationship with Indonesia. He expressed his worry that people with genuine concerns over human rights in East Timor continued to cause antagonism toward Indonesia in the wider community (Woolcott, 1995b). Woolcott targeted left wing politicians and pro-Fretilin East
Timorese living in Australia as being responsible for continually denigrating the relationship. He cited the 1995 Security Agreement signed in the last months of the Keating Labor government, personally negotiated between Keating and Suharto, as evidence of the importance of the relationship that cannot be undermined or held hostage to the East Timorese lobby (Woolcott, 1995b).

What is missing in Woolcott’s supportive assessment is that the Agreement was negotiated in secret away from public scrutiny—a clear breach of due process in any liberal democracy. How then should the agreement be considered? It clearly is an excellent example supporting the political elite claims that they are the experts in knowing what is in the common good. The agreement was certainly not illegal as the government does have the conferred right to negotiate treaties and agreements. More immediately though it does raise questions over the agreement’s legitimacy in a democratic state which values democratic principles of elected officials undertaking to represent the interests and/or views of citizens whose participation is encouraged (Held, 1987, 4). If the government requires popular consent how may the agreement be considered legitimate if the public were denied participation and knowledge? The agreement hints at a lack of respect for open policy debate and suggests that secret diplomacy remains as a method used by the ruling elite in determining diplomatic relations.

The agreement a ‘body blow’ to the pro-independence supporters

The Security Agreement built on the friendly diplomatic relationship already existing between Australia and Indonesia, and certainly enhanced the close personal relationship between the two leaders. The special relationship that had been the cornerstone of Australia’s foreign policy for decades had reached a new level. For East Timor, the chances of a change in policy to one of support for self-determination had taken a further backward step as political expediency and the national interest had dictated a new chapter in the relationship. The Australian government justified the secrecy by claiming it was
necessary to avoid undue impedance to the negotiations. Gareth Evans said it was ‘difficult to do things in a fishbowl’ (Devine, 1995). He argued the secrecy was needed to ensure a ‘sensible process’ (and) ‘not to be thrown off the rails by people getting very excited about things before it’s appropriate’ (Boreham et al., 1995). One media commentator agreed by considering that the agreement was a ‘fantastic slap in the face for the anti-Indonesian protest groups...it declares definitively that the protest groups cannot set the agenda in the Australia-Indonesia relationship’ (Sheridan, 1995a). Clearly, the so-called East Timor pro-independence lobby was one of those groups this remark was intended for. He also identified the groups as including ‘aid groups, human rights groups, environmentalists, the whole of the left inside and outside the Labor party, some journalists, and now and then all kinds of others—(who) are determined to wreck the relationship’ (Sheridan, 1995b). This list would appear to have covered a substantial segment of the Australian community suggesting the support for East Timor and anti-Indonesian regime feelings were much wider than being acknowledged. However, more on the agreement later as Woolcott has more to say on the protest groups influence on government policy.

*Political activism*

Interestingly, Woolcott described the East Timor activists as a ‘small but vociferous group’ but the concerns he expressed over the influence that such a collective had on government policy suggests that the group was not so small. Which is it, small and insignificant being only nuisance value or substantially influential representing broader community views whereby it became necessary to defend the claim for expertise in international diplomacy away from public scrutiny? The group over the last 25 years had not been successful in changing government policy toward East Timor. Nonetheless, the government always justified its foreign policy on the basis that ‘it must be made by government, giving due weight to public opinion but showing leadership and responsibility’ (Woolcott, 1995a). Woolcott contended the ‘noisy’ group who expressed antagonism toward Indonesia was being led by refugees from East Timor who sought to
‘maintain their conflicts in this country’ (Woolcott, 1995c). To formulate and articulate sound foreign policy toward Indonesia required an understanding of the country’s cultural differences and problems together with strong leadership away from national politics.

It was though not only Woolcott who expressed concern at the seemingly undue influence the community or at least the so-called anti-Indonesia lobby had on government foreign policy making. Duncan Campbell a former Australian diplomat claimed in 1995 ‘Gareth Evans....has allowed the anti-Indonesian lobbyists twice this year...to exert undue influence over Australian policy...(the)...lobby is out of hand’ (Campbell, 1995). Perhaps by quoting Evans this claim can be countered when he wrote ‘the key to successful public diplomacy is in the adoption of democratic processes’ (Evans & Grant, 1995, 71). Evans suggested public diplomacy ‘is not just what we do overseas’ (Evans & Grant, 1995, 71)....and a good government draws on the strengths of its citizens.

Woolcott and Campbell labelled the pro-East Timor and anti-Indonesian protest groups as overtly disruptive and mischievous. This is despite the history of the lack of their success in achieving self-determination for East Timor or in their campaigning to reverse Australia’s decision to give de jure recognition of Indonesian sovereignty over the territory. The political activists who disagreed with their government were thereby labelled anti-Indonesian. Such an interpretation distorts the arguments of the activists and their supporters who were concerned with criticism of government actions and decision making rather than being against the people of Indonesia. After all it was Suharto and his military supporters who were the decision-makers not the population. The insinuation for Australian citizens is that if one does not vote for the incumbent government at an election one could be described as somehow being anti or un-Australian. Surely this is an unreasonable assumption. Woolcott, Campbell, and Sheridan along with their genre would not agree because under their definition anyone who disagreed with Australia’s and Indonesia’s foreign policy in East Timor was expressing anti-Indonesian propaganda and was being ignorant of the issues involved (Woolcott, 1995a). However the flaw in
this argument is that it made no distinction between Indonesia and the Indonesian government—they were treated as one in the same thing and were deliberately conflated.

The secret agreement—evidence of a closer relationship

The elites' version of good relations is based on a government to government relationship and one, which lacks public debate. This was particularly so under Labor in Australia. The mateship, described as a 'warm and enduring personal relationship' between Gareth Evans and Ali Alatas was promoted by the Labor government as crucial for relations between Australia and Indonesia (Evans & Grant, 1995, 200). As if in a demonstration of Indonesia being a 'special case' and different to other bilateral relationships the close Keating-Suharto relationship produced the landmark Security Agreement. Such an agreement was considered as inconceivable if not for the strong bond between the two leaders (Gordon, 1995). Foreign policy developed under such conditions makes changes difficult as the policy is presented as a fait accompli, public criticism notwithstanding. The Security Agreement represents a cogent example of elitism as Keating himself acknowledged 'if there had been a more public process, there probably wouldn't have been a treaty' (Editorial, AFR, 1995). In a liberal democracy this is an extraordinary admission for a government to make.

Keating’s actions support the claim that democracy is little more than 'providing a way of establishing qualified political leaders’ (Held, 1987, 159). No doubt he knew the Australian public would have vigorously challenged any proposed defence agreement with Indonesia. Hence knowledge of negotiations leading up to announcement of the agreement were conducted in camera. It was a matter of presenting the finalised agreement then deflecting public criticism. Notwithstanding, any dramatic change in foreign policy does have ramifications for treaties and agreements whether military or economic. It is possible for example, that the lucrative Timor Gap Oil exploration agreement negotiated between Evans and Alatas in December 1989 would be at risk if a
change in government brought about a decision to revoke the Security Agreement with Indonesia. Indeed, Australian governments have historically been reluctant to radically change foreign policy toward Indonesia, and they have been adept at deflecting any criticism accordingly (Dalrymple, 1998).

Even so, for the Australian public, enamoured by traditional fears, it has not been too difficult to be critical of the Indonesian government. The media had in the past featured the Indonesian military committing violent acts of suppression with reports of torture and murder in East Timor (Toohey, 1995). Until recently, Australian governments have shunned debate on foreign policy involving Indonesia and the East Timor issue, and yet have welcomed political debate on issues such as social security and taxation, which are extremely complex. Consistently, debate over the rights of the East Timorese to self-determination had been shrouded by the political elite under the guise of a united and stable Indonesia as being in Australia’s national interest. Despite these arguments favouring the national interest imperative, foreign policy does go beyond individual, class or cultural national interpretation that directly challenges the policy elites’ conception of Australia’s diplomatic relations with Indonesia (Burchill, 1994, 5).

In many ways political elitist views polarise the argument as the specific claims to issues put forward by interested citizens, such as the violations of human rights in East Timor could not be ignored but must not become the ‘dominant element in’ Australia’s foreign policy (Woolcott, 1995a). Human rights do not become a legitimate objective of Australian foreign policy because the issue does not directly threaten Australia’s survival. The elite argues that in terms of the national interest it is preferable that citizen participation in political debate is all but eliminated. For example, when it came to negotiating the agreement with Indonesia, the lack of debate and secrecy surrounding the agreement suggests the Prime Minister knew best what was in the ‘common good’ for all Australians—the very people it seemed necessary to keep the secret from. A contradictory note can be found in the words of Gareth Evans ‘(r)elations between nations are not the exclusive preserve of governments’ and ‘public policy is not about tethering community
groups to the government’s foreign policy agenda’ (Evans & Grant, 1995, 71). This is surely a rebuttal of the method used by Keating in negotiating the agreement.

*Indonesia a ‘special case’*

Canberra’s policy toward Indonesia being a special case centres on the interpretation of the national interest encompassing the security imperative. Thus there was very little hope for any recognition of Fretillins who sought to break East Timor away from the grips of Indonesia. Keating described the bilateral relationship as ‘no country is more important to Australia than Indonesia’...with a chain of islands that spans Australia’s north which has the potential to become a significant economic and military player globally by mid twenty-first century (Woolcott, 1994). The South East Asia region had been historically regarded with fear by Australia none more evident when it was an arena for the Cold War conflict. However with the Guam Doctrine announcement and the closer ties with Asia that began in the 1970s, Australia’s leaders have used various labels to describe the new regional strategy. For example, Bob Hawke’s suggestion of ‘Australia’s enmeshment in Asia’ (Leaver & Cox et al., 1997, 242), and Gareth Evans’ concept of ‘comprehensive engagement’ (Fry, 1991, 109-110). As Indonesia is Australia’s closest Asian neighbour it is reasonable that it has priority in foreign and defence policy considerations. Successful claims for self-determination by East Timor would possibly lead to a future fragmentation of Indonesia and threaten Australia’s strategic national interest.

The political stability that Suharto brought to Indonesia has meant Australians have not had to spend as much on their defence ‘materiel’ as otherwise would have been the case. According to Keating, the percentage of Australia’s national resources allocated to defence spending has been considerably lowered by having a friendly government in Indonesia (Hartcher, 1998). The outcome has been the ‘stability dividend’ to Australia’s security concerns. Sukarno’s courtship of the PKI meant Australia would have needed to consider increased spending, a worry only relieved by his loss of power. Keating supports
this argument by his outlining the consequences for Australia 'of having a hostile or even unfriendly government in Indonesia' and describing Suharto's reign as incalculable in terms of money that would otherwise have been spent on defence (Hartcher, 1998).

For the political elite, stability in Indonesia has 'allowed Australians to live untroubled by military threat or civil war on its northern doorstep' (Hartcher, 1998). In spite of the Defence Budget being close to $10 Billion (driven by traditional regional fears and the desire for superior technology) stability in Indonesia represents a cost effective defence posture for Australia to pursue. (Bonner & Brown, 1995, 19). Kim Beazley when Minister for Defence, commented that 'Australians pay far too little attention to the value to us of the stability..(which the Suharto government has).brought to the Indonesian archipelago' (Henderson, 1993, 195). Even during economic turmoil and the questionable life span of the regime the pundits insisted Australians should focus on 'how much Australia has gained from having Suharto remain in power' (Toohey, 1998). From Australia's political elite perspective stability and friendly relations with Indonesia brought not only security but also economic benefits.

**Lessening tensions**

The elite continually argued how critical a united Indonesia is to Australia's national interest and 'intelligent Australians and media' commentators should assist in promoting a much wider understanding of Indonesia's problems (Woolcott, 1994). A 'supportive and sympathetic approach' aids Australia's engagement with the Asian region and strengthens its regional standing. Simply put, Australian attitudes towards the East Timor issue had the potential to adversely affect the wider relationship with Asia particularly as no Asian country would have supported an Australian political confrontation with Indonesia (Woolcott, 1994). Richard Woolcott believed Indonesia's attitude to Australia was a 'geopolitical reality' therefore a cohesive, stable and prosperous Indonesia has been and is of enormous importance to Australia (Woolcott, 1993).
Woolcott argued many Australians view Indonesia as having the same values and experience found in a liberal democracy where the transition from colony to independence was benign. Australians must understand Indonesia’s history has been marked by violence and the control of the multi-ethnic population spread over 13000 islands leads the Indonesian government to emphasise stability and unity—East Timor included (Woolcott, 1996). East Timor became perhaps with the exception of West Papua one of the last colonial issues for Indonesia and therefore was an internal issue which Indonesia had to solve itself. With such a narrow judgment what would happen to Australia’s pragmatic policy when there was a change of leadership in Jakarta and self-determination was eventually granted to East Timor? It was not immediately discernible from the rhetoric emanating from the political leaders responsible for Australian foreign policy at the time.

Woolcott claimed that despite the Indonesians having ‘failed to win the hearts and minds of the majority of the politically conscious East Timorese’, the lack of a requirement of any alternative policy was justified on the basis that Australia had already recognised de jure Indonesian sovereignty. He argued that the matter of self-determination was an internal issue that should simply have been put on hold, and not for Australia to overly concern itself with (Woolcott, 1995b). Woolcott expressed the wish in 1995 that the East Timor lobby under present circumstances accept ‘that the time for an act of self-determination after 20 years has passed and that demanding independence is a lost cause which raises false hopes and costs lives’ (Woolcott, 1995b). It should be remembered though, causes are more difficult to eliminate than a territory or an army as the US discovered in Vietnam.

*Denying self-determination*

In justifying Australia’s long term position, Woolcott criticised US President Bill Clinton’s 1995 suggestion that Australians must ‘expand and strengthen the world’s
community of market based democracies’ as being too idealistic (Woolcott, 1995c). Imposing these principles on the region could promote turbulence and disorder. Over reactions by groups to human rights abuses misses the importance of understanding Australia is dealing with a region that encompasses many new countries still in the process of nation-state building (Woolcott, 1995c). A compelling question evolves out of such reasoning. What to do about the turbulence and instability caused by the denial of democracy or self-determination?

During Suharto’s reign the answer was the suppression of dissidents by the Indonesian military forces (Barker, 1994). Indonesia’s denial of self-determination to the East Timorese encouraged a sense of identity amongst those being denied democracy to the point where they resisted subordination by the larger political identity. In this instance whether the suppression was internal (democratic rights) or external (the denial of self-determination) conflict developed which disrupted the government’s control. The result was violence exacerbated by military crackdowns. More importantly for the Australian political elite this represented a disguised form of the instability they tried to temper in their foreign policy initiatives.

Woolcott however stated that a tolerance of governments with poor human rights records was essential in the interest of good relations (Toohey, 1995). He claimed democracy and self-determination, however desirable, were not the panaceas to overcome poverty or human rights abuses. For him, ‘(t)he indiscriminate application of the principle of self-determination to any disenchanted ethnic or tribal minority is a recipe for disaster’ (Woolcott, 1995c). Moreover, the principle of national self-determination ‘is not a sacred cow’ (Woolcott, 1999). But the concern over the actions of the Indonesian military in East Timor did not disappear. Undeniably there was a wider concern in the Australian community and a growing international awareness of the plight of the East Timorese evidenced by the awarding of the Nobel Peace Prize in 1996 to co-winners,
Jose Ramos Horta FretiLin’s political spokesperson, and Bishop Carlos Belo of East Timor (Da Silva, 1997). Woolcott remained unrepentant advising:

‘We should be very cautious about offering support for activities that could undermine the integrity of other states. Our interest in Asia and the South-West Pacific will be best served by our continuing engagement with the main countries in this region and by their continuing unity and stability’.

(Woolcott, 1995c).

Herein is the crux of the historical focus of Australian foreign policy in the region. The concentration on the major regional states is at the expense of the smaller territories struggling to gain recognition. The fear of disintegration underpins a foreign policy that supported the concept of unitary states. With this in mind Woolcott cautioned Australians to always look to ways to lessen the tensions in the region. Giving support to secessionist movements heightens the potential to arouse the resentment of governments, prolong conflicts and is not necessarily in Australian interests (Woolcott, 1995c). Notably, the interests of the East Timorese at the time had again been incorporated in with those of Australia in the name of building good government to government relations. The issue of self-determination for East Timor continued as a contentious issue (even after the withdrawal of Indonesia from the territory) for Australian foreign policy. Notwithstanding the Australian government’s historical views or those of former diplomats on the issue of self-determination for East Timor, their right was guaranteed in International law of the UN Charter. The UN did not recognise the annexation of East Timor by Indonesia with Australia after two decades remaining the only country to have ever given de jure recognition.

Howard’s 1998 back-flip

Of most interest is that with the stepping down of Suharto and the appointment of B.J. Habibie as Indonesian President in 1998 the Australian government again failed to change its policy toward East Timor or call for an act of self-determination. The Labor
Opposition had already articulated a new policy in 1997 lending 'every encouragement to efforts to peacefully resolve the East Timor conflict....no lasting solution....is likely in the absence of a process of negotiation through which the people of East Timor can exercise their right of self-determination' (Brereton, 1999, 8). But for the Howard government the rhetoric supporting self-determination was overridden by the continued policy of recognising the incorporation of East Timor into Indonesia. Howard's letter to President Habibie in late 1998 was designed to forestall East Timor's independence stating Australia's preferred option was autonomy within the Indonesian Republic.

In 1999 the people of East Timor voted overwhelmingly for independence. Notably, it was after the Indonesian government had baulked at Howard's idea of granting autonomy to the territory, and of the violence that had escalated that he started to move away to a more neutral position. The violence however continued to flood the televisions of Australian viewers and the adverse reaction would have convinced Howard that public opinion was in favour of establishing Interfet (a coalition of peacekeeping forces primarily consisting of Australian troops). The public was demanding a military response. Moreover, the Labor foreign policy and diplomatic orthodoxy towards Indonesia that had dogged all governments since 1975 could now finally be dismantled. In sum, the Liberal government's dislike for the principles of engagement with Asia that developed under Keating, Hawke and Evans could also now be finally changed as Howard himself could set the new ground-rules. The Labor Opposition had already reversed its policy on East Timor with the result that the government would not meet opposition in Parliament to Interfet. Opportunistic and politically expedient perhaps, but Howard was forced to react outside of the breach which had been the prevailing policy since 1975. Public opinion in a liberal democracy had driven this change and perhaps very considerable support from within the Defence establishment.

Conclusion

Clearly, the Australian government in 1975 was presented with two distinctly
different options to deal with the East Timor situation. The usually conservative
Department of Defence option recommended the realities of accepting an independent
East Timor and convincing Indonesia to accept the same. Alternatively DFA
recommended a policy of understanding Indonesia’s position and disengagement from
the issue. Any adverse Australian domestic reaction should be minimised in the interests
of preserving the long-term national interest. A strong Prime Minister ensured it would
be the political policy that prevailed. Equally, Richard Woolcott from his position in
Jakarta implored Canberra to do nothing in response to any action Indonesia might take.
Australia’s national interest was at stake and foreign policy-making must be pragmatic in
its determination.

Employing the argument that foreign policy decisions should always be in the
national interest has the effect of stifling debate, and for those who disagree suggests
perhaps that they are disloyal lacking in national sentiment. Certainly the so-called East
Timor lobby group had been labelled as disruptive to the Australian/Indonesian
relationship negotiated by the elite. Woolcott implies experts in diplomacy like him are
the only ones who truly understand the nuances of world politics, and the importance of
forming warm and friendly international relations. But if the elite claims sole authorship
in determining the national interest then this directly challenges the assumptions of what
is in the common good. Importantly, why could not the Government take the public into
its confidence in foreign policy formulation as it does in other policy areas? Clearly, a
democratic deficit exists if the elite do not represent the public’s wishes and views.

In a democracy policy-making involves debate at the public level and conflict of
interests. However the elite argue that both leadership and responsibility remains with
them—a good reason why the 1995 Security agreement was negotiated in secret. As a
consequence does this mean democracy is some kind of threat to the discretionary power
of the political elite or is foreign policy different? Media statements and political actions
give the impression that this is the case as the elite argues they know what is in the best
interests of the state and national politics has no room in international relations. The use
of Australia's survival as the core national interest when formulating policy toward East Timor becomes more explainable when looked at in these terms. Such discourse harboured the traditional fears used by the political elite as a means to divert the criticism of Indonesia's behaviour in East Timor and the treatment of its citizens.

Critics of Indonesia had been labelled as small, vociferous nuisances and ideologues that had conducted a campaign of misinformation, which damaged relations between Australia and Indonesia. Certain media critics, left wing politicians, some academics and refugees from East Timor were all been blamed at one time or another for attempting to undermine the relationship as defined in elite terms. From Woolcott's point of view, sound foreign policy toward Indonesia requires an understanding of the cultural differences and particular problems of newly developing nation-states. It is not one necessarily requiring public debate. The public remained ignorant of Indonesia's problems and was ill informed. Woolcott suggested the lobby should have accepted the annexation of East Timor by Indonesia as a fait accompli. Australia as a nation-state had given recognition in law to the incorporation of East Timor into Indonesia as early as 1979. The national interest required good relations with its closest Asian neighbour. Human rights issues, although important, should not become a primary objective, as Australia's survival was not directly threatened.

However, what of Australia's moral obligations to the East Timorese? The documented cost in lives of these people who fought for the right to self-determination has been substantial. The Australian government continued to stress understanding and the need for good relations. For over two decades since the invasion the rhetoric from the Australian political elite continually justified their policy initiatives and the actions of Indonesia. In a sense though the Australian public remained unconvinced good relations would allow appropriate pressure to be placed on Indonesia to take steps to resolve the East Timor issue.
The Security Agreement negotiated by Labor Prime Minister Keating with Suharto represented the culmination of recognition in several Parliamentary Defence White Papers of the need to promote order and stability in the region. Furthermore, it signalled the importance of Indonesia being a ‘special case’ in Australia’s bilateral relationships. Arguably the agreement was also flattering to Labor’s dream representing the culmination of friendly and cooperative relations. Certainly Australia does have security concerns in the region and perhaps it is sound policy for Australia to seek cooperation rather than confrontation. The ambition of full ‘engagement’ with Asia could not be achieved without this realisation. Even so, Australia should not forego its own identity nor should it ignore the realities of being a western liberal democracy where public debate encourages public diplomacy. Arguably, diplomacy as practiced by the political elite using the core national interest (state survival) and that expressed by ex-political mandarins to explain foreign policy toward Indonesia denies such a notion. Indeed, in 1999 Australian public opinion stepped above the elite’s interpretation of the national interest and overwhelmingly supported military intervention to resolve the worsening East Timor crisis that had developed.

In chapter four the year 1975 is discussed in the context of Cold War politics and the apparent string of successes communism seemed to achieve. The time was also one of political turmoil for Australian domestic politics. Whether by good timing or planning Indonesia struck and invaded East Timor. What was Australia’s reactions and why did the government not take stronger action?
CHAPTER FOUR

1975

Communism revisited amidst domestic political turmoil

Introduction

1975 was a remarkable year. It was a year, which represented the crescendo in communist victories in Indochina, and it was certainly a year like no other in Australian domestic politics. Historically, Australian anti-communism was shaped by the on-going preoccupation with the maintenance of its borders against foreign influences and alien people (Brett, 1992, 98). The discredited ‘White Australia Policy’ was just one of the mechanisms by which the Australian political elite sought to protect Australian society from perceived threats, particularly the so-called ‘Asian hordes’ or ‘yellow peril’. The consequence for Australian foreign policy was that for the decades leading up to the end of the Cold War an intense suspicion developed that the major communist states-the Soviet Union and China-were the cause of international instability and a threat to world peace. The mood of international politics during this period helps explain some of the foreign policy decisions made by the Australian political elite particularly in response to nationalist aspirations in the South East Asian region. Australia’s response to claims for independence in East Timor arguably can therefore be explained in the context of these Cold War realities.

A mix of fear and crisis

The fear of international communism clashed with the anti-colonialist support shown by the Australian government for Indonesia’s right to self-determination during
the late 1940s. The Australian Labor Party has traditionally held stronger beliefs toward anti-colonialism than the conservative parties. For the conservatives, a proper understanding of nationalism was overshadowed by the political attractiveness of Cold War rhetoric. Australian political debate tended to centre ‘on the role nationalism and communism had in decolonisation struggles’ (Murphy, 1993, 40). The result was the development of foreign policies largely ignorant of Asian political history that failed to recognise the rights of South East Asian people to self-determination. This failure and the loss of considerable bloodshed in many of these countries, most notably Vietnam and East Timor, have tarnished Australian foreign policy.

The fear of communism encouraged Australia’s political elite to promote the US inspired ‘domino theory’ whereby communism would spread throughout the South East Asian region, eventually threatening Australia itself. Communism threatened Australia’s democratic principles and raised fears over the vulnerability of the country’s economic and social order. For this reason, the Australian political elite and defence policy-makers engaged in policies of forward defence. Perhaps the most controversial of these policy decisions was Australia’s commitment to fight in Vietnam. As a complication, the subsequent ‘loss’ (from a US/Australian government point of view) of the South to North Vietnam in 1975 appeared as another example of the advancement of communist forces.

For tiny East Timor the timing could not have been worse. Fretilin forces on the island had won the civil war and later declared East Timor’s independence. However, the belief by the Australian political elite and President Subarto in Indonesia that Fretilin was ‘left’ on the political spectrum raised concerns of the possibility of a small communist state in the Indonesian archipelago. Such a belief may have been one of the contributing factors that influenced Australia’s political elite thinking in rejecting the Department of Defence option to resolve the fast developing East Timor situation.

Australia was, at the time, in the middle of its own political crisis. The Governor-General had just dismissed the Whitlam Labor Government and a caretaker government
had been installed. Could the temporary and peculiar nature of being a caretaker government prevented any different response (from that of the DFA recommendation) to the events unfolding in East Timor? Both political parties were clearly embroiled in winning an election where foreign policy took a back seat to domestic issues. By the time the Liberal Coalition had won the subsequent Federal election, Indonesian troops had already invaded East Timor. Malcolm Fraser was now Prime Minister; a Prime Minister whose promotion of the traditional fear of communism eventually proved again to be a strong influence on Australian foreign policy.

For the East Timorese fighting for the right to choose their own form of political community, the election of a new Australian government brought some hope. In Opposition the newly elected Foreign Minister had shown some sympathy for the East Timorese and their right to self-determination. Were the East Timorese to be disappointed and alienated as the Australian political elite again courted the Indonesian government in the name of good relations in an international climate where communism seemed to have reached an apogee? Importantly, what role did Cold War realities in combination with the domestic political events of 1975 play in shaping Australia’s response to Indonesia’s invasion of East Timor?

**Cold War realities**

The allegedly aborted communist coup in Indonesia in October 1965 resulted in the demise of Sukarno’s hold on power. US policy in Indonesia had historically been one of providing aid and equipment to the military and police to maintain control over the PKI Communist Party (Kolko, 1988, 174). Increasingly, US and Western governments encouraged nationalist forces within the military, as well as Islamic groups to prevent Indonesia from becoming a ‘leftist’ state (Kolko, 1988, 174). Consequently the PKI was under threat from these groups, and therefore endorsed Sukarno as a counterbalance against the power of the military (Kolko, 1988, 174). This association gave rise in Australia to the belief that Sukarno was ‘soft’ on communism or that he may
miscalculate in his seemingly cooperative strategy with the PKI and lose control (Kolko, 1988, 176).

Predictably, the rhetoric emanating from the Australian government at this time increasingly took on a more aggressive tone. Garfield Barwick raised the Communist issue claiming ‘armed conflict...would threaten world peace and could well bring disaster to South East Asia by its encouragement of Communist activity and intervention’ (Renouf, 1979, 429). Barwick’s statement notably referred to ‘Wars of National Liberation’ (Renouf, 1979, 429) which had particular resonance in Washington at the time as the US plunged further into its Vietnam commitment. The idea that Indonesia would become a communist state threatened US political and economic interests in the region. With a full commitment of troops to Vietnam the US Government found it more convenient to provide support and equipment which the anti-communist forces in Indonesia could use to destroy the PKI.

The supportive views expressed in the West toward the well documented mass killings by Indonesian anti-communist forces bent on destruction of the PKI, are extraordinary if not bizarre in their language. Perhaps none more so than Australia’s Prime Minister Harold Holt’s statement in July 1966 while visiting New York. When referring to the events in Indonesia, he claimed that ‘with 500,000 to 1,000,000 Communist sympathizers knocked off, I think it is safe to assume a reorientation has taken place’ (Chomsky & Herman, 1979, 217).

The success of Suharto was seen as a constructive change to the political environment within Indonesia. Although Australia did not provide arms or equipment to the nationalist groups the government certainly supported US policy and failed to condemn the violence perpetrated against the PKI and its alleged supporters. Holt’s statement downplays the effects of violence and repression as every effort was made to show support for Suharto and his regime.
Holt’s statement represented Cold War feelings in the West and in particular the US-Australian involvement in the Vietnam War. From Australia’s perspective the commitment of troops to Vietnam and the heavy American presence gave an impression of putting ‘real muscle into the policy of forward defence’ with the by product of enhancing Australia’s security in the region (Leaver & Cox et al., 1997, 82). Such policies gave rise to the acceptance of the events in Indonesia by the Australian government and to what critics have described as... ‘Communist hysteria that contributed greatly to wholesale mass murder’ (Chomsky & Herman, 1979, 207).

The political elite would argue Australia’s response to the invasion of East Timor should be put in perspective and can be explained as a casualty of the Cold War. Indeed, explanations justifying Cold War actions by the political and diplomatic elite continue to surface particularly from those people who have in the past held positions of power or influence over the Foreign Affairs department in Canberra. The communists had to be stopped, as victory would see the falling of adjacent countries that would eventually lead to a direct threat of Australian soil. This sort of explanation however belies the humanitarian aspects of such policies that caused considerable loss of life in Vietnam and East Timor. Further, this type of justification of Australian political elites’ interpretations of foreign policy arguably only serves to support elitist power factions often hiding the truth. Woolcott argues that the Cold War required certain actions be taken by Australia and that any criticism of those actions must include the mood of international politics at the time (Woolcott, 1996). Order and stability may often be considered ‘dirty’ words especially when their advocacy often means support for authoritarian regimes (Woolcott, 1996). Clearly, Cold War rhetoric tended to dominate political thinking rather than the rational.

Wiping the slate clean

The hiding of what happened during the Cold War years, according to Noam Chomsky, is essential to ‘wiping the slate clean’ (Chomsky, 1994, 2). He is critical of the
claims that whatever the injustices and the costs in human life the entire record of the Cold War should be placed in archives on the basis that it was due to the political tensions existing at that time (Chomsky, 1994, 2). Indonesia had not totally fallen under communist influence but Sukarno’s blossoming friendship with communist bloc countries caused considerable angst to the Australian government. This was only relieved by a coup orchestrated by Suharto and supported by the US and Australia that resulted in the new Indonesian government becoming staunchly anti-communist, thus providing a barrier that could insulate Australia from communist expansionism.

Nonetheless, no matter how credible the explanation a question mark emerges over the definition of nationalism as interpreted by the elite. What was seen as an international communist conspiracy motivated Australian foreign policy-makers to fail to acknowledge or identify legitimate claims by nationalists for independence or even the right to self-determination: the policy-makers continually conflated national self-determination with ‘communist expansion’. Mis-information and obtuse attitudes toward the South East Asian region compounded by a ‘blinker’ political ideology prompted the Australian political elite to believe security and stability could be achieved at almost any cost. Jim Aubrey claims Australian governments have gone to extraordinary lengths to conceal human rights abuse by TNI in the past and to appease the Suharto regime (Aubrey, 1998, 290).

1975—an eventful year for communism

1975 heralded the final defeat for South Vietnam much to the chagrin of the Liberal/Country Coalition Parties in Opposition in Australia. In Parliament a few days before the fall of Saigon, Malcolm Fraser claimed that although the domino theory was ‘never accurate...(it was)...equally clear that what is likely to happen in Indo-China over the next few days will have an impact on other countries’ (Hansard (b), 1975, 2033). His concerns also pointed to the impending re-opening of the Suez Canal, which would provide the opportunity for Soviet expansionism. He claimed ‘(i)t is likely that there will
be a much greater Soviet naval presence in the waters to our north and through the Strait of Malacca’ (Hansard (b), 1975, 2034). Fraser was clearly reaffirming the traditional fears the conservatives held over international communism, which was remarkably reminiscent of the Menzies era. The dramatic television pictures of the storming of the grounds of the American Embassy in Saigon brought home stark images of a communist victory signalling an apex in communist influence in the Third World at that time. Such images clearly sat within the conservative judgement; ‘communist influence’ assumes external influence.

Arguments against the Department of Defence initiative

The fears that a united Vietnam bristling with a cache of abandoned arms and munitions might threaten the rest of South East Asia permeated Australian political thinking. Now more than ever a united stable Indonesia represented a buffer zone to the turmoil that might eventuate from any legacy from the ‘loss’ of Vietnam. The Department of Defence initiative was feared could have provoked a confrontation with Indonesia to which Australia may have to deal with without US support. Indonesia was already capable of low-level harassment that could create defence problems for Australia (Toohey & Wilkinson, 1987, 184). A further concern was the political leanings of Fretilin in East Timor. If East Timor were to become an independent state would this give a ‘foothold’ in the archipelago to communism? Indonesia would then have become increasingly frustrated and belligerent toward any Australian support for an independent East Timor.

Fretilin—considered ‘left’

What would also have been against the Department of Defence initiative was that in East Timor the political situation had deteriorated. The two major political forces—Fretilin and UDT (Timorese Democratic Union) under the shadow of Indonesian intervention collapsed into disunity and distrust (Dunn, 1996, 106). Violence between
the two forces broke out in August but the resulting civil war only lasted some two weeks. At the end UDT were in retreat and Fretilin were left in control (Dunn, 1996, 158). In Australia the print media exaggerated the character of the civil war. The *Australian* newspaper carried headlines of mass destruction and macabre killings, which was later disproved by visiting television news crews (Dunn, 1996, 158). The Australian government’s interest in events appeared distant when Gough Whitlam asserted ‘Australia was not a party principal to the dispute’ (Dunn, 1996, 158).

Importantly, the civil war had brought about a hardened shift in the Australian Labor Government’s foreign policy in East Timor. The government now encouraged the view that Indonesia was innocent with legitimate security concerns and one to which Portugal might request assistance in restoring order to the colony (Dunn, 1996, 173). Despite the claims by Whitlam that he never condoned the use of force, and that he respected the right of the East Timorese to self-determination, his government failed to encourage internationalisation of the Timor problem (in the UN) which might have prompted a solution. By refusing to support a peacekeeping operation, and by pretending not to see the subversion by Indonesian forces, Australia showed its complicity in what was to become an illegal occupation of a neighboring territory (Dunn, 1996, 173). Perhaps the propaganda of the Indonesian military was having the desired effect or perhaps it dovetailed with Australian elite thinking?

The speculation that Fretilin might be communist was raised in Australia’s Parliament. Fraser questioned Prime Minister Whitlam if he was ‘concerned at all at the possible establishment of communist control in Portuguese Timor so close to Australia’ (Hansard (c), 1975, 689). Further, the Leader of the Country Party asked the same question but worded it differently when he asked the government whether it ‘felt concerned in any way that Timor might become communist controlled’ (Dunn, 1996, 176). Whitlam drew the conclusion from these remarks that the two leaders were contributing to Indonesian paranoia over a communist threat and that they were nostalgic in recreating the fears of the 1950s and 1960s (Dunn, 1996, 176).
Nevertheless, even conceding Fretilin had Marxist elements; Whitlam by not denying the allegations of an overwhelming communist influence in Fretilin stands accused of political expedience. He stated ‘I suppose there may be pro-communist elements in Fretilin’ (Dunn, 1996, 177). The concern in Australian politics was whether the communists in Fretilin were dominant and were being directed from outside. According to James Dunn, Whitlam could have dispelled the fears Fretilin was predominantly communist controlled because his advisers knew to the contrary (Dunn, 1996, 177). By exploiting the traditional ingrained fears which existed in the conservative parties, Whitlam was able to deflect sympathy for East Timor by the Opposition parties and possible criticism of his own actions (Dunn, 1996, 177).

Some untruths

Fretilin leaders made a statement welcoming fact-finding missions from ASEAN, Australia, and New Zealand as well as other nation-states and the media. The statement also made it clear that East Timor wished to seek closer cooperation with the countries of the Pacific region. Fretilin encouraged foreign investment provided that East Timorese interests were safeguarded. ‘It declared it was a front for national liberation that unifies all Timorese nationalists without discrimination of race, religion, or political belief...and.. its foreign policy would be non-aligned’ (Dunn, 1996, 191). As Dunn suggests, an unlikely statement from a group labelled as communist by certain groups in Indonesia and Australia (Dunn, 1996, 191). Nevertheless, there was considerable propaganda promulgated by Indonesia that Fretilin was communist. The withdrawal of Portugal combined with the knowledge that Fretilin leaders attended Mozambique’s Frelimo movement’s independence celebrations contributed to fuelling suspicions of communist involvement in East Timor (Ball & McDonald, 2000, 19).

Despite the discreet blockade by Indonesia preventing arms from getting into East Timor the allegations of outside assistance continued. Dunn cites a prominent Australian
foreign affairs commentator, Denis Warner, as evidence of the success the anti-communist propaganda and of the mis-information circulating Australia. Warner claimed there was ample evidence the Indonesians believed that Chinese communists who had fled Indonesia in 1965 were now based in East Timor and readying themselves for ‘new adventures in the archipelago’ (Dunn, 1996, 196). The story may have been mythical but it did gain resonance in right wing circles in Australia such as Bob Santamaria’s Newsweekly (Dunn, 1996, 196).

With such spurious political comments informing Australia’s foreign policymaking it would not augur well for Fretilin’s November 1975 Unilateral Declaration of Independence. The Australian political elite had traditionally rewarded the Suharto regime for its stance against communist sympathisers. In the mid-1960s Professor J.A.C. Mackie, an Indonesian specialist, described the regime in Jakarta as ‘moderate’. He declared ‘the new government in Jakarta was clearly anti-communist and committed to a low-key, unassertive foreign policy, with a new stress on regionalism and “good neighbourly” relations with nearby countries’ (Pilger, 1998, 255). On 30 October 1975 Senator Carrick, who was destined to become leader of the Liberal Coalition in the Upper House, posed the question in the Senate whether there was a perception by the Portuguese and Indonesians that Australia was supporting Fretilin (Dunn, 1996, 196). And whether the Whitlam government had taken steps to indicate to the Indonesian government that support for Fretilin by left wing organisations in Australia did not reflect the views of the Australian people (Dunn, 1996, 196)? In spite of the good neighbourly policy being tested at the time of the invasion of East Timor, old fears resurfaced and persisted in the ensuing debates and statements in the Australian Parliament. The Department of Defence proposal for living with the realities of an independent East Timorese state in the Indonesian archipelago thereby had considerable obstacles to defeat—none the least the fear of a new communist enclave.
The Dismissal

Added to the xenophobic fears of communism; Australia was in political turmoil of its own with a conservative dominated Senate threatening to block supply in the hope of forcing a double dissolution of both Houses of Parliament. The ensuing months following the loss of Vietnam were as dramatic as the events played out in the corridors of power in Canberra. The outcome was the dismissal of the elected Labor Government by the Governor-General and the appointment of a caretaker Liberal Government. Whether by design or good timing, Indonesia invaded East Timor prior to the Australian Federal election at a time when each of the political parties was involved in an election campaign. For East Timor, the pleas for assistance fell on a deaf Australian government.

What is critical to determine is to what extent did the unfolding constitutional crisis prevent Canberra from responding in a different way to Indonesia's invasion of East Timor? The events of October–November heralded an extraordinary period in Australian domestic politics. The Liberal/Country Party Coalition was using its superior numbers in the Senate to block the Supply Bill. The budget was effectively stalled in the Upper House with Opposition Senators refusing to bring it to a vote. The constitutional crisis that ensued challenged the very foundations under which Australia's forefathers had drafted the constitution. Although the Senate had the right to refuse and amend Bills, convention meant that the Appropriation Bills had always been passed. Thus the crisis evolved into two opposing views. For Whitlam 'at stake was the first principle of (Australia's) system of parliamentary democracy: that a government having the confidence of the House of Representatives has the right to govern' (Whitlam, 1997, 1). And for the Opposition the principle was 'that the Senate, by refusing to vote supply, had the right to force the House of Representatives to an election without itself going to an election' (Whitlam, 1997, 1).
Whitlam claims his Government's objective throughout the impasse was to have the Senate either pass or reject the Appropriation Bills. In contrast Garfield Barwick's account of the crisis described in his book *A Radical Tory*, cites the time honoured parliamentary convention 'that a ministry unable to obtain supply from the Parliament, or which suffers a vote of no confidence, immediately take steps to face the electorate.' (Barwick, 1995, 283). Barwick argues the Labor Government refused to accept this and the Governor-General had no other option but to dismiss the Government.

The propriety of this action has been the subject of political and academic debates ever since and will not be solved here. However the timing of the political crisis in Australia had consequences for foreign policy. In early November 1975, Labor Senator Willesee (Foreign Affairs Minister) gave some encouragement to Fretilin leaders who were concerned over increasing Indonesian aggression. Senator Willesee indicated Australia might be willing to host talks between the interested parties in an attempt to solve the Timor problem (Dunn, 1996, 230). The original draft of the Minister's statement though, had been modified 'in order not to reveal that Australia knew that Indonesian troops were operating in East Timor' (Dunn, 1996, 230). It was done so on the basis that if the Minister's statement had clearly indicated the Indonesians had been lying about their military involvement it would cause considerable controversy (Dunn, 1996, 230). Irrespective, for Fretilin, such statements modified or otherwise combined with the sympathy already existing amid the Labor backbenchers, gave a faint hope Australia may change its stance (Dunn, 1996, 230). However, if such a shift was possible it did not happen. Whitlam would not be moved from his position on East Timor and the Labor Government had only a short period of time remaining in office. For the Liberal Coalition parties East Timor was not deemed the type of issue (as opposed to domestic financial matters) which would contribute to the discrediting of the Labor government (Dunn, 1996, 230). On 11 November 1975 the Labor government was dismissed by the Governor-General and a caretaker government installed under Malcolm Fraser.
Caretaker government

As a caretaker government Malcolm Fraser and Andrew Peacock were obliged to continue with the foreign policies of the previous government. However, how much freedom did Peacock have in determining Australia’s foreign policy-making during this period, and how much did election campaigning interfere with the Government’s response to the invasion? Whether the generals in Indonesia or President Suharto took specific advantage of the period of the caretaker government in Australia is not immediately discernible. A cynic would argue this was possible, especially as the Indonesian government would have known of the political events and restrictions on the caretaker government. However, according to Andrew Peacock he had some freedom and did not consider himself tied by Labor policies (Jolliffe, 1978, 260). Referring to Willessee’s statement, Peacock claimed that by talking about the need for talks in Timor it gave ‘me sufficient leeway to be conducting Australian foreign policy effectively’ (Jolliffe, 1978, 260). From Peacock’s statements one could be excused for thinking that the plight of Fretilin and East Timor was about to receive a boost of support.

Peacock heavily criticised Labor’s East Timor record when he said ‘(t)he former government had washed its hands of Timor despite requests from the parties involved to mediate and its obvious capacity to do so’ (Jolliffe, 1978, 261). He pledged ‘if re-elected, the Liberals would act to reverse some of the Labor government’s foreign affairs policy’ (Jolliffe, 1978, 261). For Fretilin, this kind of statement held the promise of a change in Australian attitude. After all, Peacock in Opposition had decided ‘to move a motion of public importance (of Timor) in the Australian Parliament’ (Dunn, 1996, 230). He questioned Prime Minister Whitlam about the earlier Australian visit of Jose Ramos Horta. He specifically asked will the ‘government support independence for Portuguese Timor’ (Hansard (a), 1974, 3135). This question had given Peacock a special standing
among Fretilin leaders (Dunn, 1996, 230). Interestingly, when the Governor-General dismissed the Labor government Fretilin leaders unknowingly telephoned their congratulations to the Liberal leadership (Dunn, 1996, 230).

**Peacock’s response**

Within a week of Peacock’s 1975 election statement the Indonesian invasion began. It was expected, given that the Australian Ambassador to Indonesia had been previously called to a conference where it was announced a grave situation had developed in East Timor and no one should be surprised by Indonesia’s next move (Jolliffe, 1978, 262). According to Michael Hodgeman, he and Andrew Peacock were attending a luncheon with Senator John Marriott in Hobart at the time (Hodgeman, 1998). Upon their return to Senator Marriott’s office a telephone call came through from Malcolm Fraser informing Peacock of the attack on East Timor (on 7 December 1975)—less than a week before the election date. Hodgeman claimed Peacock said ... ‘What can we do—send in a gun boat’ (Hodgeman, 1998). Hodgeman claimed Peacock was visibly upset and emotionally stressed suggesting to him that Peacock ‘strongly disapproved of the Indonesian invasion of East Timor’ (Hodgeman, 1998). Peacock here either deliberately or not was realising the futility of his position.

Irrespective of Peacock’s reaction the Timor question had not and did not become an election issue. The Labor Party had thought of projecting the issue into the campaign but given its record such a move would have been counter-productive (Jolliffe, 1978, 261). Neither party made the Timor problem an election issue. By the time the caretaker government was in power the number of supporters of East Timor among the backbenchers in the new government were in the minority (Jolliffe, 1978, 261). The conservatives had little sympathy for left-wing causes and Fretilin had been branded communist (Dunn, 1996, 231). Add to this the circumstances of Labor’s dismissal and any support that had existed was now in disarray. The few supporters of East Timor attending political rallies were experiencing hostility from both party groups and found
themselves even more marginalised (Jolliffe, 1978, 261.) Indeed, Hodgeman claims the Constitutional crisis, the caretaker role of the government, and the impending election considerably constrained Peacock's reaction to the invasion (Hodgeman, 1998). In essence, the parties were too involved in winning an election to consider a more strident solution to Indonesia's aggression. Also, both parties had a consensus of opinion that 'East Timor was considered too unimportant to be allowed to disrupt Australia's sensitive relationship with Jakarta (Dunn, 1996, 231).

**Discrediting Peacock**

What should be made of Peacock's reaction to the invasion? As mentioned earlier Peacock was on record as being a supporter of the East Timorese and their right to self-determination. During 1977, letters surfaced that were addressed to Ken Fry (a Labor Politician), which claimed Peacock (when Opposition Foreign Affairs spokesperson) met in 1975 with Indonesian officials in Bali. Peacock was reported as saying that a Liberal Government would not oppose the incorporation of East Timor into Indonesia, it valued the relationship with Indonesia, and that he hoped Indonesia would act quickly (Aubrey, 1998, 67). Further, Peacock is alleged to have informed the Indonesians of the impending plan to block supply and have the Governor-General dismiss Whitlam (Aubrey, 1998, 67). The letters claimed the idea of having a new Foreign Minister who was not opposed to an Indonesian takeover of East Timor aided in the motivation of President Suharto to use force (Aubrey, 1998, 67). The writer went on to state that tapes existed in Indonesia of the conversations that were held between Peacock, TNI and a member of the Indonesian State Intelligence Organisation.

Certainly events in Indonesia which followed the meeting gave some substance to the claims in the letters as Indonesia took a more aggressive tone toward East Timor. The Indonesian Defence Minister made public statements condemning Fretilin's alleged mortar bombing of Indonesian Timor. He said '(w)e will smash anyone at all who trespasses across Indonesia's borders.' (Dunn, 1996, 200). In spite of this it is possible
the contents of the letters were an exaggeration and Indonesian officials may have tampered with the record of the meetings (Dunn, 1996, 200). From Peacock’s previous statements (while in Opposition) the Indonesians knew he had supported the right to self-determination for East Timor. Clearly they would have identified him as favouring independence and possibly a problem in the future. As such the exercise may have been designed to discredit and embarrass him (Dunn, 1996, 200). In 1977, Harry Tjan one of the Indonesian group members at the meeting added additional information to his alleged conversation with Peacock. Australia was at this time still smarting over the dismissal of the previous Labor government, and this was one way of fuelling the anxiety to shift the focus of Australia’s political debates away from what was occurring in East Timor (Dunn, 1996, 200).

Pragmatism wins

To an extent Peacock’s opinions and statements made when in Opposition (supporting East Timor) appeared out of kilter with those he made during the period of his membership of the caretaker government. The statement by Hodgeman outlining Peacock’s response to the news of the invasion suggests Peacock was distressed and feeling hamstrung in the actions he could take. At the same time the election was less than one week away and still had to be won. Further, Peacock’s November statement seemed to weaken his stance as he acknowledged Indonesia’s alleged problems in East Timor when he said the problems in the territory ‘may have forced the Indonesians into reluctant unilateral intervention’ (Dunn, 1996, 233). Whatever Peacock’s personal feelings, an element of pragmatism surfaced in his statement. Indonesian military units were already ensconced in East Timor and reports of their activities were appearing in the Australian media so it would have been difficult for Peacock to say anything different (Dunn, 1996, 233). However, in hindsight it may well have given an insight into the policies that the Liberal Coalition was to pursue once the election had been won. If Peacock had a conscience it did not prevail but equally Fraser may have also restricted him. In the end, pragmatism prevailed and the policy toward East Timor did not change
from the previous government. It was again a policy which was intent on good relations with Indonesia at seemingly any cost, and one which supported the ‘right’ to self-determination but apparently not one that called for the more meaningful ‘act’ of self-determination.

*Fraser–fears revisited*

Fraser when referring to East Timor said he had ‘inherited the Labor government mantle’ (Jolliffe, 1978, 293). This is an interesting observation because in coming to power the Liberals would have been fully briefed on the East Timor situation. They chose not to do anything. There remained a distinct lack of initiative from Australia in UN fora and there clearly was no constructive lead given to any possible political solution (Aubrey, 1998, 57-58). Differences though, may well have existed between Fraser and Peacock. Peacock was a known supporter of the UN four point policy to resolve the East Timor issue which included a call for cessation of hostilities, withdrawal of Indonesian troops, a genuine act of self-determination, and aid channelled through the International Red Cross’ (Jolliffe, 1978, 293).

In 1976 however, the four point policy had been eroded by Fraser to one of support for aid being sent by Australia through the Indonesian Red Cross on a dubious claim that it was the only way of ensuring the aid reached East Timor (Hansard (e), 1976, 3721-22). Further, Fraser had concluded after discussions with President Suharto that ‘he saw no need to continue to spell out the four-point policy, as it was “on record. I don’t want to restate it.”’ (Jolliffe, 1978, 293). He considered the important thing to do was ‘look to the future and work to the future’. (Jolliffe, 1978, 293). Immediately after Fraser left Jakarta an Indonesian Official announced Australia would not stand in their way in East Timor implying Australia had recognised the integration of the territory (Jolliffe, 1978, 293). Fraser denied the statement but it did show an increasing gap emerging between him and Peacock. Australia’s foreign policy in East Timor began to reflect the hawkish views of a Prime Minister, over those of his Foreign Minister (Jolliffe, 1978, 294).
Peacock found few supporters among his colleagues in Cabinet or in the Foreign Affairs Department for a stronger stand against Indonesia, and thereby would have had to moderate his stance (Dunn, 1996, 342).

*Deferral to 'reality'*

In Australia the consensus seemed to have developed after having voted against Indonesia for the four-point plan in the UN to one of accepting a *fait accompli* situation, and working toward re-building the already sensitive bilateral relationship with the Suharto regime (Dunn, 1996, 343). Within three months of stating outright opposition to the Indonesian invasion in the UN, Australian diplomats were preoccupied with providing an explanation of why Indonesia took the action it did (Dunn, 1996, 344). The Labor Opposition, because of the architectural role Whitlam took in framing Australia's East Timor policy, felt rather limited in its ability to criticise the government. Increasingly the Fraser government deferred to the considerations of the previous government—protecting the relationship with Suharto (Dunn, 1996, 344). The hallmark of this deferral came when the Fraser government gave firstly *de facto* recognition then in 1979, *de jure* recognition that East Timor was part of Indonesia.

In many ways the two voices of foreign policy in the Fraser government were for a time completely opposite. Fraser was a conservative, whereas Peacock was more of a liberal. In a keynote statement on 1 June 1976 Prime Minister Fraser claimed

> '(w)e must be prepared to face the world as it is, and not as we would like it to be. Only in this way can we avoid...policies whose assumptions are so remote from reality that their failure is inevitable'.

(Renouf, 1979, 474).

Fraser's language in this statement was rekindling much of the traditional fears of the Menzies era. He concluded '*'(t)he world is a dangerous place in which to live' and
believed that a balance of power must exist between the US and Soviet Union (Renouf, 1979, 474).

Fraser's statement showed little knowledge of the Soviet Union and his belief in the dangers of international communism meant that anti-communism influenced his foreign policy interpretations. He was too much influenced by the past in particular 'Spender's 1950 thesis that "peace is indivisible" and Australia's peace is bound up with peace everywhere' (Renouf, 1979, 477). Moreover, at the regional level his previous labelling of Fretilin as Marxist would have influenced his thinking on the East Timor issue. The reality for Fraser was the need for a stable Indonesia as being good for Australia and regional power politics as it represented a barrier to possible threats. An act of self-determination for East Timor threatened a break-up of a newly configured Indonesia challenging the assumptions on which Australia's foreign policy was determined. In sum, Fraser in not wishing to see the breakup of the Indonesian state was deferring to the realist orthodox view of international relations—the sovereign state, security, and the immutability of states.

Conclusion

An explanation of Australia's response toward Indonesia's invasion of East Timor can be found in the two major political influences existing in 1975. First, it was year during a Cold War in which international communism gained some notable victories. Second, it was a year that saw a constitutional crisis divide Australian politics resulting in the appointment of a caretaker government with limited powers.

Throughout the 1950s and 60s fear of international communism steered Australia's policy-makers into policies of forward defence whereby it was hoped the menace would be halted far from Australian soil. Typically the Vietnam War surfaces as an example of Cold War ideology driving foreign policy. It also showed an ignorance of post-colonial issues and nationalist sentiment in South East Asia by Australia's political elites and
intelligentsia. Too much was concealed in the discourse of Cold War realism and interpretations of what was in the national interest that disallowed adequate debate of the legalities of intervention in another state. Driven by fear, the rhetoric emanating from Canberra in the mid-1960s showed signs of delight when the non-aligned nationalist Sukarno was deposed in Indonesia (Pilger, 1998, 256). The subsequent purging of so-called communist sympathisers met with approval by the Australian political elite who could now concentrate on Vietnam. The enduring subliminal fear of Asia and the threat that one-day the Asian hordes would descend upon Australian soil continued to be ‘fed’ by Cold War realities. The consequence was the linking of nationalism and decolonisation as in some way connected to communism. And, for small islands like East Timor struggling to gain recognition of their right to self-determination it resulted in an unsympathetic response from Australian policy-makers.

1975 was more than any other year perhaps the most torrid year in Australian domestic politics. The dismissal of the Labor Government plunged Australia into a constitutional crisis. A caretaker government consisting of Malcolm Fraser and Andrew Peacock was subsequently appointed until a Federal election could be held. During this period, by design or good fortune, the Indonesian military invaded East Timor. Michael Hodgeman who was accompanying Peacock in Hobart at the time recalls how Peacock was visibly upset by the news. Despite Peacock’s claim he was not hamstrung by the temporary nature of his appointment, Australia’s response was rather benign. However a major factor influencing Australia’s response was that the caretaker government was obliged to continue with the policies of the previous government and was not really in a position to formulate new policies of its own.

Clearly, the constitutional political crisis had prevented the Australian government from making a more swift and vociferous response to the East Timor invasion. Equally, a sterner response to events in East Timor did not represent any political gains for either party in an ensuing election. Both were committed to winning an election campaign that was bitter and being fought over constitutional issues. Despite the past views expressed
by Peacock, he and Malcolm Fraser were too intent on maintaining the status quo and in discrediting the Labor Party to take firmer action against the Suharto regime. Significantly, the outcome of this was that neither the subsequent election win by the Liberal Coalition parties nor the prior recorded statements of sympathy for East Timor by Peacock managed to change Australian foreign policy toward East Timor. It was a policy similar to the previous Labor government—one which was based on good relations with Indonesia and although calling for the ‘right’ to self-determination never canvassed or called for an ‘act’ of self-determination. The outcome for East Timor was a tragedy that rests on the conscience of Australia’s political elite of both persuasions.

Chapter five investigates the importance of oil and gas deposits in the Timor Sea and the relevance to Australia’s foreign policy decisions in East Timor. The chapter analyses the motivations for governments to work closely with the oil companies and the reasons why a politically stable environment is needed for exploration to take place.
CHAPTER FIVE

Oil and Gas—the thieves’ spoils

Introduction

The island of Timor is 480 kilometres long and 100 across at its widest point. The nearest major landmass is New Guinea (Indonesian Irian Jaya) and Australia is to the south. In 1974, Portuguese East Timor covered 14,953 square kilometres and consisted of the eastern half of the island, including offshore islands of Atauro and Jaco. In a limited way, the mountainous terrain of East Timor has constrained economic development by Portugal and the East Timorese themselves (Jolliffe, 1978, 12). In the months leading up to the Indonesian invasion of the territory, the Australian political elite referred to the unviability of such a small state with little chance of participating in global trade. This was despite the oil and gas deposits thought to exist within the seabed immediately surrounding East Timor. For Australia, the opportunity to explore for oil and gas in a new region was becoming crucial. To do so required a stable political environment where oil companies could negotiate leases and explore with relative impunity. To what extent did this requirement influence successive Australian governments’ foreign policy towards East Timor?

Australian governments have continually espoused the rights of East Timorese to self-determination but until 1999 never called for an act of self-determination. Would an independent East Timor have placed oil exploration of Australian interests in jeopardy? Was it more practical to deal with the Indonesians rather than a small fledgling nation-state that in all likelihood would be politically unstable? Certainly the 1989 Timor Gap Treaty between Australia and Indonesia suggested an East Timor under Indonesian control was a precondition to the treaty. The treaty also clearly gives resonance to a
policy that has been described as appeasement adopted by Australia in the recognition of Indonesian sovereignty over East Timor.

**Oil and gas interests**

Explaining any connection between Australia’s requirement for oil and its attitude to the occupation of East Timor requires an assessment of the energy interests of both Australia and Indonesia. The requirement for oil had imputed a common interest albeit competitive between the two states. Certainly the oil companies had expectations if they were to begin new exploration. It is illuminating therefore to give an overview of each state’s oil interests and of the problems associated with oil exploration.

**Australia**

Australia is a resource rich continent but its vastness means that exploitation of those resources is often costly. Oil and gas, essential to an industrialised nation-state, is a high risk and expensive industry, one that requires considerable cooperation from governments. Australia’s consumption of fossil fuels is similar to that of most western industrialised countries (Conybeare, 1980, 121). In particular a high proportion of the liquid fuel is used for private and commercial transport that increased the consumption rate by up to ten per cent per year during the 1960s (Conybeare, 1980, 121). In 1965 and 1966 Esso/BHP discovered sufficient gas in the Barracouta and Marlin fields in Bass Strait to supply Victoria for a considerable period of time. The discovery of the Snapper and Kingfish oil fields in 1968 pushed Australia toward a high level of self-sufficiency (Radke et al., 1997, 6). Despite the discoveries and a reduction in the consumption rate increases in later years, the drain on indigenous supplies of petroleum was already a cause for concern (Conybeare, 1980, 121). The oil companies and the government soon realised the Bass Strait resources were in significant decline and began shifting the focus to offshore West Australia and the Timor Sea (Radke et al., 1997, 6)
Oil companies always assess recoverable reserves of oil and gas in figures that relate to economic considerations, for example, the price of crude oil (Connybeare, 1980, 121). Companies make the decision to proceed in developing a field in a specified area on the basis of an expected price versus cost relationship over the estimated life of the field (Mansvelt-Beck & Wiig, 1977, 21). 'Time is money in the petroleum industry and nowhere is the strain on budgets more keenly felt than in exploratory drilling' (Petroleum Gazette, 1997, 20). The high capital costs of an oil refinery are such that few organisations have the financial capability of participating. Because of this, very few corporations can afford the probability of success. This makes it 'easy, profitable and secure for the few' (Saddler, 1981, 80). Any investigation therefore into offshore petroleum prospects requires answers to some basic questions. What is the geological structure, what technology is available, is it economically viable and what is the political situation like (Connybeare, 1980, 38)?

It is an analysis of regional politics, which raises the spectre of Australia's complicity in the sharing of the spoils of the invasion of East Timor, and in the understanding of its foreign policy. From Australia's point of view, policy considerations include whether it is in the national interest to produce indigenous oil or gas in terms of self-sufficiency. In 1982, Australia depended on oil and gas for approximately fifty five percent of its total primary energy consumption (National Development & Energy, 1982, v). Two thirds of Australia's liquid fuel requirements were being met by domestic crude production. It was thought that by the end of the decade the production from the established fields would decline and that this would reduce crude oil self-sufficiency by half, unless new discoveries were made (National Development & Energy, 1982, v).

The government of the day's major energy objectives centred on stimulating petroleum exploration and development. The introduction of incentives (introduced 1975) aimed to encourage investment to finance exploration and development of Australia's petroleum resources (National Development & Energy, 1982, v). Government policy as a consequence must surely be of central importance in promoting energy (in this
instance oil and gas) growth and the ideal political environment in which these large organisations can operate. The policies of an Australian government thereby necessarily become the same as those of the oil and gas supply industries (Saddler, 1981, 81).

**Corruption in Indonesia**

Indonesia’s new order under President Suharto in 1967 introduced a radical change in foreign investment policy (Hill, 1994, 68). The changes included those within the separately administered petroleum sector heralded a new era of foreign investor interest in Indonesia. But by 1973 the government had begun to introduce new restrictions on foreign investment. For most of the oil boom period of the 1970s, procedures for foreign firms remained opaque, costly and time consuming amid a resurgence of economic nationalism (Hill, 1994, 68). ‘State enterprises occupy a prominent position in the economy, much larger than that in most developing countries’ (Hill, 1994, 69). Despite the earlier reforms in the handing back of state enterprises to the private sector, the oil boom era saw the government push privatisation off the agenda (Hill, 1994, 68). The reforms (despite public statements to the contrary) to the improved efficiency of the state enterprises moved considerably rather slowly (Hill, 1994, 69). The government involved itself in shaping the pattern of industrialised development. The result was a sharp rise in the government equity investment in state enterprises with the exception of the period surrounding and leading up to the virtual collapse of Pertamina (Hill, 1994, 68). The government policy in attracting foreign investment allowed Pertamina to engage in debt accumulation to astronomical proportions.

Pertamina was Lieutenant General Ibu Sutowo’s National Oil and Natural Gas Mining Company—which he established in 1968 (Bunge, 1983, 56). Sutowo was a veteran TNI officer and close friend of President Suharto and one who managed to establish profitable contacts with foreign oil contacts (Bunge, 1983, 56). Pertamina in 1975 was brought to the brink of disaster through Sutowo’s profligate financial management much to the chagrin of Suharto who was still refusing to dismiss him (Hill, 1994, 14). The state
oil company’s external debts exceeded AUD$10 Billion the equivalent of almost 30 per cent of Indonesia’s GDP at the time (Hill, 1994, 68). Eventually the government had to ‘bail out’ Pertamina.

The power now wielded by the state had greatly increased since the 1973-74 world oil boom for it had the capacity to bestow patronage on its supporters or deny access to lucrative financial contracts to its critics (Hill, 1994, 14). The general repercussions of the ‘bail out’ were surprisingly low, as there was no major overhaul of administrative procedures or a re-evaluation of any of the state enterprise sectors’ role in the economy (Hill, 1994, 68). The bureaucratic capitalists had become a powerful business elite under Suharto’s reign as demonstrated when Sutowo was replaced. The new Pertamina chief was another retired military chief with close connections to the president (Bunge, 1983, 155).

In 1981 Indonesia was becoming a major world producer of crude petroleum and natural gas. The estimated minimum total reserves were estimated at approximately 44 million barrels of oil and the equivalent (in oil terms) of 46 million barrels of natural gas (Bunge, 1983, 155). Onshore reserves were thought to be about thirty six per cent of reserves with twenty seven per cent in shallow waters connected to onshore basins (Bunge, 1983, 155). The remainder was offshore in deep water where expensive technology was required. Pertamina produced only about five per cent of crude petroleum in 1980 while forty seven per cent was either produced under work contracts with foreign oil companies or under production sharing arrangements (Bunge, 1983, 155). The production sharing arrangement was a most profitable scheme, one which saw Pertamina take eighty five per cent of total output plus claiming formal ownership of all well equipment upon ‘its introduction into Indonesia’ (Bunge, 1983, 155).

Drilling in Indonesia had reached a peak of 1.63 million barrels in 1977 with Pertamina under tight central bank control. However, after a worldwide oil glut in 1982 production declined to below 1.30 million barrels per day (Bunge, 1983, 155). ‘The
maximum sustainable operating capacity for Indonesian wells was estimated to be 1.65 million barrels per day'... but more than this, seven of the eleven oil producing wells were experiencing declining production—due to age (Bunge, 1983, 155). The ability to maintain exports therefore rested on reducing domestic demand (growing at over twelve per cent per year during the 1970s) and the need to expand domestic refining capacity. Even so, by 1981 only thirteen of the thirty-eight potential oil-yielding basins had yet to be drilled (Bunge, 1983, 132).

Against this background what is important to note is the date which Pertamina reached the point of collapse. It was mid-1975 close to the same time that fighting commenced between the pro-Indonesian APODETI and pro-independence UDT supporters in East Timor. At the time Suharto would have been fully aware of the potential of the suspected oil wealth off the territory as much as the Australian government was. In an effort to attract new foreign investment into Indonesia's failing oil industry and knowing Australia's interest in oil exploration in the region, Indonesia would have been keen to bury the image of Pertamina's corrupt image. As will be discussed later an Australian Oil Company was implicitly involved with the tarnished state oil enterprise in exploration off East Timor.

*Australia's oil and gas exploration*

If one were looking for the most pressing issue for the Australian oil industry in the 1970s it would be the necessity to secure new regions in which to explore. As the following text indicates Australian governments have long held more than a passing interest in oil exploration. The desire for energy means that all petroleum is the property of the Crown, ownership of the land does not carry rights to explore for, or produce minerals or petroleum (Radke et al., 1997, 6). Offshore, the Crown expresses its position in terms of sovereignty and sovereign rights rather than ownership. Onshore exploration includes the coastal waters and bays and covers out to three nautical miles beyond the territorial sea boundary is governed by the relevant State or Territory legislation (Radke
et al., 1997, 6). Offshore exploration and development beyond the coastal waters is conducted under the Petroleum (Submerged Lands) ACT 1967 (P(SLA)) jointly administered by the Federal and State/Territory governments (Radke et al., 1997, 6).

Consequently, for both onshore and offshore exploration/production the interests require a special grant from the Crown under the pursuant legislation relevant to the jurisdiction (Radke et al., 1997, 6). The first written discovery of oil in Australia was recorded in 1839 along the northwest coast but it was not until 1886 that that the first well was sunk in Coorong in South Australia (Radke et al., 1997, 5). The first successful well struck gas in 1900 at Roma in Queensland (Radke et al., 1997, 5). After the Second World War a significant increase in the scale of exploration began as the Australian government via the Bureau of Mineral Resources (BMR) began to survey the continent collecting geoscientific data necessary for the systematic assessment of petroleum and mineral resources (Radke et al., 1997, 5).

Much of the time petroleum and gas exploration has been subject to wide fluctuations of failure and success. Following the mapping efforts of the BMR, Ampol and Caltex combined in 1953 to explore on the Exmouth Peninsula in Western Australia (Radke et al., 1997, 5). The initial discovery although small contributed to dispelling the belief that Australia was devoid of oil resources. Notably, the Ampol/Caltex partnership has grown to a consortium of partners to include among others Mobil Limited, Shell Development (Australia) Pty Ltd Texaco Oil Development Company and Western Mining Corporation Limited with extensive interests in the Carnarvon and Perth Basins (Radke et al., 1997, 5). This kind of activity resulted in a number of significant discoveries around the country contributing to Australia producing the recorded high levels of indigenous oil mentioned earlier (Department Resources and Energy, 1986, 1). In 1982, the levels of exploration activity reached 221 wells and the completion of 95253 line kilometres of seismic surveying, thereby exceeding $A1000 million in expenditure on oil and gas exploration (Department Resources and Energy, 1986, 1).
The outcome was that in 1983 offshore activity reached a total of 49 exploration wells being sunk with the notable discovery being made at a Jabiru rig in the Timor Sea (Department Resources and Energy, 1986, 1). In essence this gives a clear indication of the importance to Australia of the potential wealth of the Timor region. Certainly the potential wealth of the seabed off East Timor has been well recognised by Australian governments since the 1930s as there is a number of recorded concessions to Australian companies dating back to then (Aubrey, 1998, 283). And, importantly all Australian foreign affairs ministers would have been well aware that this was so.

Perhaps a report compiled by Esso in 1984 effectively summarises the Australian oil industry at that time. And, it would not be too unrealistic to claim that it had quite an influence on the political elite grappling with Australia’s economic interests. In the report Esso addressed three major issues; if there was a need for high levels of exploration for new crude oil reserves; if there was a need for energy conservation; and, was there a need to continue the transition from oil to non-oil energy resources (Esso, 1984,3)? The affirmative answer to all of these questions particularly the first gives justification to oil companies’ search for oil—including in the waters offshore from East Timor. Esso maintained that despite the changes in world energy markets experienced in the 1970s ‘nations must continue to reduce their vulnerability to oil disruptions’ (Esso, 1984, 3). A significant finding was that Esso reiterated that it was only by the discovery of new sizable oil reserves could Australia evade a decline in oil autarky (Esso, 1984,3). Considerable motivation to any government to do all it could to promote new discoveries.

Ownership issues

The Esso report was based on the knowledge that by the end of the 1970s, most of Australia’s oil production had come from the offshore fields in the Gippsland basin of Victoria (Connybeare, 1980, 59). Seismic surveys at the time indicated that the best prospects had already been drilled and that the possible remaining accumulations of crude amounted to less than half of the known producible reserves (Connybeare, 1980,
59). New areas that offered good prospects included the Exmouth Plateau off the coast of Northwest Western Australia and the deep-water areas in the regions of the Bonaparte Gulf, Carnarvon and Perth Basins (Connybeare, 1980, 59). For Australian foreign policy this presented a potentially controversial issue that of the deep-water areas in the Bonaparte Gulf which adjoined the Timor Sea overlying a section of the Australian continental shelf. Separated from Timor by a deep ocean trough any oil and gas discoveries adjacent to Timor would immediately become an ownership issue over rights to the sea floor (Connybeare, 1980, 64). Already Australia had been angered when in late 1972 an agreement was covertly negotiated between the Portuguese government and Oceanic Exploration Company of Denver for oil exploration rights over areas which included a large portion of the disputed continental shelf off Timor (Jolliffe, 1978, 99-100). The agreement also intersected concessions granted to oil companies by the Australian government (Jolliffe, 1978, 99-100). Justification perhaps for wishing new overseers in East Timor.

*The Timor Gap*

During the period of occupation by Indonesia, East Timor remained a non-self governing territory under the administering authority of Portugal at least in the eyes of the UN (Stepan, 1990, iv). Australia has been the only industrialised nation-state to have extended explicit *de jure* recognition of Indonesia's annexation of the territory. In 1976 when informal talks began between Indonesia and Australia the legal status of East Timor was a major point of contention (McKee, 18, 2000). By 1979 Australia had relented and had given *de jure* recognition 'because of the need to negotiate a Timor Gap Treaty' (Sheridan, 1999). What can be concluded from the diplomatic act was that it eased the dilemma of ownership and the right to drill if oil and gas were discovered offshore from the disputed territory.

To conceptualise how the Timor Gap developed and its relevance to how Australia saw the political status of East Timor it is necessary to consider the UN's Law of the Sea.
Article 76 of the 1982 UN Law of the Sea Convention allows for a continental shelf to extend up to 350 nautical miles if appropriate (Prescott et al, 1995, 16). And, the major development in international law is Article 56 of UNCLOS which describes the concept of the exclusive economic zone (EEZ). The Article defines the EEZ as being where coastal states have rights to exploit the sea and sea bed out to 200 nautical miles whether there is a continental shelf or not (Prescott et al, 1995, 16). Herein was the crux of the dispute between Indonesia and Australia over delineation of their seabed boundaries in the Timor and Arafura Seas (which in the early 1970s had to consider Portugal’s rights in and around East Timor) (Prescott et al, 1995, 16).

The Australian government faced two options—over time become a larger importer of oil or to increase its indigenous production. To increase production, new reserves had to be discovered. With this in mind Australia had earlier reached an agreement with Indonesia in 1971 that the boundary through the Arafura Sea was based on an equidistant line from the nearest coasts of the two countries (Prescott et al, 1995, 2). The agreement arguably did not give either party a particular advantage but offered a reasonable solution to any dispute over the seabed boundaries. Significantly, the continuation of this line westward lay through a change in the topography of the seabed. Rather than a continuous continental shelf there existed a shallow broad continental margin (215 nautical miles from Australia) separated from Timor by a deep-water trough (Prescott et al, 1995, 2). The unresolved sea boundary lay opposite the Joseph Bonaparte Gulf in northern Australia resulting in the territorial starting point being farther south than anywhere on the northwestern coast (Petroleum Gazette, 92/4, 14).

At face value Australia argued the axis of the trough should be the site of the boundary whereas Indonesia sought a line of equidistance (Prescott et al, 1995, 2). The 1972 compromise resulted in the boundaries of the seabed either side of Timor being delimited (Prescott et al, 1995, 16). This was necessary because the eastern half of the island was at that time under Portuguese control. In affect this gap (that portion of the seabed either side of Timor flanked by the boundaries between Australia and Indonesia)
was hereafter referred to as the Timor Gap (Prescott et al., 1995, 2). It became the subject of separate negotiations between Australia and Portugal during 1974-75. Portugal, however much to Australia’s angst was waiting for the ruling of the Third UN Law of the Sea Conference which had the delimitation of maritime boundaries between adjacent states firmly on its agenda (Stepan, 1990, 1).

The revolution in Portugal in 1974 oversaw the fall of the fascist regime creating uncertainties over the future of East Timor. The impact of the revolution was that a re-think in Australia’s foreign policy strategy towards the right to explore in the Timor Gap was now necessary. Quite how the change in Portuguese government would affect Australia’s foreign policy was the major issue. Essentially, the Australian government, because of the need to provide certainty to access and exploration of resources close to East Timor, needed to negotiate with the nation-state that held sovereignty over the territory (Prescott et al., 1995, 17). The significance of the incorporation of East Timor into Indonesia was that these negotiations were now to be conducted with the Indonesian government.

*On the road to a treaty*

The following section provides compelling background to the importance of an agreement, and gives explanation of why Australia and Indonesia conducted their negotiations oblivious of East Timorese interests. Difficulties surfaced in the negotiations between Australia and Indonesia because of the differing interpretations of international law (Prescott et al., 1995, 18). Australia argued that Australia’s and Indonesia’s seabed rights ‘extend from their coastlines throughout the natural prolongation of their continental shelves which end in the deepest part of the Timor Trough’ (Prescott et al., 1995, 18). Indonesia’s position was that there is one continental shelf and the boundary should be equidistant. And, that the EEZ concept with seabed rights to 200 nautical miles supports their interpretation (Prescott et al., 1995, 18). Confronted by the dilemma of the differing interpretations both Australia and Indonesia began to explore the possibility of a
provisional joint development regime pending final delimitation (Prescott et al., 1995, 18).

Exploration permits were suspended in 1979 to allow for formal government to government negotiations to commence (Stepan, 1990, 2). Seismic surveys to this time highlighted the petroleum potential of the area along with the single well having been sunk in 1971 in the Gap–Flamingo No.1 encountering oil and gas (Stepan, 1990, 2). Although the Flamingo No.1 provided little information for prospectors, what was of significant importance was the geological structure discovered by Woodside-Burmah Oil Ltd referred to as Kelp, which lay near the centre of the Gap (Petroleum Gazette, 92/4, 16). It was the largest structural closure known on the Australian continental shelf and the risk was that potentially it could hold oil and gas or alternatively be barren of these petroleum products (Stepan, 1990, 2). Importantly, from Australia’s Department of Foreign Affairs point of view positive estimates of the structure’s wealth included forecasts as high as 7 million barrels of oil (Stepan, 1990, 2). This optimistic forecast meant that the issue was vital for future energy and the economic prospects of both Australia and Indonesia. The estimates suggested the successful oil recovery could be twice that of the Bass Strait reserves, which were known to be dwindling (Stepan, 1990, 2). Similarly for Indonesia, any discoveries would also ensure that as Asia’s only member of OPEC, it would be able to replenish its’ own dwindling supplies and stave off becoming a net importer of oil by the twenty first century. (Stepan, 1990, 2).

Thus each country stood to gain considerable energy independence so the need for a mutually agreeable arrangement was apparent. The fusion of Australia’s and Indonesia’s oil interests occurs because of each state’s requirement to ‘shore up’ their future oil reserves. The result was that despite the issue of East Timorese self-determination infrequently surfacing in the UN the possibility was never countenanced in Australia and the East Timorese interests were never consulted. Indeed, Fretilin as far back as 1976 had lodged unsuccessful protests against the then informal negotiations that had begun between Indonesia and Australia to settle the seabed boundary issues (Stepan, 1990, 1).
Australia’s preferred option

Australia’s position on East Timor can be summarised using two points: First, it has given \textit{de jure} recognition of Indonesia’s annexation of the territory by force, and second, having done so Australia could not refuse to ‘enter into a Treaty with Indonesia’ (Stepan, 1990, iii). The negotiations with Portugal in 1974 stalemated at a time when Australia was keen to begin new explorations. By the late 1970s Australia was certainly the more keen to arrive at a settlement to allow exploration of the highly prospective sediments in the Timor area. But with the civil war on East Timor in 1975 and Indonesia showing unease if not ambitions over the territory, might it not be best for Australia’s interests to encourage incorporation and negotiate with Indonesia rather than the fledgling state.

Gough Whitlam when Prime Minister, claimed in the Australian Parliament in August 1975 that ‘Portuguese Timor is in many ways part of the Indonesian world and its future is obviously a matter of great importance to Indonesia’ (Hansard (c), 1975, 493). This raises the speculation that Whitlam was content in knowing that the end to the matter of which country should rule in East Timor was in sight. The potential petroleum wealth in the seabed between East Timor and Australia was almost certainly a consideration for Australia’s security interests in the ‘back’ of Whitlam’s mind (Aubrey, 1998, 286-287). In hindsight it makes Whitlam’s comments on the viability of East Timor somewhat ill-conceived (Aubrey, 1998, 287). An incorporation of East Timor into the Indonesian state would also mean that Australia would be freed from negotiating with three parties over petroleum resource exploration in the area. Portugal would be removed from the negotiations and if the East Timorese were ignored this would leave just one—Indonesia with whom Australia had reached a form of agreement in 1971-72 when the Timor Gap was first created.
Whitlam marched to the UN in 1982 giving a passionate appeal to the General Assembly for the members to support Indonesia and remove the troublesome East Timor issue from the agenda (Dunn, 1996, 331). Moreover, in the speech he revealed that representatives from the Australian Department of Foreign Affairs had visited East Timor in June 1975. The group reported that they found the territory ‘gravely underdeveloped by South East Asian standards’ (Whitlam, 1982, 5). An intriguing question needing to be asked is why did the group choose that particular time to visit? The civil war had not yet occurred and the Portuguese were still in control. On the surface at least it seemed that the decolonisation process was making progress with talks (although boycotted by Fretilin) taking place in Macau. (Dunn, 1996, 84). Whitlam intimated that the visit was of an altruistic nature stemming from the concern that financial support and aid was necessary in territories under Portuguese administration (Whitlam, 1982, 5). It would certainly be speculative and controversial to suggest that the Foreign Affairs officials, being fully aware of the petroleum potential in the region, were on a mission to determine levels of support for the various factions in the territory.

Richard Woolcott had earlier in 1975 denied any suggestion of Australian interest in the integration of the territory. He claimed ‘Australia is not a colonial power’ (Roff, 26, 1992). At the time John McIlwraith wrote an article in the Australian Financial Review on the announcement that Woodside-Burma Oil Ltd would begin drilling operations in Indonesian West Timor (Roff, 26, 1992). Woodside-Burma by agreement had a month earlier begun to drill only six miles offshore from Portuguese East Timor (Roff, 26, 1992). Importantly though, this new arrangement was under a ‘farm out agreement’ with the Australian company International Oil Ltd which held interests in a production area with the Indonesian Company–Pertamina (McIlwraith 1975).

Of significance is that Woodside-Burma had no difficulty negotiating with either the Indonesians or the Portuguese. McIlwraith’s article claimed that a major discovery could introduce a new element into the delicate questions surrounding the future of East Timor (McIlwraith, 1975). What the new element was and what the delicate questions
were are not explained. What is clear is that Woodside-Burma had decided to drill on both sides of the island. Given the political instability of East Timor why did the Company proceed with its operations? A cynic would argue that the company had assurances that despite the political crisis about to descend on the island the situation would not imperil their operations. Who gave such assurances—it would surely only be possible for it to come from the Indonesian and Australian governments with perhaps the acquiescence of the Portuguese? It is reasonable to conclude that Woodside-Burma had received some form of guarantee prior to commencing operations. Certainly, contractual arrangements were needed particularly with the state backed Indonesian group Pertamina. A further provocative speculation of which there is little evidence would be to suggest Woodside-Burma was informed Indonesia may invade East Timor, there would be no Portuguese militarily opposition, and therefore the Australian government saw no need to obstruct any impending petroleum operations.

Jill Jolliffe refers to a note of controversy which appeared in an article Bruce Stannard wrote in *The Australian* on the Woodside-Burma oil exploration announcement....'If there is oil in commercial quantities.....the discovery could be the single most important factor influencing the course of the colony's future as an independent state or as yet another part of the sprawling Indonesian Republic' (Jolliffe, 1978, 100). He concluded if petro-dollars mean petro-security, the Timorese may well be on the road to real independence' (Jolliffe, 1978, 100). An interesting comment made at the time was the possibility of Timor (East) becoming part of Indonesia. Moreover, if the East Timorese in particular demanded equity it could mean economic viability for a once thought of backward territory with no economic viability. These statements were made months ahead of the invasion by Indonesian forces in December 1975. The invasion though momentarily suspended exploration activities and spelled an end (at least in the then foreseeable future) to any claims for equity by the East Timorese in the exploitation of their resources.
Woolcott's choice

In 1975 Woolcott, as if utilising a 'crystal ball', was reported in the Indonesian press as placing the highest priority on 'guarding and strengthening a relationship that would be stable, secure and enduring'...something which the Indonesian press seized on with the headline 'No opposition to Indonesian military action' (Roff, 1992, 27). He certainly did not want Whitlam to communicate Australia's possible opposition to force if used by Suharto. He argued it would be easier to negotiate with Indonesia rather than either with Portugal or East Timor.

Woolcott wrote in a cable dated 17 August 1975 to Alan Renouf, Secretary, Department of Foreign Affairs....

'We are all aware of the Australian Defence interest in the Portuguese Timor situation but I wonder whether the Department has ascertained the interest of the Minister or the Department of Minerals and Energy in the Timor situation. It would seem to me that this Department might well have an interest in closing the present gap in the agreed sea border and this could be much more readily negotiated with Indonesia by closing the present gap than with Portugal or independent Portuguese Timor'

(Toohcy & Wilkinson, 1987, 179).

The language of Woolcott's cable indicates he believed the integration of East Timor with Indonesia was in Australia's national interest especially in terms of negotiating a future agreement involving petroleum exploration and exploitation in the Timor Gap. The context of Woolcott's cable sparked a stern warning from Jose Ramos Horta, Fretlin's political spokesman. In 1990, he warned that a future East Timorese independent government might well revoke Australian oil company licenses granted by the Indonesian government and who partook in the violation of East Timorese maritime resources (Stepan, 1990, iv).
In 1999 Woolcott expressed concern over the possible fragmentation of Indonesia as a result of East Timor succeeding in gaining independence (Woolcott, 1999). Woolcott condemned any form of autonomy for the East Timorese as it might be seen as ‘a form of internal self-determination’ (Woolcott, 1999). The logical conclusion suggests that ‘any reference to self-determination presupposes that independence is a possible outcome’ something which Woolcott was quite worried about (Woolcott, 1999). He saw the possible fragmentation of Indonesia having ramifications in regional security, and having ‘substantial financial implications’ to Australia should the any hard-earned agreement unravel (Woolcott, 1999). He suggested that because of the ‘close legal linkage between sovereignty and the right of self-determination’ the validity of Indonesian sovereignty over East Timor would be questionable (Woolcott, 1999). This would challenge the legal status of an agreement and put in question the basis on which any agreement was formalised—namely *de jure* recognition of Indonesian sovereignty (Woolcott, 1999). Such a challenge does question the legitimacy of Australia’s foreign policy in East Timor. Specifically, that Australia’s belief was that independence would never be granted to East Timor and the territory without question or qualification was a province of Indonesia (McKee, 18, 2000). The important point here is the admission that the Australian political elite since 1975 have sought a deliberate policy of denying the rights of the East Timorese to self-determination. And, that *de jure* recognition was the panacea of a future agreement allowing for Australia’s economic interests to be promoted.

Woolcott believed that any re-negotiation of an agreement would have major implications for Australia. Apart from any security issues he saw the major investment by oil and gas companies exploring in the zone under the terms of an agreement at risk and the ‘temporary’ northern boundary resources possibly closed off to exploration by Australian interests (Woolcott, 1999). In a remarkable statement Woolcott said the resources in this area have always been considered Australian by the Government, the Opposition, and the legal advisers have ‘never regarded them as East Timorese or Portuguese resources’ (Woolcott, 1999). John Howard the Australian Prime Minister in February 1999 also made the statement that he would prefer East Timor to remain part of
Indonesia (Stewart & Garran, 1999). The impact of these statements provides irrefutable evidence that Australia has always preferred an Indonesian East Timor, and the political elite could not claim to have too much concern when the Portuguese withdrew and Indonesia took control. At this point, Australia’s foreign policy became one of bipartisan support for Indonesia motivated by national and the oil companies interests.

The Zone of Cooperation Treaty

Additional evidence of the complicity between Australia and Indonesia can be found when analysing the watershed 1989 Timor Gap (Zone of Cooperation) Treaty. The treaty would specifically outline the rights and duties of the parties involved in the negotiations in terms of the exploration and exploitation of the oil and gas resources in the Timor Gap (Prescott et al. 1996, 19). The negotiations heralded earlier but which began in earnest in February 1979 were complicated by the Australian and Indonesians’ differing interpretations of international law in relation to seabed rights (Prescott et al. 1996, 18). But the motivation for Australia driving any substantial treaty was that it would ‘enhance the Australian–Indonesian relationship’ and offer the chance to prove to Asia it could ‘get on well with its nearest Asian neighbour (in a bid for) other Asian countries to accept its “Asian credentials”’ (Suter, 1995, 4). Such a positive outcome for the political elites’ thinking meant little change in Australia’s foreign policy toward East Timor.

The treaty established a three part Zone of Cooperation. Area ‘A’ establishes joint control and equal sharing of the benefits of exploration and exploitation. Area ‘B’ falls under the Australian legal regime and shares part of the tax revenue with Indonesia. And, Area ‘C’ which falls within the Indonesian legal regime thereby sharing part of the tax revenue with Australia (Prescott et al. 1996, 20). As if to deny once and for all any rights of the East Timorese the treaty had an enforcement clause for forty years with a further twenty year option unless there is agreement on permanent continental shelf delimitation (Prescott et al. 1996, 22).
Unquestionably the treaty prompted the development and intensification of the bilateral political relationship between the two countries. Significantly, the two Foreign Ministers, Senator Gareth Evans and Ali Alatas at their meeting in October 1988 spoke of the turbulent historical relationship (Prescott et al. 1996, 23). The political will to take each other more seriously and in an effort to put more 'ballast' into the relationship they concentrated on building areas of cooperation (Prescott et al. 1996, 23). Certainly, Australia's *de jure* recognition set the mood for future negotiations. The treaty would stand as a 'test case for (a) new approach to the relationship'—one built on practical and workable arrangements where both parties benefited equally. The result would be one of greater confidence in each other (Prescott et al. 1996, 23). Gareth Evans thought so as he believed the treaty focused on practical outcomes rather than differences and 'bilateral irritations' because when the political will was applied 'an imaginative solution was found.' (Evans, 1995, 201). According to Evans, the treaty signed in 1989 reflected 'a synthesis of approaches, practices, and legal principles of both countries' (Evans, 1995, 201). For various reasons this principled suggestion did not extend to the recognition of the right of the East Timorese under International law. Australia's political elite seemed to have taken a somewhat selective view when it came to the principles of law.

The *Petroleum Act 1990*—the Australia–Indonesia Zone of Co-Operation (as distinct from the *P(SL)A*—administered by a Ministerial Council for Indonesia/Australia related to the Timor Gap Treaty between Australia and Indonesia and sought to implement the covenants of the treaty. In many ways this documents the successful lobbying of the Australia-Indonesia Business Committee (AIBC) and the Australian Oil Industry (Prescott et al. 1996, 23). For this cartel, the lobbying of support for Indonesia's actions in 1975 was made in the hope of ensuring a presence in the Timor Sea (Taylor, 1991,75). A quick and substantial agreement was required to determine the seabed boundaries between Australia and Indonesia free from 'unwelcome restraint by the Portuguese or East Timorese Governments claiming control over maritime areas' (Taylor, 1991,75).
Surely the only way for the Australian government to ensure continuity for the oil companies to explore and exploit the Timor Sea was to continually support Indonesia's takeover of East Timor. Not to do so would be a denial of its own treaty. As a consequence successive Australian governments (until 1999) 'became hostage to the integration model now consolidated into national legislation' via the Timor Gap Treaty (McKee, 18, 2000).

*Portugal's challenge*

Portugal in protest to the Timor Gap Treaty took Australia and Indonesia to the International Court of Justice (ICJ), which handed down its judgement in June 1995. The problem for Portugal was that although Australia had accepted the jurisdiction of the ICJ, Indonesia had not (Stepan, 1990, 37). Moreover, if a decision was to go against Australia what would become of its policy toward the Timor Gap and would Australia 'disobey the ICJ' (Stepan, 1990, 37)? Portugal on the other hand was not specifically complaining about the details of the treaty but that by negotiating the treaty Australia had given legal recognition of the takeover of East Timor and the division of Portuguese territory. Portugal claimed Indonesia had violated two clauses. Firstly, Article 2(4) of the UN Charter which obliges member nations to refrain from the threat or use of force against the territorial integrity of another country; and secondly, Articles 73 and 74 which relates to the UN seeking independence for 'non-self-governing' territories (Suter, 1995, 15). Interestingly, Australia and Indonesia violated Article 25 of the UN Charter which 'obliges member-nations to obey UN Security Council instructions. It is well documented that the Council had refused to recognise Indonesia's sovereignty over East Timor taken by force and had repeatedly called for a withdrawal (Suter, 1995, 15). Specifically, the Timor Gap Treaty had not given any assurance the exploration and exploitation of oil and gas will be used in any way to aid the East Timorese (Suter, 1995, 15).

Australia argued in the ICJ that in order for a Court ruling on the dispute to take place the ICJ 'must first determine the legality of Indonesia's presence in East Timor'
Moreover, Australia claimed Portugal had limited capacity to pursue the matter as it had had only limited involvement since 1975 (Suter, 1995, 16). Australia postulated that as there was a dispute on its northern border which attracted little action by Portugal and the UN it had little choice but to resolve the issue itself—because it was necessary to look after its own economic development (Suter, 1995, 16). What was significant here is the further claim that it was also necessary because the oil companies wished to conduct exploratory drilling (Suter, 1995, 16). The oil companies were not concerned who owned the territory. Ethics and human rights issues mattered little but what did matter was certainty of ownership to enable suitable leases to be negotiated in order to commence investment. The Australian delegation contention was that it was unreasonable to hinder economic development because of a dispute 'for which Australia had no responsibility' (Suter, 1995, 17).

The judgment handed down by the ICJ was somewhat of an anti-climax. The Court ruled it could not decide the matter on the merits that Indonesia 'had not accepted the ICJ's compulsory jurisdiction' (Suter, 1995, 18). For Australia it was a victory because it had not lost the case. Significantly the Court did decide to comment on the plight of East Timorese. The Court decided to reaffirm the 'East Timorese right to self-determination' (Suter, 1995, 18). Australia, conscious of its 'international good citizenship' stated it recognised the right of the East Timorese 'to self-determination, territorial integrity and permanent sovereignty over its natural resources' (Suter, 1995, 18). However, Australia also sought to distance itself from this principle of self-determination by claiming it was a matter for the UN in conjunction with the parties involved one of which was not Australia (Suter, 1995, 18). The Indonesian regime would have been satisfied with this last statement but by linking both statements it is clear Australia was placing itself 'on middle ground' (Suter, 1995, 18). Noticeably, in none of Australia's statements had there been any ongoing qualification of the right of the East Timorese to self-determination. If anything though, the ICJ ruling had been of help to the international community to recognise that there was yet to be an act of self-determination in East Timor (Suter, 1995, 18).
In spite of the legal challenges and political justifications the future of the treaty in 2000 now rests on negotiations between an independent East Timor and Australia. Australia having negotiated the 1997 EEZ delimitation treaty with Indonesia creating a permanent water column boundary has put itself in a weak position 'internationally if it wishes to argue that the seabed boundary should be different to the water column boundary' (McKee, 20, 2000). East Timor as a young nation has time on its side and the international community recognition to pursue its own interests. A future East Timor government will be keen to exploit their country's resources and will be able to give significant tax concessions to joint venture partners. Something, which will gain the oil companies support (McKee, 20, 2000). A valid final question remains-how much integrity did the signing of the treaty with Indonesia leave on Australia's foreign policy?

*Integrity in Australian policy*

Gareth Evans, when Minister of Foreign Affairs, highlighted the importance of Australia being seen as good international citizen. For him, this involved an extension of the basic Australian values into foreign policy. These values are at the core of Australian society's sense of self and democratic values which the government is expected to pursue (Evans, 1995, 35). Evans drew on the importance of seeking improved standards in worldwide human rights and equal opportunity leading to the evolution of just and tolerant societies with resulting higher standards of international behaviour (Evans, 1995, 35). It was this type of ideology which manifested a belief that the documented human rights abuses in East Timor could be improved by developing close and personal relationships with the Indonesian regime. Whitlam claimed that the conditions of the East Timorese in 1982 were much better than before the claimed civil war in 1975 and the recorded famine in 1978 (Whitlam, 1982, 14). He stressed the Indonesian regime had a commitment to development programs in the territory. And, if Australia and other nations wish 'to serve the best interests of the people of East Timor' they should encourage the Indonesian government in its efforts to improve conditions (Whitlam, 1982, 21). Where
though was the integrity in Australia's policy? On one hand Australia supported the principle of human rights under international law and on the other it supported a regime which had incorporated another territory by force, a blatant breach of the UN Charter. A Charter to which Australia was a founding member in 1945 (Evans, 1995, 37).

Evans wrote, 'Australia should use traditional diplomatic skills of persuasion to manage tensions and frictions, to ensure that small problems stay small, and to achieve accommodations of interests with mutual benefits' (Evans, 1995, 115). Certainly the Timor Gap Treaty was one such accommodation where Australia and Indonesia colluded in exploiting the riches of East Timor. The small problem of East Timor described by Indonesia's Foreign Minister, Ali Alitias as a 'pebble in our shoe' was buried under the euphoria of the historic agreement (Pilger, 1998, 264). Evans claims 'Australia has always taken its international responsibilities very seriously... (o)nce we subscribe to a treaty we abide by its requirements in every detail' a very principled stand. But as one critic has already argued, Australia's principle reaches to the inalienable right of self-determination and the denial of territory by force so where was the application of these principles in relation to East Timor (Chomsky, 1996, 210-211)?

Praise has been placed on the Timor Gap Treaty where it was considered that the 'negotiation and conclusion of (the Treaty) played an important part in establishing the mutual confidence and trust which has contributed to the development of this more diverse and mature relationship' (Prescott et al, 1996, 26). And for Evans, the treaty was 'an example of a non-military solution to a problem that historically has often led to conflict—a disputed boundary involving prized resources' (Evans, 1995, 115). Somebody else's resources maybe, but for Evans when negotiating the treaty this never entered the equation. He did not soften his stance in 1999 either as he launched an attack on his own Party's Foreign Affairs spokesperson Laurie Brereton. Brereton was outspoken in calling for a change in official policy to one of support for East Timorese independence and criticised the long standing policy as one of having little credibility (Stewart & Garran, 1999). Evans attacked Brereton for 'assaulting the competence and moral integrity of
Labor prime ministers and foreign ministers' (Stewart & Garran, 1999). Such was Evans’ defence of the treaty and of previous Australian foreign policy in East Timor.

Woolcott’s pragmatic suggestion prior to the invasion in 1975 was followed to the letter. Indonesia was the party to be dealing with when it came to a Timor Gap solution and the national interest held a stronger bond than any subscription to the UN Charter or international law. According to Noam Chomsky, western values are at least ‘understood somewhere’. A report in the Thai press on the opening of the ICJ Hearing suggested that ‘(the) issue is not the law but justice’. And, according to the standards of justice ‘there can be no defence of the cynical oil exploration agreement Australia signed with Jakarta’ although ‘at the same time the contract has no bearing on the suffering of the East Timorese...’ (Chomsky, 1996, 201). Chomsky cites Evans’ remark that the ‘conclusion of the Timor Gap Treaty with Indonesia in no way infringes on the rights of the East Timorese people’ which is a fortunate outcome (Chomsky, 1996, 215). Evans also argued in the Australian Parliament ‘that there is no legal obligation in International Law not to recognize territorial acquisition by force’—an interesting observation on the tenets of the UN Charter (Stepan, 1990, iii).

The claims by Australia to rights over its continental shelf are granted by this institution of international law. The Timor Gap Treaty and the implementation of the Petroleum Act sought to regulate ‘Australia’s sovereign rights arising under UNCLOS to explore and exploit resources on the continental shelf in the Timor Gap’ (Prescott et al, 1996, 41). As recorded by His Honour C.J. Barwick ‘...the very existence of a territorial sea depends on international agreement...now set out by international convention’ (Prescott et al, 1996, 41). In respect to East Timor the Australian government and courts chose not to adhere to the legal international instruments (Prescott et al, 1996, 41). At best, knowledge of the oil and gas reserves in the Timor Sea had an influence on Australian foreign policy toward East Timor. The motivation had been on building a better relationship with Indonesia which seems to follow one set of rules on a world scale (Australia’s involvement in the Gulf War when Prime Minister Hawke said ‘big
countries cannot invade small neighbours and get away with it’), and another on regional issues (Chomsky, 1996, 210).

**Conclusion**

As a highly developed industrial nation-state Australia uses a considerable amount of oil and gas for commercial and private transport use. During the 1960s significant gas and oil discoveries were made offshore which contributed to Australia being largely self-sufficient. Despite a reduction in the consumption rates toward the latter part of the decade it was becoming obvious to both the government and the oil industry that the Bass Strait resources were in decline. The focus of possible new exploration sites began to target areas offshore from Western Australia and in the north west continental shelf region—notably, the Timor Sea. Timor Sea operations however, would bring the Australian government and oil companies into conflict with Indonesian aspirations in the same area. East Timor in the early 1970s was still a Portuguese enclave meaning any negotiations for exploration and drilling rights close to this part of the island must necessarily include Portugal’s government.

Being a high risk and extremely expensive industry, oil and gas exploration and production requires an appreciable amount of cooperation from governments. The magnitude of the financial costs has resulted in few organisations being able to afford the probability of success with the outcome being a select cartel of large multi-national organisations with global operations that yield considerable power over governments. These organisations require a stable political environment to negotiate leases to enable exploration and exploitation of oil and gas findings. No less so does a government wishing to ensure a constant supply of oil and gas reserves to maintain self-sufficiency. Government policy thereby necessarily becomes one of promoting energy growth in an ideal political environment.

For many years, Australian governments and the oil companies have known of the
potential wealth of the Timor Sea. Certainly Australia (no less than Indonesia) needed to
discover new reserves of oil and gas to avoid any decline in autarky. Any finds close to
that of East Timor would necessarily involve a dispute over sovereignty rights of
ownership of the seabed. To this end, Australia negotiated an agreement with Indonesia
in 1971, which articulated that the surrounding waters off Timor were delimited—thereby
creating the Timor Gap. Despite negotiations with the Portuguese it was the success of
the Australian oil company Woodside-Burma in partnership with Permatina in 1975,
which allowed the first exploration and drilling close to East Timor. When Indonesia
invaded East Timor the question over who Australia should negotiate with in the future
was answered. Indeed, Woolcott sent a diplomatic cable suggesting it was the preferred
option that Australia deal with the Indonesians on the issue of oil. For the people of East
Timor this meant there would be little support from the Australian government. A policy,
which until 1999 had remained unchanged because to do so may have brought into
question Indonesia’s sovereignty rights over East Timor and ultimately the validity of the
1989 Zone of Cooperation (Timor Gap) Treaty itself. For Australia, any change in policy
must by necessity consider domestic economic interests and issues such a change may
have on the continuity or otherwise of exploration activities by the oil and gas companies.

The extent of government involvement in the oil industry in Australia is not
necessarily all that apparent. Notwithstanding the granting of subsidies, tax concessions
and the providing of the exploration results by the old Bureau of Minerals Resources has
aided the oil companies in their exploration and exploitation of Australia’s petroleum
resources (Saddler, 1981, 97). In particular the signing of the Zone of Cooperation Treaty
illustrates an example of where the policies of government acting in the national interest
and those of the multinational organisations have parity. The treaty represented the
culmination of negotiations between the Indonesian and Australian governments.
Certainly Australia, because of the need to negotiate the treaty gave de jure recognition to
the integration of East Timor into the Indonesian state. Unfortunately for the people of
East Timor this luxury did not extend to them because no where has the signing of this
treaty or any subsequent discoveries of petroleum involved the recognition of their
interests (Chomsky, 1996, 219). Once signed the treaty bound Australia into the integration model in its foreign policy towards East Timor. The desire for oil had thus influenced Australian foreign policy enough to oppose independence for the territory.

Recent Australian Governments have prided themselves on being a good international citizen promoting human rights as an issue world governments' must embrace. The *de jure* recognition by Australia was made in the face of considerable world condemnation of Indonesia's taking by force of East Timor. Clearly this is an acknowledgement by Australia that the use of force is acceptable to gain one's advantage and that the UN Charter condemning the use of force is irrelevant when the national interest is involved. When the national interest and the interests of the oil companies coincide, it becomes a case of the powerful doing what they like (Chomsky, 1996, 217). This includes a foreign policy that has been bereft of the rights of the East Timorese and one, which has promoted the economic interests of privately owned companies ahead of those rights.
Conclusion

The Australian Labor Government in 1975 was presented with two policy options for resolving the East Timor situation. The Department of Defence option, which recommended the recognition of an independent East Timor, was overshadowed by the DFA alternative. Having chosen the DFA option, Australia would be locked into the integration model that persisted and was defended by successive governments for over two decades. Essentially the decision also meant that any criticism of the Indonesian regime has had the potential to damage the relationship between the two states. At the political level the underlying importance of the issue was that it has been a litmus test for Australian foreign policy-makers struggling with the notion of regional engagement. Consequently, a strong bilateral relationship with Indonesia provides substance to Australia’s push for regional economic and security links throughout South East Asia. However as much as the proclivity for close relations brought the two foreign governments together it also gave substance to domestic political division in Australia that continued to simmer.

Clearly, the historical pre-disposition of Australian foreign policy toward the authoritarian regime in Indonesia has been at the expense of the people of East Timor. Documented human rights abuses have gained little currency in a relationship that spans in excess of fifty years where Australia has pursued a policy that has survived governments of all persuasions. The key issues which provide some explanation of Australia’s relationship with Indonesia and the subsequent foreign policy towards East Timor include, the Labor tradition in foreign policy, the strategic value of a unitary state in the Indonesian archipelago, the national interest, the political climate of the cold war at the time of the invasion as well as a domestic political crisis. And, the potential wealth of oil and gas supplies in the Timor Sea that could be crucial to Australia’s self-sufficiency in petroleum products. Moreover, powerful pro-Indonesian lobbyists have argued in favour of a pragmatic acceptance of Indonesia’s occupation of East Timor claiming that
such an acceptance was necessary as it was in the national interest—so defined. The overarching theme was the importance of building and maintaining a good relationship (often at a personal level).

It is worth reflecting on the influence Doc Evatt had on, in particular, future Labor Governments. His beliefs followed a Labor tradition showing a commitment to nationalism and anti-colonialism. No less did Evatt give the support for the acceptance by the international community of the decolonisation of the NEI in the late 1940s. He saw the need for ‘making friends’ with the new emerging nation-state on Australia’s doorstep. Thus originating from this early support for an independent Indonesian Republic came a view by the Australian political elite that it was something of their own creation manifesting into an almost mid-wife belief.

Barwick and Whitlam are excellent examples of the cyclical nature and continuity of Evatt’s attitude toward Indonesia. Importantly though it was Whitlam’s attitude as Prime Minister that held significance for the future of East Timor. He argued that the East Timor issue was merely the finalisation of Indonesia’s decolonisation, and that the best course for the territory was to be part of the Republic. In many ways Whitlam sought to restore the heady days existing at the time when Indonesia became an independent nation-state ever grateful to a supportive Australia. The incumbent Australian Indonesian Ambassador at the time, Richard Woolcott also proposed that the government take a pragmatic approach that supported Indonesia’s actions in East Timor, and to move to soften the public impact in Australia. In sum though Labor’s foreign policy in 1975 was clearly one of Whitlam’s own making justifying his conclusions on the basis that an unviable small state would threaten regional security.

The strategic ideology of the Australian political elite resulted in an almost ongoing commitment to preserving the bilateral relationship with Indonesia. And, driven by the persistent fear of invasion from the north the elite adopted a strategic realist policy that sought to ‘shore up’ the stability, strength and unity of Indonesian nation-state. The
outcome was the promotion of policies that gave a priority to the territorial integrity of regional states. Indonesia in spite of its diversity was only ever thought of as a unitary state and changes to its construct were not countenanced in Australian diplomatic utterances. Considerable weight must therefore be given to the assumptions in realism when analysing Australian foreign policy towards East Timor.

The security calculus for Australian policy-makers was how to best promote regional order and stability in the South East Asian region. It made sense to have a policy that recognised a united Indonesia ruled by a friendly government to offer the much sought after regional security, as well as providing Australia with the means to enhance its projection of power into South East Asia. The conjunctural factors behind this policy have been strategic and economic considerations, ideological (anti-colonialism), and of being a pragmatic response to international politics. Accordingly, the political and foreign policy elite had with the Indonesian government made the integration of East Timor a bipartisan doctrine.

In essence, the strategic realism approach practiced by the Australian political elite was struck by an intense fear of the fragmentation of Indonesia. This resulted in the government concealing the East Timor issue within political rhetoric. Woolcott’s bilateral realism was based on the understanding Australia security, at least in a regional context, was guaranteed by military capability ‘backed up’ by effective diplomacy and trade-all based around building good relations. The notion of multilateral idealism had no place in regional politics where the national interest should be pursued in strategic and commercial terms.

The geo-strategic reality for Australia is that by location the sea-lanes represent crucial military and commercial interests. Rightly, the emphasis in Ministerial statements has focussed on the importance of securing this environment. Indonesia is understandably the centrepiece of such a policy. The political elite argues that the projection of power into the region is in Australia’s national interest. According to Woolcott experts in diplomacy
are the only ones who can properly interpret the national interest and have an understanding of the nuances of international politics. However it can also be claimed that the national interest is what the elite declares it to be. Certainly Woolcott argues strongly against public participation and has openly criticised public debate and criticism of Indonesia that has periodically flared in the Australian media. This however raises the question—in whose interests are the political elite acting? Woolcott is clear in his mind as he firmly considers national politics has no place in determining sound foreign policy. Knowledge of the ‘common good’—so perceived, drives the elites’ argument that it is preferable not to have citizen participation in developing foreign policy.

Determining survival as the key national interest in Australian foreign policy is not that difficult to do. Survival as a national interest was magnified during the Cold War when in 1975 communism appeared to reach a crescendo of international advances and victories. Communism was linked to the anti-colonial struggles occurring in the region and any claims for independence were viewed with suspicion. In many ways the linking of nationalism with communism by the political elite disguised any intention to discover the intricacies of nationalism and revolution and would not accord any legitimacy to regional nationalist movements seeking self-determination.

It is also important to grasp what was occurring in Australian domestic politics in 1975. The Australian Government had become paralysed in the grips of a constitutional crisis, which prevented Canberra from responding in a different way to the Indonesian invasion of East Timor. For the small island of East Timor the chances of assistance from Australia disappeared in the fracas of domestic politics. With an aggressive campaign being run by both political parties neither gave much importance to foreign policy. Each party was more concerned with winning an election and whether by design or coincidence the timing of the invasion could not have been better. The caretaker government of Fraser and Peacock was impotent in its response as cries for help were ignored in what was clearly a breach of the UN Charter—the taking of territory by force.
In many ways East Timor's future was bound up in the knowledge of the existence of oil and gas resources in the region. The influence such knowledge had on Australia's foreign policy decisions seems apparent. Certainly it gave rise to opposition to independence for the territory within the Australian government and DFA. Economic interest in the region focused on the seabed immediately surrounding the island and in an area that has become known as the Timor Gap. Oil and gas exploration and production is a high risk and costly industry that requires a considerable amount of cooperation from governments.

The search for oil requires a stable political environment in which to operate. As a matter of economic consequence a government has an interest in promoting energy growth. Under such conditions the interests of the oil companies and the government of the day necessarily coincide. Drilling operations in a seabed involve ownership rights issues that need to be resolved. For Australian oil interests to explore in the sea areas around Timor, the ownership rights had to be predetermined. Consequently, the timely invasion of East Timor by Indonesian forces meant that negotiations for exploration rights only had to be made with one party—a convenient outcome for the oil industry and the Australian government. A diplomatic cable at the time sent by Woolcott confirmed a preference to deal with Indonesia. More significantly Australia's subsequent de jure recognition that East Timor was part of Indonesia paved the way for the Timor Gap (Zone of Cooperation) treaty being signed in 1989. In many respects the signing underpinned Australia's acceptance of Indonesian sovereignty over East Timor. The treaty though did not afford any comfort to the East Timorese who had no say in the exploitation of their own oil reserves.

East Timor has been on the Australian political agenda as much for security reasons as economic interests. The special relationship that the Australian political elite sought with the Indonesian regime has been at the exclusion of the rights of the East Timorese. At one time or another the national interest has been used to blunt the debate on foreign policy.
Remarkably this has seen a situation in Australia where public debate on the illegal Indonesian annexation has been deliberately 'massaged' by the government and pro-Indonesian lobbyists. For East Timor this has been a tragic sequence of events. And, for Australia, an extraordinary preparedness by the political elite to accept Indonesian government actions hints at a policy of appeasement. What is certainly apparent is that too few people make or influence Australian foreign policy decisions. With this in mind, Australia's foreign policy towards East Timor was at least as much conditioned by the determination of interests as it is in alluding to the success or failure of its political leaders and political processes.
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