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dvb

MINISTERIE VAN BUITENLANDSE ZAKEN

AFDELING VERBINDINGEN

's-GRAVENHAGE, LANGE HOUTSTRAAT 28 TEL. Nos: 180309; 184000-284

ONTVANGEN CODEBERICHT

DATUM VAN ONTVANGST:

17 maart 1958 **BESTEMD VOOR:**

min. v. b.z.

no 0415

Dir./Afd.: Visie: Ag. No: Dossier:

PARAAF/OPM:

Kopie No.

8 maart 19**%**8

DATUM VAN AFZENDA

AFKOMSTIG VAN:

canberra

per koerier

geheim

13 hetwelk mij per koerier toegezonden en 25 en 28 ontving ik volgende brief van 6 maart j.l. van acting minister external affairs sir philip mcbride.

on 28th february you discussed with mr casey the economic interests of the netherlands in indonesia and left/him a memorandum dated 24th february 1958 on this subject.

/with

i am writing to say that the australian government has given careful study to the memorandum vou left with mr casev.

government is of the opinion that the australian the way in which the economic and commercial activities in indonesia are restored, following the dispossession of netherlands ownership and management, has great importance for those countries whose desire it is that indonesia should not pass under communist control or influence.

the australian government recognises the peculiar concern of the netherlands government in this question because of the losses that have been inflicted, without compensation, upon the economic interests of the netherlands.

in the development of its policy towards indonesia, the australian government will continue to keep prominently in mind the fact that netherlands interest in indonesia have been confiscated without compensation and that obligations undertaken by the indonesian government have not been fulfilled. the australian government does not have before it any current proposals involving the adoption of new policies of aid towards the government of indonesia which would be of the character contemplated in the embassies memorandum. the government has, for some time, been engaged in a programme of economic and technical aid to indonesia under the

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colombo plan. We have recently reviewed the transactions already approved under this programme. they consist of a large number of small projects involving expenditure in the current financial year of about austalian pounds 400,000. the government is of the opinion that they will not affect adversely the satisfaction of the netherlands interests discribed in the embassies memorandum.

given both the nature and size of this aid programme, the australian government would not consider that there exists a foundation upon which the australian government could formally request the indonesian government to satisfy netherlands claims against indonesia.

the australian government will be pleased to maintain and develop confidential exchanges of information on developments in indonésia and to keep the embassy in touch with our thinking on indonesian questions.

note has been taken of the comments in your memorandum about the possibility that non-indonesian interests will take over enterprises in indonesia which have been confiscated from their lawful netherlands owners, and also of the suggestion that the netherlands owners concerned sould be consulted before any such enterprises are taken over by non-indonesian interests. an examination is being made of the possibilities of actions by australian government authorities in this regard, and this might appropriately be the subject of later discussion between the embassy and the department of external affairs.,

lovink 39.

noot: een kopie van het verbal memorandum hetwelk ik 24 februari j.l. bij minister casey achterliet en waarnaar in bovenstaand telegram wordt verwezen, moge hiernevens worden aangeboden.

the confused and disturbed situation in indonesia has been caused to a great extent by the anti-metherlands policy of the indonesian government to oust all netherlands interests in every walk of life.

as a result of this spoliation policy a vacuum has been created in this politically, economically and strategically important area. how this vacuum should be filled is a question of great importance to western countries in order to prevent that indonesia will be lost to the free world.

the netherlands considers itself duty bound to take the initiative for consultations on this subject since netherlands interests are primarily involved, not only in view of the possibility of obtaining compensation but also with regard to future participation of the netherlands in the economic relations of indonesia.

in this light the netherlands would greatly appreciate to be kept informed about the australian policy with regard to indonesia and would highly welcome a continuous exchange of information as to the developments in indonesia, in particular with regard to the relations between the central government and the outer islands, which well be decisive for the future of that country.

in case a situation might develop in indonesia which would somehow create a favourable climate for western support, any consideration thereof should be accompanied by a demand that indonesia will be prepared to come to an arrangement with the netherlands concerning the unwarranted confiscation of netherlands interests and the non-fullfilment of its governmental obligations.

the netherlands knows it can expect full understanding and co-operation for its endeavours to obtain compensation in one form or another for its losses in indonesia.

although it does not seem likely that those netherlands interests which are now under indonesian control, will ever revive as western enterprises in the old sense, there should be no question that foreign private interests would simply take over those enterprises which have been sequestered from their lawful netherlands owners, since this would cause complications and bring forth claims for damage.

consequently it seems advisable that foreign interests

before taking over such enterprises consult the netherlands owners concerned.

it is hoped that the australian government will further such a procedure as much as possible.

canberra, a.c.t. 24th february, 1958.