Possibly the most important, and certainly the most controversial matter that has been discussed in the Parliament in the last week concerns Dr. Subandrio’s visit to Australia and the joint communique that was issued by the Foreign Ministers of the two countries.

I thought it important to talk to you on this matter because there has been confused thinking on the issues involved.

Traditionally, Australia has strongly supported Dutch sovereignty over West New Guinea – we have done this in private and through the United Nations. In addition, I think you will agree that it is most important to maintain the closest and most friendly relationship with Indonesia. This is a country of 80 or 90 million people, which has gone through many difficulties on its route to independence and stability; indeed, its objectives have not yet been fully achieved.

Indonesia’s rulers are not Communists, although there are Communist elements within the country that have some support. As a whole, however, it can be said that the Indonesian government is not impressed with the kind of Communism that China would like to export.

The attitude of the Western countries, and particularly of Australia, having regard to its geographical position, could be vital in this matter. If the Communists in Indonesia were able to point to Australia and say that country is opposed to our claims at all costs and at any price, then this would be a very powerful weapon indeed to move Indonesia into the Communist camp. The joint communique issued by Dr. Subandrio and Mr. Casey makes it impossible for Indonesia to speak in this manner.

While not relinquishing our support for Holland over Dutch New Guinea, we have said that if the Dutch and the Indonesians freely and lawfully come to some agreement upon Dutch New Guinea, then we will not oppose it; indeed, what else could we say? If we did oppose, we would be the only country in the world to do so, and our efforts would be futile. Our opposition would get no hearing in the United Nations under those circumstances. We would be left out on a limb giving Communists in
countries like Indonesia an opportunity for propaganda against us which they have never hitherto possessed.

In view of the fact that there are 600 million pounds worth of confiscated Dutch assets in Indonesia, the possibility of trade being done between Holland and Indonesia cannot be ruled out. If this happens, we would be powerless to prevent it. It is worth remembering that Holland was prepared to submit the whole matter to the International Court. If the decision had gone in Indonesia's favour, would we have opposed that??? The joint statement recognised the limit to Australian influence. We can do what we like to bolster Holland's stand as we have in the past, but if, despite this, Holland's view changes, then we must respect any lawful agreement made.

In a brief debate on this matter, the Opposition supported a regional pact for security and welfare concerning the whole of New Guinea. It claimed that this pact should be made between Holland, Indonesia and Australia. If there is any question of concessions in regard to this matter, then this is the greatest concession of all, because it implies that we should allow Indonesia and Holland to have some say in the welfare and management of that part of New Guinea which comes under the Australian jurisdiction. Such an attitude is defenceless, for Australia has always carried out its obligations to the people in these Territories in an able manner.

Indeed, I do not think it can be said that the Government has given any concessions in this matter. We maintain our support for Holland but we have taken the realistic course and we have said publicly that we would not oppose an agreement freely and lawfully reached between Holland and Indonesia. I think this is the least the Australian Government could have done and at the same time maintain friendly and good relations with our nearest neighbours in South-East Asia. This is vital to Australia's future security.

Above all else, it is essential that Indonesia be kept out of the Communist orbit, and we must try to regulate our policy where we can to help Indonesia's government in this regard.