



[no 6675]

PERSONAL & CONFIDENTIAL

BRITISH EMBASSY,  
PARIS.

December 14, 1958.

*My dear Joe*

I am sending you this personal note not for the record but so that you should know as between you and me personally exactly what happened over the Gannets.

We received towards the beginning of last week a statement from the aircraft firm making it clear that the matter had to be decided in December or the contract would be cancelled, the contract upon which, as you will remember, the Indonesians had already paid some £400,000 as deposit and for the training of pilots. We also received a communication from Washington enquiring our intentions about Gannets and stating that if we did not supply them the United States proposed to supply the Indonesians with similar aircraft. Our situation in Britain is that we have mounting unemployment with depression in the aircraft industry. In those circumstances it was politically impossible for us to continue to refuse to give an export licence for the Gannets. I sent a message to you. I understand that owing to some technical breakdown it reached you 24 hours later than it should have done. I also informed the Australians. I waited for some

His Excellency,  
Dr. Joseph Luns

/five



PERSONAL & CONFIDENTIAL

BRITISH EMBASSY,  
PARIS.

- 2 -

five days before communicating with the Indonesians.

With regard to the ships, I have seen the terms of the Aide Memoire which was delivered at The Hague stating that you would be informed of deliveries. I am afraid that that wording slipped past me. I do not intend to act over ships in that way at all. I think we must have a full consultation with you and in N.A.T.O. about naval deliveries. Again we are in a very difficult position with a depressed ship-building industry and increasing unemployment in the shipyards, if orders we reject go to our N.A.T.O. allies. I am told that the Germans are building motor torpedo boats for the Indonesians for which they are actually ordering the torpedo tubes from us. The Italians are also building ships for the Indonesians and some of the equipment for them is being ordered from us. It is an untenable position both in logic and from our point of view politically.

Bentinck did however tell me about assurances which you have received from both the United States and the Australian Governments as to support if the Indonesians attacked Dutch New

/Guinea



PERSONAL & CONFIDENTIAL

BRITISH EMBASSY,  
PARIS.

- 3 -

Guinea. That is a matter which I would like to consider further. Speaking absolutely personally I cannot see why we should not give you as firm assurances as the United States and our Commonwealth partner have done.

I have written you this personal letter because I know when we meet we will probably get cross with one another. If you want me to repeat all or any of this to you more officially I will gladly do so. I am sorry about this disagreement but things have moved very quickly in the middle of a pressure of work such as I have never known before.

*Thompson*

*Sehyn*