

**AUSTRALIA'S ENGAGEMENT WITH
INDONESIA SINCE 1986**

DISSERTATION SUBMITTED TO THE
JAWAHARLAL NEHRU UNIVERSITY
IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE AWARD
OF THE DEGREE OF

MASTER OF PHILOSOPHY

SAGARIKA BEHERA



**CENTRE FOR SOUTH, CENTRAL, SOUTH EAST ASIAN,
SOUTH WEST PACIFIC STUDIES, SCHOOL OF INTERNATIONAL STUDIES
JAWAHARLAL NEHRU UNIVERSITY
NEW DELHI - 110067**

2001



जवाहरलाल नेहरु विश्वविद्यालय

JAWAHARLAL NEHRU UNIVERSITY
DIVISION OF SEA & SWP STUDIES
CENTRE FOR SOUTH, CENTRE SOUTH EAST ASIAN
AND SOUTH WEST PACIFIC STUDIES
SCHOOL OF INTERNATIONAL STUDIES

DATE 21 July, 2001

CERTIFICATE

३

I, Sagarka Behera certify that, the dissertation entitled "AUSTRALIA'S ENGAGEMENT WITH INDONESIA SINCE 1986" submitted by me for the award of the Degree of MASTER OF PHILOSOPHY is my bonafide work and may be placed before the examiners for evaluation

Sagarka Behera.
(Sagarika Behera)

Forwarded by

Man Mohini Kaul
DR. MANMOHINIKAUL

(Supervisor)

K. Warikoo
K. WARIKOO

(Chairperson)

**DEDICATED TO MY
BELOVED PARENTS**

PREFACE

On the face of it, Australia and Indonesia seem like any other neighbours, in the world today. Australia and Indonesia have traditionally viewed each other with mutual suspicion and skepticism, compounded by the various cultural, historical and geographical differences between the two countries. Admittedly, there has been a gradual but considerable softening in their bilateral relations, both the countries realize that a positive approach mainly in the form of regional and economic co-operation is conducive for progress not only in the individual countries but also in the realm of bilateral ties. But the road to 'Peace' has never been easy because internal crisis and external interventions have very often resulted in a great deal of instability and turmoil in relationship causing both the nations to view each other with renewed mistrust and suspicion. Throughout history, the relation between Indonesia and Australia have been characterized by this constraint of shifting cautions and initiatives, which makes its study interesting.

This dissertation is an attempt to undertake a critical and objective survey of the various significant aspects of Australia's engagement with Indonesia, regional security issue, human rights, self determination, interdependent economy, etc. the study is divided into five chapters

Chapter -1 it gives a whole historical over view after the Second World War.

Chapter-II discusses the concept of regional security, for the two countries.

Chapter- II East Timor: Impact on Australia and Indonesia relation. Analyses the East Timor issue.

Chapter - IV examines the deep economic relation between Australia and Indonesia

Chapter -V is the conclusion. Following is the

HYPOTHESIS

1. Security threat from Indonesia is more a product of fear 'Psychosis' than a real one.
2. Australia's involvement in East Timor was more an assertiveness to play a regional role than any sympathy for humanitarian cause, as announced by Australia's political elite.
3. In the twenty-first century Australia would be a national contributor in Indonesia's developing economy.
4. Australia's stable relationship with Indonesia contributes maintenance of regional security environments.

METHODOLOGY

The dissertation is based on primary and secondary sources. Primary sources include statements, interviews, documents, treaties, B. B. C. Summary of world Broadcasts, Foreign affairs Bulletin, and reports. The secondary sources include books, articles, journals, newspaper etc.

ACKNOWLEDGEMENT

No amount of perseverance can ensure the completion of a research work if somewhere and somehow the help and cooperation of others are not required and forthcoming. This work has been made possible because of the help and cooperation received for many individuals and institutions.

Needless to say that I owe any profound gratitude to Dr. Manmohini Kaul, my supervisor, for her unfailing guidance and inspiration throughout. Her scholarly guidance and way of analysing the problem gave me the necessary perspective and direction to the study.

I am indebted to the staff of JNU library, IDSA library, Teen Murti Library, ICSSR, ICWA, Australian embassy, etc. I would also like to take this opportunity to express my gratitude to my friends and colleagues who strictly put up with my irascible movements and having contributed, in one way or other, to this work, my special thanks for Kirti Singh, Joavani, RuniPal, Pallave Yadav, B, Archana, Binaya Srikant Pradhan, Rati Kanta Patra, Krishan Dev and Many more.

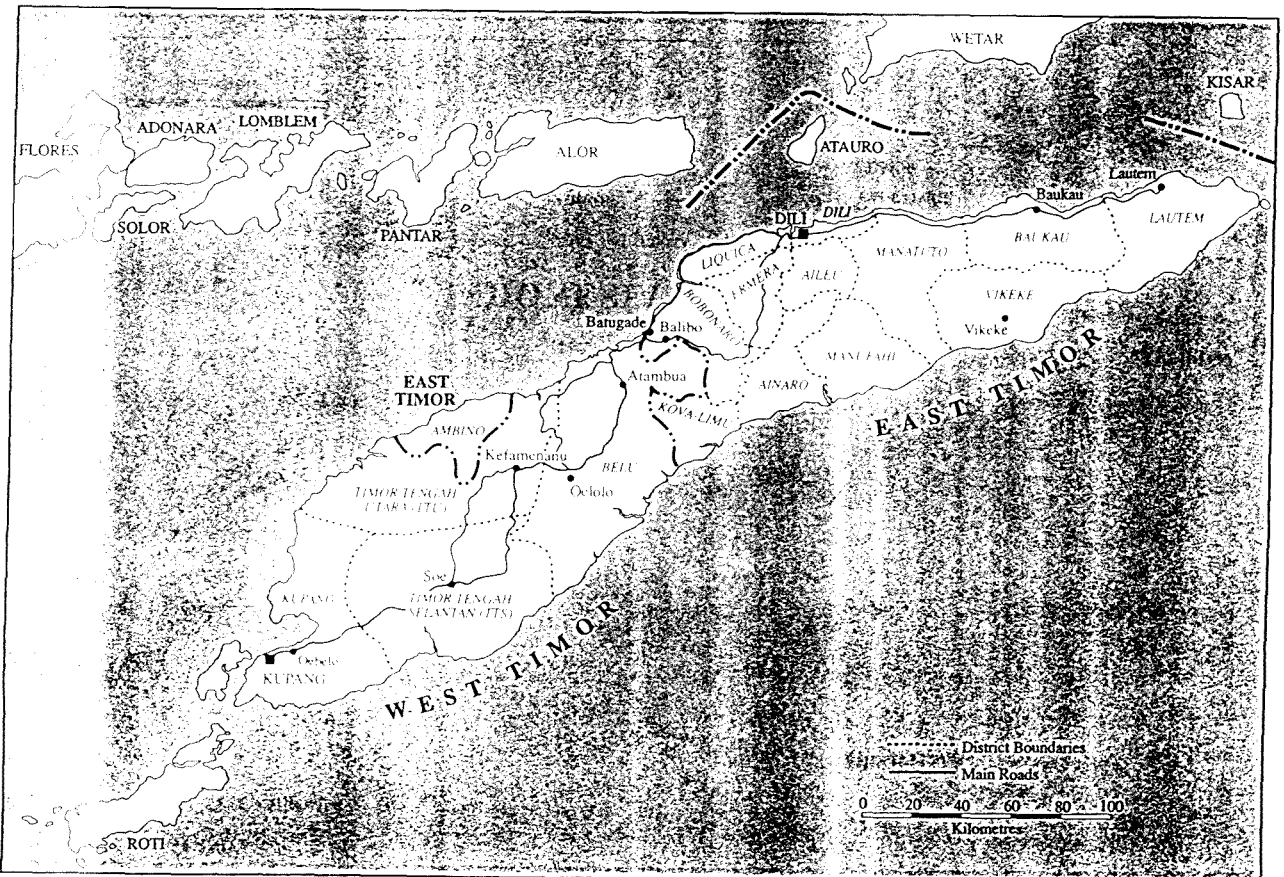
Thanks are also due to Askok (A. P. Computer, S. L.) for taking sincere care and pain to type this dissertation on time and I special thanks to my room mate Joavani for helping me in proofreading.

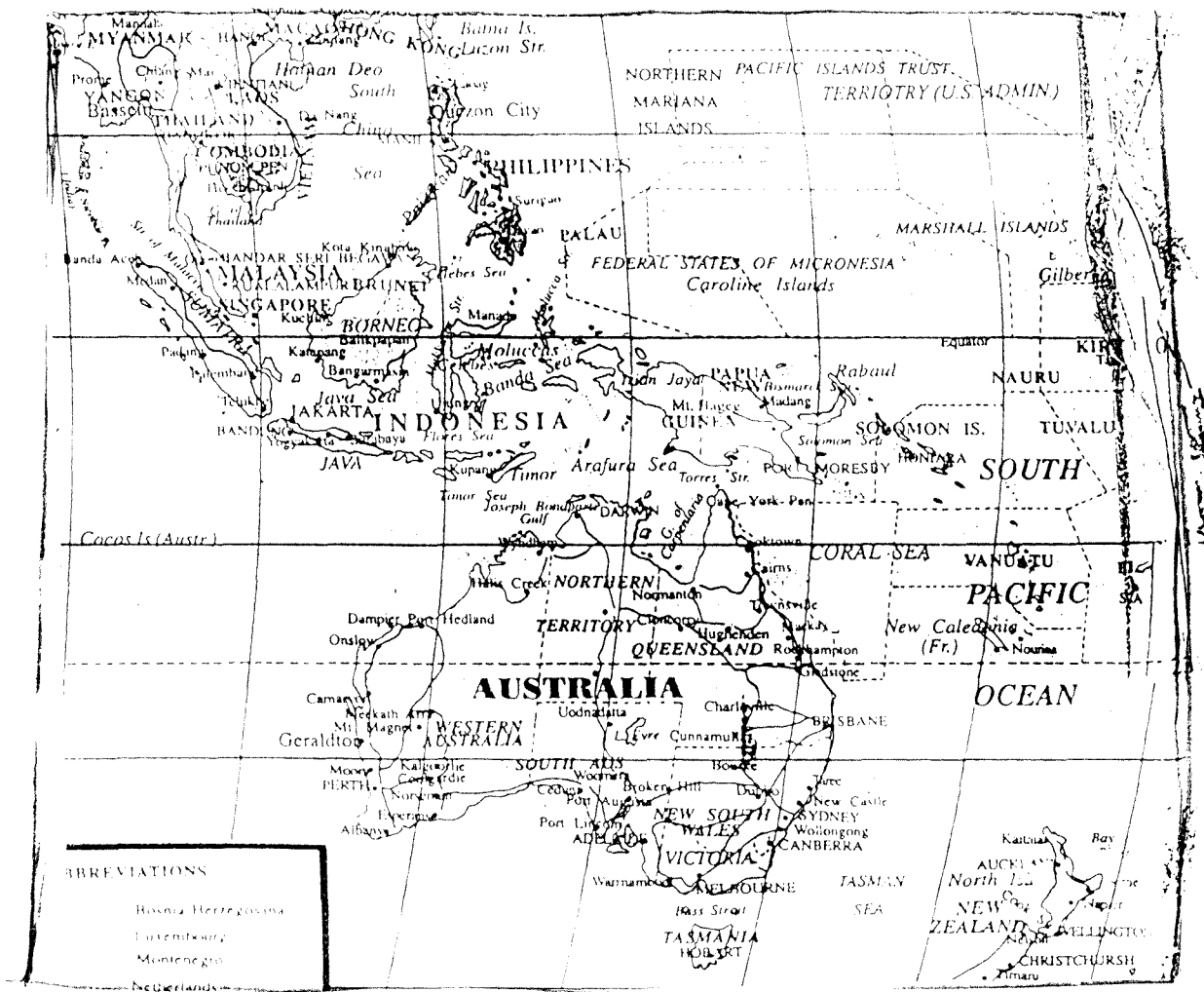
In the end, I want to express my deepest gratitude to my parents, family members and relatives for understanding me and extending their support and warmth their support and constant encouragement.

Though the ideas have been borrowed from different sources, however, I am solely responsible for any deficiency in it.

JNU
d- 21. 07.2000

Sagarika Behera.
Sagarika Behera.





Abbreviation

ABRI -	Indonesia Armed Forces
ADF -	Australian Defence Force
AMS -	Australia-Indonesia Agreement on Maintaining security
ANU -	Australia National University
ANZAM -	Australia, New Zealand and Malaya Organisation.
ANZUS -	The Australia New Zealand and United States Treaty.
APEC -	Asia-Pacific Economic Cooperation
ARF -	ASEAN Regional Forum
ASEAN -	Association of South-East Asian Nations
CSCAP-	Council for Security Cooperation in Asia-pacific
EEZS-	Five Power Defence Arrangement
INTERFET-	International Forces to East Timor.
NATO-	North Atlantic Treaty Organisation
PNG -	Papua New Guinea
TNI -	Tentara Nasional Indonesia, Indonesia National Armed Forces
US-	United States
UNAMET -	United Nations Assistance Mission to East Timor
UNTAET -	United Nations Transitional Administration in East Timor.

CONTENTS

Preface

Acknowledgements.

Maps

Abbreviations

Page No.

Chapter –1

Introduction:

Australia-Indonesia Relations in the Past1.15

Chapter -II

Australia and Indonesia:

The concept of regional security 16-33

Chapter -III

East Timor crisis:

Impact on Australia and Indonesia relations..... 34-48

Chapter -IV

Interdependent Economy;

A clash for Economic Interest 49-68

Chapter _V

Conclusion 69-74

Bibliography.

CHAPTER-1

Introduction

Australia-Indonesia Relation in the Past

The commonwealth of Australia, which came into existence in 1901, since its inception, has been playing an important role in world politics. Though earlier it was closely connected with the Western Hemisphere now it is moving closer to the neighbouring region and is playing a greater role in the world. Australia's nearest neighbour is Indonesia, a complex country of around 210 million people. It is an archipelago of more than 13,500 Islands stretching for 500 kilometers across Australia's northern approaches. Through the strategic Indonesian straits just north of Australia's pass the vital iron ores traffic between north-western Australia and Japan, the oil traffic between the Middle East and Japan, and the commerce and naval vessels of many countries move between the Indian and the Pacific.¹ Australia – Indonesia relation have been handicapped by the existence of cultural and historical differences and barriers. Some Australians believe that the differences between them and Asian are so vast that their businessmen and politicians will never be able to enjoy an uncomplicated relationship, with each other as they are able to, for example with certain Anglo-Saxon countries like Canada, New Zealand, Britain or America. The prospects were not helpful due to frequent repetition of the stereotype view that most Indonesians held as about Australian as being a arrogant, and

¹ T.B. Millar, *Australia in Peace and War*, (Botany, NSW, 1991), p.184.

culturally inferior, and Australians, in turn, regarded Indonesians as cruel, devious and corrupt.

According to a well-known commentator on Australia-Indonesia relations, the perceived image of each other has been to a great extent responsible for a not so close friendship between the neighbours. Both the nations held inimical images of each other. It was held that Australia felt superior and thereby presumed it had the right to criticise to others about their political culture. It is stated that Australia's impression of Asia/Indonesia that of poor and miserable, people and of the in general as Asian countries incompetent and untrustworthy. At the personal level Asian are assumed, dangerous and unpredictable and they are quite incapable of rational and logical thinking. Essentially they need to be assisted in social and economic development, because unlike the west they lack the expertise for the use of latest technology. Even the former Australian Foreign Minister, Gareth Evans who was a great proponent of close engagement with Indonesia, observed that no two neighbours anywhere in the world were as comprehensively unlike as Australia and Indonesia, the difference was in language, culture, religion, history, ethnicity, population, size and in political, legal and social systems. Usually neighbours share at least some characteristics brought about by proximity over time, but the Indonesia

archipelago and the Australian land mass might well have been half a world apart.²

Many others in Asia too felt that to be friends with Australia was very difficult due to its conservative European view of orientalism.³

Even Huntington admits that in contrast to Russia, Turkey and Mexico Australia has its origins in a western society. Besides, the physical and geographical environment has created certain differences. Australia was discovered by Captain James Cook on 20 April 1770. It has a population, which is basically of an Anglo-Saxon, origin. Since mid 1970 a change in immigration policy was made and thus ended the infamous "white Australia Policy". With the immigration of Asians to Australia, thereby, a policy of multiculturalism was adopted. It must be said in Australia's favour that unlike many countries that have been slow in responding to changing circumstances, Australia has shown remarkable dynamism to adjust its security needs to the changing external environment. The fast changing geopolitical strategic environment in Australia's neighbourhood found expression in the 1987 White paper and the 1989 Ministerial Statement by Senator Gareth Evans. The Ministerial Statement laid the

² Don Grant & Graham Seal, *Australia In The World : Perception And Possibilities*, (Perth 1997), P.382.

³ Don Grant & Graham Seal, *Australia In The World : Perception And Possibilities*, (Perth 1997), P.382.

conceptual framework for Australia's regional security doctrine. It identified Southeast Asia, the South Pacific, the eastern reaches of the Indian Ocean, and the US as being primary strategic interests to it. The key elements of Australia's regional security policy were identified as a policy of "Comprehensive Engagement with South East Asia" and a "Comprehensive Commitment in the South Pacific".⁴ The region responded favourably to the Australian initiatives, and a country, which was once considered an "odd man out", was almost accepted as an "odd man in". Australia also took active interest in regional issues, participating in the Cambodian peace process, becoming a major aid donor to Vietnam, taking initiative towards the formation of the Asia-Pacific Economic Cooperation (APEC), it became a dialogue partner of Association of Southeast Asian Nations (ASEAN) and a member of the ASEAN Regional Forum (ARF); and took steps towards the establishment of an association for regional co-operation in the Indian Ocean.⁵

In order to understand the politics and dynamics of Australia – Indonesia relations, it is important to analyse some of these major issues having an impact on bilateral relationships of the two.

⁴ Man Mahini Kaul, "Australia – India Relations: Post Pokhran Phase" *International Studies*, New Delhi, 2001, p.369-370.

⁵ Megrurry, "India: Australia's neglected neighbour" M Sandy Gardon and Stephon Henninghan (eds.): *India looks East An Emerging Power and its Asia – Pacific Neighbour* (Canberra, 1945), p.247.

Fear of Spread of Communism

In July 1954, President Sukarno formally abolished the liberal democratic parliamentary system and replaced it with guided democracy and at the same time Sukarno shared control of guided democracy with the army leadership and the Indonesia communist party (PKI) Sukarno Served as the PKI's protector against its most hostile and dangerous rival. As a self – proclaimed revolutionary Sukarno had long felt an ideological affinity with the communists. After the mid-1962 adjustment in the Sukarno-Army PKI relationship, a growing similarity developed between the ideologies, and policies of Indonesia and of the PKI and Peking. As a result of this, tension arose in Australia since the threat of communism was directed from Moscow and Peking.

By 1965, Indonesian politics was poised on the brink of cataclysm, as guided democracy staggered on, political life was suffered increasingly by hatred. As a result of the PKI's vigorous campaigning, there was hardly an issue dividing Indonesia's which could not be interpreted in terms of communism and anti-communism. The PKI's insistence on political correctness, even in areas such as East Java seemed close to civil war. The debate over national identity, which had begun when the idea of Indonesia

first drew a following amongst the people of the archipelago, had polarized into a frightening stand-off between communism and its opponents.⁶

Therefore, the Australian government came to the conclusion that conditions were created in Indonesia, which would prevent efforts to contain communist expansion in Southeast Asia. Another frustrating development in Canberra's view was the steady military build-up in Indonesia as a result of the flow of arms from the communist bloc, which constituted a potential threat to Australia's security.⁷

West Irian Dispute

West Irian issue proved to an obstacle in friendly relations between Australia and Indonesia. At the time of Indonesia Independence in 1949, the question of West Irian remained unresolved. The Dutch supported the argument that papuans of west Irian did not want to join the ethnicity, which is different Republic of Indonesia. On the other hand, Indonesia held that west Irian was a part of the Republic since it was "continuous with the Dutch East Indies" and Indonesia's Freedom could only be complete with the merger of West Irian.⁸

⁶ Robert Cribb and Colin Brown, *Modern Indonesia: A History since 1945*, (London, 1995), p.95-96.

⁷ The military equipment from the East European countries included MIG-Fighters and Yuhin Bombers, the New York Times, 7,9 and 10 April 1958.

⁸ D.R. Sar Desai, *South East Asia, Past and present*, (Bouldren, Colorado, 1989), Second edition, p.237.

A joint Australia - Dutch statement of policy committed those two countries to promote self-government for all the inhabitants of the Islands. This looks for a while as it might be part of a plan to form a separate independent New-Guinea- Melanesian bloc, apart from Indonesia. Later on the Australian government became increasingly lukewarm. Australia had supported the nationalist struggle for independence by Indonesia against the Dutch. However, formal recognition to the republic of Indonesia was finally granted only on December 27, 1949, because by now the Labour government had been replaced by the conservative coalition of the liberals and the country parties. But in the case of West New Guinea (also known as West Irian and later as Irian Jaya) Australia supported the Dutch still in 1961, as it was nervous and suspicious of President Sukarno's motives.⁹ After 1950, the fear of having a common border with an Asian power in New Guinea as the fundamental cause of Australia's opposition to the Indonesian claim. Because the West Irian issue was an issue on which the Australian people unanimously backed their government. The traditional view about West Irians's 'vital importance' to Australia's security inhibited any desire to come to an agreement with Indonesia on the issue, particularly in the context of the security aspect. The extreme eagerness of the Menzies liberal government to remain in power imposed rigidity on Australia's policy towards West Irian. Originally, Australia had supported

⁹ Man Mohini Kaal, Management of Ethnic Conflicts; Irian Jaya A case Study.

Dutch sovereignty over west Irian and had rejected Indonesian claims to the territory. At first emphasizing legal grounds and subsequently stressing the cultural-ethnic reason that the people of west Irian were different from those of Indonesian Australia had also asserted its right to be consulted on the future of a territory so vital to Australia's security.¹⁰

On the other hand West Irian events proved that both the Australian and Dutch governments had underestimated the Indonesians. The internal weaknesses of their country tempted them into strong action, for an assault on the last Dutch territory near them was the only cause that would unite the different groups in Indonesia. The major groups were the nationalists, President Sukarno's supporters, the army, which has gained experience and confidence in crushing the revolt in Sumatra in 1958. And the Indonesian communist party, in the meantime, on the basis of an agreement concluded with the Soviet Union on January 1961. Indonesia began a massive arms build-up with the help of Russia aid. The Indonesian exercise in brinkmanship appears to have been aimed partly at forcing the Dutch to yield to Indonesian demands, since negotiations had clearly failed, and partly at enlisting the American supported in the form of diplomatic pressure on the Dutch. There was fighting in the early part of 1962 and by August the Dutch gave way. After a short period of the United Nations

¹⁰ E.M. Andrews, *A History of Australia foreign policy*, (Sydney, 1988), p.147.

Control, the Indonesians look over West Irian in may 1963.¹¹ After that Australia suddenly began to modify its stand because of this apparent weakening which created a storm of criticism in parliament and in the press, Australian government again fell down in Australia. The leader party led by. Calwell, strongly criticized the government, accusing it of a betrayal similar to Munich. Public opinion probably was in agreement. The government had to face the difficult choice of abandoning the Dutch in West New guinea or by supporting them, going against the policies of both its major allies, Britain and America; and at the same time making Indonesia hostile.

Before the end of 1969, the people of west Irian were to have the opportunity to exercise they right of self-determination. The Australian government expressed satisfaction at the situation although regret was also expressed at the means whereby the settlement had been achieved - for Indonesia, the outcome was a 'triumph' as a jubilant Sukarno claimed, for Australia it represented something of a diplomatic defeat.

The difference between Australia and Indonesian views on West Irian produced an element of strain in Australian-Indonesian relations. There

¹¹ E.M. Andrews, no.11, p. 141.

was, however, a legacy of ill-will and suspicions on the part of many Australians on Indonesia and vice versa.¹²

Confrontation of Malaysia.

Australian diplomacy in the west Irian dispute may be regarded as having been unsuccessful in at least two respects; firstly, Australia was forced to abandon its preference for west Irian to remain separate from Indonesia; and secondly, the settlement was not achieved by negotiation free from coercion, a principle which Australia had not abandoned. The Indonesian confrontation of Malaysia presents a much more serious challenge to Australian diplomacy, since there was less room for Australian compromise.

Indonesia's success in gaining Irian Jaya encouraged further conflict in the south-western Pacific Basin. Sukarno started making threatening gestures towards the freedom of Malaysia, which was inaugurated on 16 September 1963. The concept of Malaysia had been advocated in May 1961 in a speech by Malaysia's Prime Minister, Tunku Abdul Rahman, as a salvation to the problem of amalgamating Malaya and Singapore without Malaya being subjected to Chinese majority.¹³

¹² E. M. Andrews, no. 11, p. 142.

¹³ Roger C. Thompson, *The Pacific Basin Since 1945*, Longmen Group limited (New York 1994), p.90.

Emboldened by its victory in Irian Jaya, Indonesia launched a similar military campaign against Malaysia, known as *confrontation*. Sukarno condemned the Malaysia federation as a neo-colonialist ploy, by a declining empire to ensure continued British influence in the region. Such rhetoric was good propaganda. But probably it also reflected the anti-imperialist ideology that had informed the long struggle by Sukarno and Indonesian nationalists to free themselves from Dutch influence, which had continued after the formation of Indonesia.¹⁴ Once again Australia and Indonesia were on opposite sides in a dispute. In March 1963 the minister of Australia's external affairs, Sir Gorfield Barwick, declared that 'Australia believes that the establishment of Malaysia would contribute to the stability of the region and that its deserved support as a major act of orderly decolonization.'¹⁵

Thus, from the Australians point of view, to speak to Malaysia as a non-colonialist scheme and as an imperialist plot to encircle Indonesia was nonsense. To the Australian government, *confrontation* rather represented an arrogant attempt to interfere in the internal affairs of a neighbour.

Historically, the Indonesian Government argued that the creation of Malaysia was an anachronism, since it could only survive by continued

¹⁴ Ibid., p.91.

¹⁵ Andrus, n. 10, p. 148.

British aid. This was seen as an attempt to stem the tide of history by preventing the Southeast Asian people from deciding their own destiny in their own way.

In a legal sense, the Indonesian government's refusal to accept the U.N. Missions report and to grant immediate recognition to Malaysia on 16th September 1963 was based on the contention was the main argument used during the negotiations in Bangkok and Tokyo.

After that, the Australian government rejected the Indonesian argument that Malaysia was a neo-colonialist creation. In fact, it provided a framework, which would allow the process of decolonization in a peaceful way. By incorporating Malay, Singapore, the one British colony Sabah and Sarawak, and the British Protectorate Borneo into a viable state of Australia further explained that the new federation would significantly contribute to stability in the area by its capacity to resist the encroachment of communism in the area. As for the Indonesian contention that the Malaysian proposal was against the wishes of the people, Canberra argued that a British-Malayan commission of enquiry under Lord Cabbold was able to ascertain the opinion of the people of Sarawak and North Borneo which turned out to be a favour of the proposal. A similar result was obtained during a referendum held in Singapore. A UN commission of

enquiry also confirmed that the Malaysian proposal was not being forced upon the people against their wishes.¹⁶

The Indonesia contention that Malaysia constituted a threat to Indonesia and to the peace in South East Asia was unacceptable and unconvincing to the Australian Government. Rather than consider Malaysia as a threat to the peace in the area, Canberra asserted that the British presence would continue even after Malaysia's formation. British forces in the Area were committed to defend Malaysia under the Anglo-Malaysia Defence Agreement and were not there to threaten any state in South East Asia.

The anti-imperialist and antineocolonialist justification of Indonesia's confrontation policy presented a most serious threat to Southeast Asia because, its objectives were believed by Australia and others to be more or less identical to those of Peking. It was, therefore, quite possible that the Indonesian government was in fact serving Communist China's purposes in south East Asia. Such possibility became more credible after Subandrio's statement on the co-ordination of both countries policies towards Malaysia, after this meeting which China's foreign Minister, Cheni, had on 22nd August 1965.¹⁷

¹⁶ See the statement of Menzies on 17 November 1961 in Current Notes, November 1961, p.14.

¹⁷ Sydney Morning Herald, 23 August 1965.

To the Australian government confrontation rather represented an arrogant attempt to interfere in the internal affairs of a neighbour. Thus, in a much more comprehensive way than the West Irian dispute, the Malaysia issue brought Australia and Indonesia into opposition in a way that served to highlight the fundamental differences between Australian and Indonesian foreign policies.

The situation suddenly changed when on 30th September 1965, there was a communist inspired attempt at a coup in Indonesia. The army leader under General Suharto crushed the attempt and, after a bloodbath of suspects, took power from Sukarno. The new regime ended confrontation, to concentrate on the internal and economic problems of the country. After the negotiations a peace treaty was signed with Malaysia in August 1966.¹⁸

As General Suharto established his new order amidst the wreckage of guarded democracy. The post-coup change in the relationship whether consisted of the removal of the restraint depended on the degree of goodwill and trust that was possible, since the sources of strain and disagreement appeared to have been eliminated as a result of the change in Indonesian politics. It was seen as a symbol of Australia-Indonesia friendship.

It was the very lack of intensity in the Australia - Indonesia relationship that appears to have enabled direct relations to remain comparatively untroubled while conflicting policies were adopted over West Irian and

¹⁸ M. Andrews, *A History of Australian Foreign Policy*, Sydney, 1988), p.150.

Malaysia. There are many possible sources of difficulty that could arise in the future as a result of the different approaches or interests of the two countries, this rises number of related questions like,

- (a) Was the Indonesia of Sukarno particularly under guided democracy and abrasion?
- (b) Have the circumstances that produced this phenomenon changed?
- (c) Has Indonesia really changed?
- (d) Is the revolution really over?
- (e) Does the 'new order' foreign policy merely represent a change in emphasis or tactics? Thus developments in the post 1965, Australian Indonesian relationship did not represent a dramatic departure from the past, since the relationship never became one of an estrangement.

During the decades basic circumstances conditioning relations between Indonesia and Australia have undergone an important change. This has been primarily the reason of the major political upheaval in Indonesia. After the post-independence Indonesia history, most Australians are assumed to have been afraid of Indonesia. Until recently, Indonesia is assumed to have been intimidating to most Australians, inclusive of policy makers and defence planners, as it is considered as of one of the countries which has military capabilities and which poses security threats.

CHAPTER-II

Australia and Indonesia:

The concept of Regional Security

During the period of Second World War Australia was led by Labor government of Curtin and Chiefly. They were concentrating more on the security side of their relationship with the region. The war had proved conclusively to the Australia government that the region to its north was the essential strategic area for Australia. Because of this reason the Curtin government during the period of 1941 to 1945 planned to establish a defensive zone to its north and Northwest after the second world war. The ANZAC pact of January 1944 was the most important wartime manifestation of Australia's new interest in its region.¹ After those dark days of the Second World War, Australia had been extending her alliances. In 1948 the government of New Zealand, Australia, and Britain had come to an informal agreement known as the ANZAM Agreement.² This was never a formal treaty but it was merely an understanding to co-ordinate the defence of seas and air communications in the region. In September the ANZUS treaty was signed by Australia, New Zealand and the United States. It was notable that British was not involved so at that time ANZUS was the pacific counterpart of NATO in Europe, designed to stop the spread of communism rule over its area. But after that Australia came to realise that ANZUS treaty was an alliance set up to deal with a particular

¹ David Lee and Christopher Waters, (ed.), *Evatt to Evans: The Labor Tradition in Australian Foreign Policy* (New South Wales, 1997) P. 42.

² E. M Andrews, *A History of Australian foreign policy*, (Canberra, 1988), P. 128

situation in 1951. It did not commit any party to it to specific action or for ever.³

In September 1954 the South East Asia treaty organisation or SEATO was instituted. The countries in it were the United States, Australia, New Zealand, Britain, France, Pakistan, Thailand and Philippines. The American government regarded SEATO as an alliance to help South Vietnam. But other members of this SEATO treaty looked to the general peace and stability of the region. Because of this bitter difference between Australia's two allies Britain and American, Australia got worried. At the time Australia government adopted a middle position between Britain and the United States, they did not want military intervention in 1954, but they wanted a defence organisation to be set up.⁴

According to Menzies the Prime Minister of Australia in the 1954 SEATO told in the parliament that " the sacrifices of two wars have taught us grim but great lessons. The greatest of these are that we cannot live alone; that we stand or fall with our great associations in freedom. He looked to SEATO to 'define Australia's task', to enable Australia to 'fit into the pattern of world defence in those place and respects which our geographical position and our limited resources' would make most

³ Ibid. P. 132

⁴ Ibid., p.135

effective.⁵ Further difference between Britain and America, disturbed the Australian government because these were the two allies on whom it relied for its defence. It was also true that Menzies retained an intense emotional attachment to Britain and the British commonwealth. This was proved in 1956, when President Nasser of Egypt seized control of the Suez Canal. British and French troops landed to seize the Canal Zone. This action roused intense criticism throughout the world. But Menzies was the only commonwealth prime minister who strongly supported Britain.⁶

The Suez Canal incident made it hard for Australia later to criticise Indonesia. It isolated Australia not only from other members of commonwealth, but also from many Asian nations, as well as the United Nations. After that when Australia saw in 1960 the consistent changes of western allies like US involvement in reality to the end of the Vietnam war, Australia moved in the direction of a strategy of “self reliance” from the 1970s. Before the US alliance remained important for Australia as the ultimate security guarantee.⁷ Then Menzies explained the concept of ‘forward defence’ in 1955 as follows: Australia’s forward defence made sense only if we were able to rely on our great and powerful friends to maintain the forward position. Australia still needed a protector over its

⁵ Commonwealth Parliamentary Debate, vol. 4, House of Representative, 10 August 1954, p.123.

⁶ E.M. Andrew, no.2, p.135-136.

⁷ Paul Keating, *Engagement : Australia forces the Asia - Pacific*, (Sydney, 2000), p.125-126.

forces abroad, and the corollary of forward defence was the need to ensure that either British or American forces were actually committed on the ground. In Vietnam, the British were not so committed but the Americans were.⁸ But in 1972 the forward defence changed to self-reliance defiance policy. Because Menzies was replaced by Harold Hold and in Lyndon Johnson replaced Washington John Kennedy

Security Perception of Wiltlam and Suharto Era.

In 1972 a Labor government came to power headed by Gough Wiltlam. The Wiltlam government immediately implemented sweeping reforms the most important was the change in the 'forward defence' policy this by establishing the basis of self-reliant defence policy.⁹ On the other hand after Sukarno's overthrow and replaced by the "New order" government of President Suharto, a new era of Indonesia and Australia bilateral relations began.

The Wiltlam policy toward Asia, was to promote economic development, peace, and stability. In 1972, Malaysia called for South East Asia to be recognised as a neutral zone. Wiltlam was happy to support ASEAN countries economically, but he also wanted to create a new regional community of the ASEAN with China and Japan, to end power

⁸ Gareth Evans, Bruce Grant, *Australia's Foreign Relation: In the world of 1990s*, (Carlton, 1995), P. 25.

⁹ *Ibid.*, p.26.

rivalries in the region and to give it some strength against other out side great powers.¹⁰

It was Indonesia who was the centerpiece of Wiltlam Asia policy. Before coming to power Wiltlam had taken a non party line to Indonesia particularly on the west New Guinea issue. He was sensitive to the failure of the precious Australian policy towards Indonesia and wanted to develop close relations as a foreign policy priority, overcoming the distrust and strains of the past. The Timor issue was to bedevil this approach.¹¹

There was no doubt that Portugal acted badly in carrying out a proper de-colonisation process in Timor, as elsewhere there was also no doubt that sever political conflict among Timorese exacerbated de-colonisation and made many de-colonisation objective extremely difficult to achieve. But Indonesia was still in clear breach of International law when it invaded Timor on 17 December 1975. Because of this issue Indonesia was rightly condemned for its human rights abuse then and afterwards.¹² When Wiltlam took a two line on towards East Timor the first being, that an independent state of Timor was unliveable and that any outcome had to be achieved through self-determination. The second line was that Wiltlam rested on Suharto's assurance that force would not be used. This stand had an inherent conflict, clear both to the Indonesia and

¹⁰ E. M Andrews, no. 2, p. 198-199.

¹¹ David Lee and Christopher waters, No. 1, p. 106.

¹² Ibid., p.106.

Australian. So the out come of Timor dispute was a server breach in Australia Indonesia relations.¹³

After the decline of the Wiltlam governments the Fraser government supported resolution in the UN which deplored the invasion and called for the Indonesians to withdraw, but in January 1978 it formally recognised East Timor as part of Indonesia. The simple fact was that Australia did not have the military power to go to war with Indonesia, yet it could not influence the Indonesians in any other way. Once again Fraser government realised self-reliance defence policy.¹⁴

Australia's self-reliance Defence policy

The main aim an of Australians self – reliant defence policy was that:-

Firstly the nation's security to be safeguarded.

Secondly the knowledge that the country has well equipped and well trained defence force in order to discourage any potential aggressor.

Thirdly if an attack against the colony actually develops the armed forces held in readiness would serve to repel aggressors.

The Australian security policy was the security policy in the region. But this self-reliance was with a alliance framework. At that time Australia believed that maintains of physical integrity and sovereignty was the first

¹³ Gough Wiltlam, The Wiltlam Government: 1972-1975, (Melbourne, 1985), p.108.

¹⁴ Ibid., p. 109.

TH-9219



priority of foreign policy. The possession of military power will always remain a major importance in international affairs. The Military capacity had provided the foundation of Australia's capacity to contribute to a positive security environment through the emergence of what might be described as military diplomacy, or political – military capacity. So possessions, of significant military power enhance Country's national status. So the strong military power in Australia changed the regional environment. But this enhancement of security started an arms race in the region. Because there was not as such any threat form the reason at that time.¹⁵

Change of threat perception after Dobb's Report in 1986

In 1987 and 1988, the security and diplomatic foreign policy took the second place in economic foreign policy. Because the Hawke government had faced a terrible Economic crisis in Australia. Because of this in the review of Australia's Defence capabilities (the Dobb Report), June 1986, which abandoned 'forward defence' and urged greater self-reliance from allies, concentrating on low-level threats, which were all that Dobb foreseen. The result, however was to support the to government's reduction of the armed forces.

¹⁵ J. Mohan Malik, *Australia's Security in 21st century* (Canberra, 1994), p. 28.

Dibb predicated that it would take at least ten years and massive external support for any hostile power to develop the capacity to threaten Australia with an substantial assault. However, Dibb warned that there were possibilities of lower level conflict arising from shorter warring times.¹⁶

According to Dibb's suggestion the Australian defence force should be structured and equipped for action in Australia's 'area of direct military interest'. This area was defined as stretching over 4000 nautical mile from the Cokoos Islands in the west to New Zealand and the Island of the South – West pacific in the east, and over 3000 nautical miles from the archipelago and island chain in the north to the Southern Ocean. He recognised that Australia had what he called a 'sphere of primary strategic interest' in South–East Asia and South – pacific but argued that a military threat to Australia in this wide region would be indirect and that Australia's defence activities there should not determine its force structure.¹⁷ Dibb proposed a layered defence strategy with Australia area of direct military interest. He argued that Australia's most important planning concern was to ensure that an enemy could have great difficulty in crossing the sea and air gap to Australia. This layered defence strategy emphasised:

Firstly, Australia's need for good intelligence and surveillance capabilities and air and naval forces capable of denying the sea and air gap to the

¹⁶ J. Mohan Malik, no. 13, p. 28.

¹⁷ Ibid., p. 28.

adversary, thus preventing any successful landing of significant forces on Australian soil.

Secondly, closer to Australia's shores, Australia required a range of defence capabilities, including air defence assets, surface ships and mines counter measures.

Thirdly, Australia needed highly mobile land forces with the ability to protect military installations infrastructure and the civilian population in the north of the continent to deal with any lesser enemy forces that might land.¹⁸

But Hawke's government did not adopt all of Dobb's recommendation. Because of the terrible economic crisis, Australia tried hard to establish regional stability in South Pacific. The Hawke government accepted the Rarotonga Treaty in 1989, which prohibited the testing, production, acquisition, possession or stationing of nuclear weapons within the region.¹⁹ After this treaty Indonesia realised there is no nuclear insecurity from the region. So many changes happened after appointment of new foreign ministers in both Australia and Indonesia. Ali Alatas and Gareth Evans, who quickly established a warm and enduring personal relationship, which was one of the most important achievements in this respect.²⁰

¹⁸ J. Mohan Malik, no. 13, p. 28-29.

¹⁹ Gareth Evans no. 7 p. 83.

²⁰ Ibid., p. 201.

Timor Gap Treaty

This is a great achievement between Australia and Indonesia in 20th century. In December 1989 Indonesia and Australia concluded a temporary agreement providing for joint exploration too petroleum and gas in the Timor Gap, which had been a disputed area since 1978. However, no permanent sea boundary was approved. The Timor Gap Treaty deals not only with petroleum exploration and exploitation, but also matters of diverse as labour relations, environmental protection, criminal law and security and customs, guarantees and immigration requirements.²¹ This treaty gave both the governments the opportunity to show clear commercial benefit from the developing connections. On the other hand the level of security, defence co-operation links have expanded.²²

Defence co-operation between Australia and Indonesia

After Timor Gap Treaty in April 1990 the two countries restored defence co-operation links Australia's conception of defence and security is very different form Indonesia's. But defence co-operation between Australia and Indonesia had been developing well.

The past few years have seen a sharp rise in the number of Indonesian officers visiting Australia and the participation of Indonesian military personnel in training programs in Australia. Joint naval exercises have

²¹ *ibid.*, p.201.

²² The Australia - Indonesia Security Agreement Issues and Implications. <http://www: Department of the Parliamentary Library Research paper 25, 1995-96>.

been regularly conducted Joint exercises with the Indonesian navy and air force were conducted. But it was clear that Australian Government makes it clear that the distinction between military training and exercises which primarily enhances Indonesia's capacity to defend itself against external attack but it was to show a different result to Australia in the East Timor case. Indonesia was to take repressive measures against Indonesia's own people.²³

On the other hand Indonesia had also taken a high profile role in the Non-Aligned Movement (NAM). In 1992 Indonesia became the Chairman of the NAM. President Suharto used his position as Chairman to widen his country's contacts, for example by visiting Tokyo at the time at the G7 summit in Tokyo in 1993 in order to endeavour to advance third world countries' positions. Indonesia has also taken an active interest in the United Nations by endorsing moves towards reforms and by indicating its interest in obtaining a permanent seat on the Security Council. All these steps show internal threat to Australia.²⁴ So the identification of shared security interests promoted defence co-operation through training and combined exercises and finally culminated in the conclusion between Indonesia and Australia bilateral relationship when they signed Australia -

²³ Canberra Time, 4 September 1994.

²⁴ Australia-Indonesia Security Agreement - Issues and Implication, [http://www.Department of the parliamentary library](http://www.DepartmentoftheParliamentaryLibrary.gov.au/research/paper25), Research paper 25, 1995-96.

Indonesia Agreement on maintaining security (AMS) on 18 December 1995.

The Prime Minister, Mr. Paul Keating, described the agreement as being more than simply about maintaining security, but rather a declaration of trust between Indonesia and Australia.²⁵

This security agreement was another symbol of strengthening the security of the region. The main point of the Indonesia Australia agreement is that Security Agreement contains three key causes. It committed the government of Australia and Indonesia.²⁶

- (a) Consult at ministerial level, on a regular basis, about matters affecting their common security, and to develop such co-operation as the world would benefit from their own security and that of the region.
- (b) Consult each other in the case of adverse challenges to other party, or to their common security interest and, if appropriate, consider measures which might be taken by them individually or jointly and in accordance with the processes of each government and
- (c) Promote in accordance with the policies and priorities of each co-operative activity in the security field.

The agreement itself was a concise document of only two pages and four articles.

²⁵ Peter Roggero, Important chapter in relationship with Indonesia, Department of Foreign Affairs and Trade, vol. 5, no.1996, p.9.

²⁶ Alan Duport, The Australia - Indonesia Security Agreement, the Indonesia Quarterly, vol. 24/2, 1999, pp.196-197.

The first article requires commitment to regular consultation on common security issues.

The second article requires consultant in the 'case of adverse challenges' to the security at Australia or Indonesia and consideration of measures which could be taken to deal with such challenges.

The third article requires promotion of 'co-operative activities in the security field'. It would include joint defence planning, joint exercises, and co-operation on strategic issues including disputes over Exclusive Economic Zones (EEZS), marine resources, environmental concerns and refugees.²⁷ The AMS Supports the concept of 'regional deferred being achieved through co-operative security, and joint security measures to address common concerns. The Agreement has full treaty status similar to the FPDA, though it is stressed that it is not purely a defence treaty.²⁸

Australia's interests including a formal security agreement with Indonesia are clear.²⁹

First, Indonesia is the most important' relationship that Australia has within the region, and is a key element in regional defence. Threats to Australia's own security can only come through the Indonesian archipelago. As Indonesia develops its capacity to defend its own territory, it makes it less likely for any hostile third Power to mount attacks through the

²⁷ S. Mohan Malik, no. 13, p.80.

²⁸ *ibid.*, p.89.

²⁹ *ibid.*, p.81.

archipelago in Australia. Thus a military strong and co-operative Indonesia provides additional security for Australia. The agreement to build upon the ongoing defence co-operation, which includes combined training activities and forming assistance for the Indonesian armed forces (ABRI) under the Defence Co-operation Program (DCP).

Second : AMS Hits cell within the context of a 'regional defence'. It sends out a clear message of Australia's interest in enhancing its role in ensuring regional stability. Because neither Australia nor Indonesia wants to be drawn "into the Chinese orbit".

The Prime Minister Mr. Paul Keating said the agreement did not cut across Australia's commitments under ANZUS, the five power Defence arrangements with Malaysia, Singapore, the United Kingdom and New Zealand, its Joint Declaration of principles with Papua New Guinea, or Indonesia membership of ASEAN and the Non-Aligned Movement.³⁰ Reaction to the signing of the Agreement from within Australia and from Indonesia's regional neighbours has been highly positive. Most important thing was that the signing of the Agreement marked a new phase of maturity and confidence in the partnership between the two countries which will set the trend for future co-operation in all fields of common

³⁰ Peter Roggero, Important Chapter in relationship with Indonesia, Department of Foreign Affairs and Trade, vol.5, no.1, 1996, pp.9.

interest, not only on bilateral issues, but also in working together to address regional and global issues of mutual concern.³¹

Implications for Australia

Firstly, the Agreement with Indonesia would serve to lesson Australia's previous strategic dependence on the United States but it does not invalidate Australia's extant security obligations. The Agreement, was fundamentally based on shared interest in accordance with Indonesia's belief that comprehensive security was all about creating a 'balance of interests' rather than "balance of power".³²

Secondly, the security agreement brings Australia much closer to achieving a long sought strategic objective, as Bill Pritchett, the then Head of the Department of Defence's strategic and International policy division argued that "what is ultimately, and most importantly, at state in relations with Indonesia is the defence interest..., A secure, united and well disposed Indonesia is therefore a basic and enduring desideratum of our strategic policy."³³

The agreement makes it less likely that Australia was to face a security threat from Indonesia, because it provides an institutional imperative for closer security co-operation, thereby raising the political states to any

³¹ *ibid.*, p.9.

³² Alan Dupont , no. 26, p. 198.

³³ *ibid.*, p.196

future Indonesian regime which might however have hostile intentions towards Australia.

Thirdly, Australia has become the principal provider of foreign defence training to Indonesia. In addition, a regular, senior officials dialogue on regional and global security issues, as well as a newly constituted Australia-Indonesia defence policy committee, which sets the annual agenda for bilateral, defence co-operation. The security Agreement would provide a useful, overarching framework for these activities.

The Agreement also promotes an increasing co-operation between the two countries towards the goals of regional economic integration and the development of new security architecture, for the Pacific area.

Implications for Indonesia

First the agreement was designed to rest Australia's historical fears about the Indonesia threat and provide the foundation for a more mature and substantive as well as make a contribution to the regional stability in the future.³⁴

Second, the agreement as such further erodes the ability of future Australian governments to criticise Indonesia over its East Timor policy. It will also reduce the political influence and leverage to those opposed to Indonesian policy on Irian Jaya, human rights and other contentious foreign policy issues.

³⁴ *ibid.*, p. 202.

Third, the agreement can be seen as a significant political and military force multipliers for Indonesia because of Australia's potent regional military capabilities, its access to advanced western technology, training and intelligence and Australia's close relationship with the United States, the world's only superpower.

Fourth, the agreement offers opportunities for Indonesia to broaden it's future security co-operation with Australia to include some of the non-military issues which have the potential of impact on the national security of both countries, but which cannot be solved unilaterally because of their cause and effect in transitional nature.

Regional Security Co-operation

Mutual beneficial co-operation activities in security are most important for their bilateral relations.

APEC and ARF

APEC as we know it is an international body for regional economic co-operation and but APEC is also a regional security body. The main aim of APEC is to enhance the economic viability of individual nations in the region and enhance trust among the participatory nations.³⁵

³⁵ Jim Rolfe, *Unresolved Futures: Comprehensive Security in the Asia-pacific*, (Wellington, 1995), p.7.

ARF is neither an alliance nor a collective security mechanism. Its efforts are directed toward, Confidence Building Measures and preventive diplomacy. Its core is composed of the seven ASEAN states. ARF's comprehensive reflects the growing economic and security interdependence between Northeast and Southeast Asia. ARF generally concentrates on three areas', confidence building, preventive diplomacy, and conflict resolution.

CHAPTER - III

EAST TIMOR CRISIS:

Impact on Australia and Indonesia Relations

The relation between Australia and Indonesia came into focus again, due to the crisis in East Timor. Since Australia's intervention in East Timor as the leader of INTERFET (International Force East Timor) in September 1999, the relationship between Australia and Indonesia has been a difficult one. The previous close relations between the two countries was no longer the same. It is important here to go into the past history of East Timor during the time, when the Netherlands, and Portugal, the two colonial powers were involved in the island of Timor in 1859.

The western part was included in the Dutch East India and became part of the Republic of Indonesia when the Dutch relinquished control of the colony in 1942. When the eastern part, East Timor, became a forgotten out post of the Portuguese Empire no senior official from Portugal ever visited the Island. But within a few months, radical officers and their supporters in the Portuguese communist party and other Marxist-Leninist groups set up a council of the revolution and initiated a process of decolonisation. Almost simultaneously, major changes occurred in South Western Asia too. Vietnam was unified under communist rule in April 1975. The communist parties assumed the central region of Cambodia and Laos too. At that time East Timor posed a threat to Indonesia from the communists. It was feared that under the revolutionary form Independent East Timor became a base for communist infiltration into Indonesia. In the fighting for control of East Timor in the second half of 1975 FRETILIN emerged victorious over pro-Indonesian elements, despite a naval

blockade of the territory by Indonesia. Indonesia requested Portuguese in intervention to restore order in the territory. Portugal suggested formation of a combined force of Portugal, Indonesia, Australia and Malaysia. However, Australia and Malaysia declined to join Portugal too refused to join forces with Indonesia.¹ When FREILIN declared independence on November 28, 1975, Indonesia invaded the territory.

Take over of East Timor

Soon after, East Timor was invaded by Indonesia and annexed in 1976. And in July 1976 it declared East Timor its 27th Province. A virtual military rule was then established in the province, which led to the rise of an independence movement. Because of this civil war had broken out between local and various political groups. Indonesia alleged that FRATLIN the leading pro-independence Eurasian groups was pro-Communist. Furthermore, the Indonesians held that the Timorese party Apodeti had the popular support and advocated East Timorese's incorporation into Indonesia. But unfortunately no more legal groups could justify Indonesia's annexation: The United Nations did not recognise the annexation and Portugal also lodged a strong protest.² At that time the Gen-Suharto was in power, according to Suharto, his government would never accept anything other than the recognition of East Timor as a part of Indonesia.

¹ S.K. Butani; East Timor and Indonesia-Australia Relations, *Journal of Indian Ocean studies*, vol.7, nos.2&3, march 200, p.19.

² V. Jayanth, Trouble Spots - East Timor, Aceh Amben and Irian Jaya, *Journal of Idain Ocean Studies*, vol.8, no. 1 & 2. August 2000, pp.53.

Generally East Timor was predominantly a Christian majority area. Without getting overtly invoked in the crossfire between the pro-independence militia and government in Jakarta, the church played the role of a liaison to minimize the clashes and control the violence.³ So because of the churches active role people refused to accept the writ of Jakarta.

The Santa Cruz Massacre.

Because of these civil disobedience complaints on 12th November 1991, the Indonesian military committed the Santa Cruz massacre. Around 3.000 East Timorese demonstrators had been killed by the Indonesia's troops. This Santa Cruz massacre came at a time when the issue of East Timor was widely thought to have been resolved. This brought to light two important factors one being that Indonesian army would not hesitate in using brutal force against unarmed forces.

The other factor was that popular apposition to Indonesian rule in the East Timor continued to be rampant. Thus this massacre refocused world attention on East Timor more forcefully than it was in 1975.⁴

Australia was shocked by the massacre and was criticized by various countries like Australia and USA. According to a CIA report this massacre was

³ V. Jayanth, no.2, p.53.

⁴ Ibid., p.172.

ranked with the Nazis-mass murder during Second World War and the Maoist bloodbaths of the 1930.⁵

On this issue the former Australia National University (ANU) Economic Professor Heinz Arndt called the massacre a tragedy, not because of the loss of life but because it inflamed anti-Indonesian hate campaigns in Australia. (Australia, 1991).⁶

With the events of Santa Cruz, Indonesia's gross human rights violation in East Timor progressively aroused growing international mass media attention. On 13 January 1992, Portugal proposed the start of consultations with Indonesia. And on 26th September 1992 there was an "explanatory meeting between the foreign minister of Portugal and Indonesia, Joao de Deus Pinheiro and Ali Alatas, respectively. Eight rounds of ministerial negotiations took place between 1992 and 1996. With Portugal and Indonesia being unable to find a formula acceptable to either side.⁷

Once again the movement received international attention in 1997 when the Nobel peace Prize was awarded to the Bishop of East Timor, Carlos Belo and exile East Timorese leader, Jose Ramos-Horta.

⁵ Damien Kingbury, Gun, and Ballot Boxes: East Timor's vote for Independence, (Victoria, 2000), p.172.

⁶ Ibid., p.172.

⁷ Paulo Gorjao, The End of the Cycle: Australian and Portuguese Foreign Policies and Fate of East Timor, *Contemporary Southeast Asia*, vol.23, (November 1-April 2001), pp.103.

Referendum in East Timor

Down fall of Suharto in 1998 was followed by Habibies' election as Indonesia's president. This period was seen as a beginning of transition towards democracy. And Portugal saw an opportunity to find a lasting solution to East Timor crisis. The Habibie window of political opportunity also provided Australia a chance to reassess its relationship with Indonesia, which also meant the East Timor issue. Because when Suharto to was President of Indonesia, it was decided by Wiltlam of Australia in the 'wonosobo' meeting, that "the Indonesia's hope too the Incorporation of Portuguese Timor as being in the best interest of the regime, of Indonesia and of Australia." He made it clear that he "shared the belief that this should occur on the basis of the freely expressed wishes of people of Portuguese Timor" themselves.⁸

After Suharto in May 1998 an economic crisis in Indonesia opened a new chapter in Indonesia-Australia relations. Australia increased economic and humanitarian assistance to Indonesia in response to the economic crisis, and joined other countries in endorsing moves by Suharto's successor, B. J. Habibie, toward political liberalization and democratic reform. In these circumstances, Australia's current prime minister, Joha Howard, saw an opportunity to resolve the Timor issue and remove the major irritant in the relationship, in effect reversing long standing Australia policy.⁹ In December

⁸ Ibid., p.103.

⁹ Richard W. Barker, Indonesia-Australia: Relations Moving from bad to worse, occasional analysis, 3rd quarter 1999. p.2..

1998 Australian Prime Minister John Howard wrote a letter to President B. J Habibie in order to propose that Indonesia grant self-determination to East Timor. The reason the Prime Minister chose to reverse the stands hitherto adopted by Indonesia could have been as a result external pressure or of his own volition or both. Habibie's decision was unexpected as he expressed his opinion that East Timorese would be given the option of rejecting "special autonomy" within Indonesia. As Ali Alatas, the foreign minister of Indonesia in November 1999 said, the decision was 'possibly' taken in haste, from sheer frustration by those unaccustomed to the strain of international acrimony ... it made Habibie mad. It made Habibie angry, because it came from Australia.¹⁰

Habibie's strong reaction placed Australia in a position where it had to make the best possible judgement of whether the TNI would accept the decision. Because Indonesia was in an economic crisis and political turmoil, it was in no position at that point of time to withstand the demand for self-determination in East Timor. However, steps were initiated to hold a referendum in East Timor in order to determine the choice of East Timorese: autonomy within Indonesia or Independence.

In December 1998, because of international criticism when Indonesia was prepared to accept some kind of autonomy for East Timor there was an understanding between Indonesia and Portugal. These resulted in the signing of

¹⁰ The Age (Melbourne), 3 November 1999, *Reporting the Jakarta Past*.

a historic agreement on May 5, 1999 that is also known as the "New York Agreement". As per the agreement, a referendum, on what Indonesia called "popular consultation", was to be conducted at a convenient date to be announced by the UN secretary general. The voting was to take place exclusively under the supervision of the UN. For this purpose a special mission, the UN Assistance Mission for East Timor (UNAMET) under Mr. Lan Martin was appointed.¹¹

The referendum, after being postponed twice, was held on August 30, 1999. The result of the poll announced on September 4, 1999 by the UN secretary -general, Mr. Kofi Anan, showed that 78.5 percent of the East Timorese electorate had rejected Indonesia's offer of autonomy.¹² Under the terms of the agreement for the UN-sponsored ballot, the East Timor rebel, the Indonesia government and Portugal must accept the people's verdict on the future status of the territory. It was agreed that if the vote rejected autonomy, the new people's consultative assembly in Jakarta must ratify the decision and introduce legislation to liberate the territory.

On October 19, Indonesia's top Legislature people's consultation assembly (MPR) endorsed East Timor's Referendum to split from the world's largest Muslim state after almost 24 year's of Jakarta's "brutal rule." While

¹¹ S. K. Bhutan, East Timor and Indonesia-Australia Relations, *Journal of Indian Ocean Studies*, Vo. 7, no. 2 & 3 March 2000, pp. 124.

¹² S. K. Butani, no. 11, p-125.

announcing the endorsement, the Assembly Speaker, Mr Amien Rai, said "all factions have accepted the referendum's results".¹³

The referendum gave a clear victory to the pro-Independence supporter, with 75.5 percent casting their votes against the autonomy proposal. This result triggered a dramatic wave to violence and destruction. With Indonesia's lack of political will to control the militia there was an urgent need to establish an international force in East Timor. The world came to look upon East Timor as a victim of political diplomacy of major powers.

Consequently, the United States had to intervene and pressurize Indonesia politically and economically. But for this to happen, Australia and Portugal had to first put diplomatic pressure on Washington. Australia could assert pressure on U.S. as it is ally and gives moral, political and logistic support to the U.S. In early September 1999, the Portugal prime-minister, Antonio Guterres, threatened that Portugal would leave the NATO peacekeeping force in Kosovo if the United States did not support the Australia and Portuguese political efforts to establish a peacekeeping force in East Timor. The Timorese leader and a Noble peace prizewinner, Runcs Horta stated that "Antonio Guterres was the key person in persuading the U.S. President Bill Clinton to support the international intervention in East Timor."¹⁴ Australia accepted the leadership of the military deployment in East Timor under the autonomy of a United Nation

¹³ Paulo Gorjao, no. 8, p. 116

¹⁴ Paulo Gorajo, no. 8, p. 118

Security Council resolution. This meant overcoming Chinese and Russian objections; owing to their own domestic secessionist problems, Beijing and Moscow would veto any United Nations security council resolution that would not respect Indonesian sovereignty. Again Indonesia's acceptance of an international military force in East Timor was a sine qua non condition. East requirement constrained the others.¹⁵ Indonesia would only accept a military intervention under the United Nations authority and the security council of the united Nations would only pass a resolution respected Jakarta's sovereignty. At the same time the United States added another threat against Jakarta. Thus if Indonesia did not 'invite' an international military force deployment in East Timor under the United Nations authority, the United States would block all further economic assistance to Jakarta, whether bilateral or multilateral - through the world bank and International Monetary Fund (IMF).¹⁶

International Force Takes Over

After some hesitation, Indonesia accepted, on September 12 1999, the proposal of a UN -managed multinational force to restore peace and order in East Timor. On September 15 1999, the UN Security Council authorised the setting up of a multinational force (MFN) to the International force for East Timor (INTERFET) under the enforceable chapter 7 of the UN charter. (Chapter 7 of the UN charter provides for a credible use of all necessary military measures to

¹⁵ Bruce Brown, (ed), East Timor: The consequences; (Wellington, 2000), p.14.

¹⁶ The minister Zoo foreign Affairs the Hon Alexander Dewar Mp speech by Australia, Indonesia and East Timor moving forward Asian Studies Association of Australia, 29 October 1999, p. 5.

restore peace in a given place and thereby maintain international order. An 800 strong "multi-national force" draws from 23 countries and under an Australian Commander, Major General Peter Cos Grobe, was dispatched to the half-Island on September 1999.

Active role of Australia in INTERFET indicated that it was clearly succeeding in its mission to restore peace and stability to East Timor. Australia also supported full investigation of all allegations of Human Rights Organisation in East Timor. At present both the Indonesia Human Rights Organsiation. Komnasham, and the United Nations have commenced preliminary investigation.¹⁷ The UN Secretary-General, Mr. Kofi Anan appointed the Sergia Vierra De Mello, the Brazilian under Secretary-General for humanitarian affairs, as the special representative in overall charge of East Timor.

According to New UN order will be to provide humanitarian assistance followed by long-term development challenges to be figured out by major international financial institutions.

In February 2000, Mr. Kofi Anan paid a visit to East Timor. He assured the people that the world body would help from recover the people that the world body would help from recover from the trauma of the partition from Indonesia. He also pledged help to rebuild the shattered economy of the territory.¹⁸

¹⁷ Financial Times, London, June 9, 2000.

¹⁸ Jamie Mackpe, Indonesia, Timor Ioro Save and Australia: The future of a Triangular Relationship, the Indonesian Quarterly, vol.27, no.2, 2000, p.173.

The Impact of East Timor Crisis on Australia - Indonesia Bilateral Relationship

The deterioration in the Australia - Indonesia relationship since 1999 has had multiple consequences, extending beyond the East Timor crisis of August September 1999. This first impact of East Timor crisis on their bilateral relation was of trust. According to Nancy Viviani who remarked that the loss of trust between the leaders of Indonesia and Australia was one of the most damaging aspect to restore of the crisis.¹⁹

(a) Cancellation of the Agreement

Australia had throughout the previous twenty-five years, supported independence of East Timor. Indonesia reacted during East Timor crisis period by canceling the 1995 Agreement on maintaining security. It meant that Australia's relation with Indonesia was in a state of flux again.

After this cancellation of Agreement on Maintaining Security Australians only were aware of the danger. The Department of Defence published a review of Australia's strategic policy in 1997. The review stated that "while the management of the defense relationship is somewhat complicated by the focus within Australia on ABRI's (Indonesian Armed forces as Known them) role in internal security, especially in East Timor, we need to resist effort to make this strategically important relationship hostage to individual incidents."²⁰

¹⁹ Australia's strategic policy, Department of Defence, commonwealth of Australia 1997, p.22.

²⁰ Richard W. barker, n.9, p.4.

Because of suspension in diplomatic relation Indonesian trade officials offered to assist Indonesian firms in locating alternative sources for beef and other imports from Australia. Most Australian companies that had been exploring prospects in Indonesia put their plans on hold, and many businessmen packed their bags.²¹

(b) Role of Media

After East Timor issue, the media played an active role in provoking unfriendly relations between Australia and Indonesia, which was created by widening the gaps of misunderstanding and mutual suspicion about each other's motivations, goals and policies. So much of the Australian media presentation of events in East Timor in terms of stereotyped images of brutal Indonesian soldiers and Timorese military forces was very one-sided was much Indonesian side - and neglected the fact that there were countervailing forces at work in both countries. Many Indonesians inevitably wondered why Australia had suddenly turned so hostile to them.²² It seems that many Indonesians still do not understand the reasons why it was so widely seen in Australia as a necessary measure to prevent the horrifying bloodshed shown every night on their T.V. sympathy for the East Timorese struggle for independence came to be regarded

²¹ Jamie nackre, no. 18, p. 175.

²² *ibid* p. 174.

as so overwhelmingly persuasive after all the brutalities associated with the August referendum.²³

(c) Wide cultural gap

The Timor issue widened the "cultural gap" between Australia-Indonesia. There were so many "values debate" which came out into focus after East Timor crisis, which had earlier been kept under wraps to some extent on both sides. Particularly on the matter of human rights, the meaning of democracy, press freedom, religious tolerance and racial issues.²⁴ Attitudes in both countries to the problems that have arisen in Aceh, Papua Barat, Timor and Maluku since 1998 have been confused and ambivalent, but in many respects radically different. The prominence of religious factors was a very dangerous element in the bilateral relationship. Muslims and Christians were mutually suspicious about what was happening there and about the underlying values at stake, hence inclined to be moving away from each other into antagonistic positions rather than towards better understanding and agreement. Indonesian Muslims are angered at the part played by Catholics in East Timor and by various Christian groups in both Maluku and Papua Barat, which were likely to make appeals for help or funds to other Christians in Australia, U.S., Europe etc., in Australia, various catholic bishops and congregations were extremely active during the East Timor crisis. As part of the lessons learned from East

²³ *ibid.*, p.175.

²⁴ Bruce Brown, no.15, p.201-23.

Timor, Indonesia is now fully committed to making Human Right a first national priority.²⁵

Public Sentiment

Indonesian nationalism was aroused by the East Timor incident and Australia was the prime target. It happened when Australia forced to accept international peacekeeping force in various ways to Indonesia. And that time Indonesia and Australia came to a new low and popular public sentiment was against Australia.²⁶

Australian Defence Minister John Moore told a conference in late September that "Australia would need to wait for the outcome in East Timor before the need to wait for the outcome in East Timor before determining how to rebuild the relationship."²⁷ So the result of Diplomatic relations between Australia and Indonesia were seriously disrupted, and continue to be at very low ebb.

After the 8th may 1999 tripartite agreement the UN Security Council resolution gave absolute power to Indonesia's security force. The UN Security Council first confirmed that it was "the responsibility of the Government of Indonesia to maintain peace and security in East Timor..."²⁸ As a consequence of Timor Crisis there was a wave of nationalism and anti-Australian sentiment which could have influenced the competition among several presidential candidates of

²⁵ Ibid., p. 22.

²⁶ Richard W. Barker, n.9., p.5

²⁷ Dumien Kingsburg, no.8, p.180..

²⁸ Richard W. Barker, no. 9 p. 6.

Indonesia, there by affecting the composition and policy orientation of the succeeding government. Indonesia's early conciliatory approaches towards Australia would be rather arduous if nationalistic sentiments were to play an important role in assembling the winning coalition. But a sound solution would be the Assembly producing reasonably cohesive government that is politically strong to assert its authority over the military then there would be scope for the resolution of Timor issue and the Indonesia Australia relationship would stabilise more rapidly and for good.²⁹

At last after East Timor issue Indonesians are skeptical because they believe that the Australian government has already shown in the East Timor issue that it can be swayed by what it perceives to be domestic opinion to change the policy to Indonesia. After East Timor issue, both Indonesia and Australia are very much suspicious of each other and they there are trying to overcome all these suspicions.

²⁹ Richar W. Barker, no.9, p.6.

CHAPTER IV

Interdependent Economy:

A Clash for Economic Interest

Economic factor plays a vital role between any two neighbouring countries. Its enhances people to people contact between countries. Because of economic changes, social, cultural and educational ties grow stronger. Quite likely then economic institution is established for security purposes, not because of the fear of an economic breakdown but to prevent a political breakdown. This was an important motivation in the case of European integration.

Theoretical discussions of the links between economics and security have tended to range between two views of the world. Commonly, termed liberal and realist respectively. Realists emphasis on economic strength as an instrument of political power through its association with military strength an important factor in what is seen as an essentially competitive world liberal, however, see international cooperation as more feasible.¹

Both Indonesia and Australia have their own economic stand in global economic era. Both countries are economically strong but for certain reason they are interdependent on each other. There are remarkable similarities among both countries with respect to their economic history. Both belonged to colonial empires, their trade dominated by links to the claming country. Both through most of this century sought to industrialize

¹ In Rolef (ed), *Undesolved futures: Comprehensive Security in the Asia Pacific*, (Wellington, 1995), p.45.

through import - substitution within the framework of a highly regulated economy. Both have in the past decade renounced this approach, liberalising their trade regimes and financing system, deliberately opening up their economics.²

Both Indonesia and Australia experienced severe economic fluctuations during 1980s, both Australia and Indonesia reacted to the balances of payments crisis of the early 1980 by a sharp break with their traditional inward looking, protectionist regulatory policy regimes. In a determined effort to open their economics, they unilaterally cut bank tariffs and other import restrictions, liberalized financial system, and stipulated exports of manufacture through exchange rate policy and microeconomic reforms. Both countries had to contend with bank failure and a growing foreign debt problem, but both succeeded in bringing down inflation and interest rates from peak levels. After overcoming all these economical crisis now Indonesia and Australia have very strong bilateral trade and investment relationship.

² Jim Rolfe, no.1, p.46.

Current Economic Snapshot	
Indonesia GDP Per-capita	\$ 5500
Australia exports	\$A3.1 bn.
Australia import	\$ A.3.9 bn
Australia's share of Indonesia's imports	6%
Indonesia's share of Australia's exports	3%
Australian end	\$ 121 million

Australia and Indonesia - Economic Features

Similarities

1. rich in natural resources
2. formers dominion of colonial empire
3. Industrialization through import substitution within a highly regulated economy.
4. Experienced period of born and best during the 1980
5. Liberalisation of trade regimes and financing systems
6. Increases in exports of manufactures as a result of a decrease to prolectimise policies.

Differences

1. During the past three years Indonesia has achieved economic growth of 7 percent compared to Australia's 2 percent.
2. Indonesia is a developing country, Australia is a developed country.
3. Indonesia has a strategic advantage in low labour cost.
4. Foreign debt and a large current account deficit are serious problems in Indonesia because public borrowing has been largely on concessional terms and private capital inflow mainly consisted of direct investment.
5. The share of agriculture in GDP is much higher in Indonesia than Australia.
6. Australia has a highly unionised labour force, extensively social welfare services and western style political democracy.
7. Bureaucracy and inefficient state enterprises constitute more serious impediments to the operation of markets in Indonesia than in Australia.

After all these differences they have a good interdependent economic relationship. But this interdependent relationship also reflects a clash of national interests. Because national interests are a reflection of human interests.

Indonesia is Australia's tenth largest trading partner, while Australia is Indonesia's eighth largest trading partner. Total trade was close to 4.9 billion Australian dollars last year, a rise of 30 percent on previous year.

Domestic economic reform and opening up the market are the two main priorities for Australia and Indonesia. The share of both the countries in each other's markets is increasing gradually. Over the past decade, Australia's market share has grown from under 4 percent to well over 5 percent. Over the same period, Indonesia's share in the Australian market grew from under 1 percent to over 2 percent. This is the result of practical policies pursued by both governments over the past few years, which is an indicator of a close and active partnership.

Merchandise trade

The past five years, there has been a striking increase in Australian exports to Indonesia, from A\$3 million in 1987 to A\$1,635 million in 1992. Australia in recent years has emerged as one of Indonesia's major trade partners. But now bilateral trade is also diversifying. New kinds of Indonesian products are succeeding in the Australian market, including high value-added and more sophisticated goods and services. Indonesia exports electronics (computers and components, radio and sound equipment) and a range of other elaborately transformed manufactures sporting goods, toys etc to Australia.

Service Trade

This is another area, which looks to be an increasingly important part of the future trading relationship between the two countries. The service sector is currently one of the fastest growing sectors in the world trade. Trade in services between the two countries is moving ahead rapidly. Health services, property development, info-tech and legal/accounting services are growing. Since 1996 Australia has been the pre-eminent destination for Indonesian students. There are currently more than 18,000 students studying in Australia. Proximity and time zone factor sows a key influence.

Australian Investment

Australian investment also has positive spin-offs for other parts of the economy. In Kalimantan Australia has set up the CRA foundation (worth around ASI million) for community development projects - including a agricultural training farm; a tubercles eradication scheme and a water pump installation programme - a number of Australian companies, large and small, participate in gold exploration, mostly in Kalimantan. The Timor Gap Treaty foreshadows joint exploration and development of the oil prospects in the zone of cooperation. There are also a few Australian investments in manufacturing chiefly in the chemical industry, non-metallic minerals and metals and metal goods and a few in food

processing. Some Australian companies are involved in construction in Indonesian. But Indonesia investment in Australia is very small, less than 1 percent of total direct investment. The real total is probably higher owing to joint country investments, and Australian investments being routed through financial centers such as London and Singapore. About 350 Australian companies have a permanent presence in Indonesia, including significant Joint Ventures (JV) such as BHP, Rio Tinto BTR Nylen, Translate Daid's Haldengs, Ien America, AN2. Commonwealth Bank, Telstar, TNT, consteel, CSR and lease, QBE, legal and General, Berrivale, Cocacola, Amath Southcorp water Heaters, westerners, Aonotts, Simplat and many more.

Local representation has helped many Australian companies develop and consolidate their market position. Investments are expected to bring increased exports of Australian raw materials, together with service income.³ The recently announced privatization programme should also present new opportunities for Australian companies.

Mining

Mining is one sector that continues to do well despite the present difficulties. Australian resource companies have long been active in the

³ Hill, Hall, Australia - Indonesia: Challenges and Opportunities on a "small Relationship, paper given the fifth Australia - Indonesia seminar, Canberra, May 1989.

Indonesian mining industry, principally in coal, gold and tin. The existences of a strong Australian mining network in Indonesia have provided a solid platform for the introduction of Australian mining technology and equipment. Australia is certainly regarded these days as a key player in the Indonesian industry. Around 50 Australian companies were exhibited at Mining Indonesia 1998 Exhibition. 36 Australian companies were represented at the mining technology showcase and seminar held in Balikpapan on 29 March 1999. Exhibitors reported very high satisfaction in terms of holding the events particularly in Balikpapan city and through the quality of attendance.

Aid and Technical Assistance

A feature of Australia's aid programme to Indonesia in recent years has been its increasing focus on Eastern Indonesia, especially East Nusa Tenggara, various agricultural and rural infrastructure project, such as the Nusa Tenggara Timor (NTT) Integrated Development project and the Nusa Tenggara Barat (NTB and East Timor water supply projects, as well as the Eastern Universities project of special assistance to universities in three eastern provinces. So the unique characteristic of Australia's development aid program playing major role for maintenance of regional balance. This table shows the development cooperation between Indonesia and Australian of destination 1987-93.

Table

Australia's Development Cooperation with Indonesia

		1987-88	1990-91	1992-93
Bilateral programme	Project	37.5	31.1	40.5
	Training	3.9	20.9	18.9
	Co-financing	1.7	0.6	59.4
	Total	43.1	52.7	1.8
Regional programme		1.3	1.3	1.3
Cross Region Programme	Student	7.8	3.4	1.0
	Subsidy EMSS/SCSS	-	3.3	6.8
	IDC	4.5	0.5	-
	Direct	-	0.1	01
	Voluntary	0.7	0.6	0.7
	Agencies	-	-	-
	Other	13.5	8	8.9
Global Programmes	Emergence Refugees	-	0.6	08
	World Load	0.3	5.7	4.7
	DIFF	29.3	34.3	49.7
	ACIAR	0.7	2.1	2.0
	Other	0.1	2.6	0.2
	Total	30.3	45.3	57.3
Total	AIDAB	-	107.3	127.5
	Other	88.2	0.6	0.5
	Development	1.0	0.6	0.5
Total		89.2	107.9	123.6

Source: AIDAB

Tourism

Tourism has been growing strongly in both directions. Indonesia continues to be a strong tourist destination for Australian travelers and holiday. (Numbering 238,000 in 1995/96). On the other hand the number of Indonesian travellers to Australia is also growing strongly (they numbered 146, 000 in 1995/96).

Every year the number of Indonesian students studying in Australia has been growing strongly. This year it was 15.000 Indonesian students in Australia.

Australia has world class expertise and know-how to help these sectors more forward, and thereby increase the competitiveness of the Indonesian economy. For example, the Australian Information technology Engineering centre in 'Adelaido' is, providing training in the technical aspects of telecommunication, business management and English language, to the employees of the PT Telekom Kso (or joint operation scheme) in Sumatra which allows this newly privatized telecommunications provider prosper at the same time.

AIDA's Constructive co-operation Role

The Australia - Indonesia Development Areas (AIDA) is intended to develop closer economic relations between Australia and Indoensia. The

AIDA comprises the 13 eastern provinces of Indonesia's, like wise is East times, East and west Nusa Tenggara, east west, south and central Kalimantan, North south, southeast and central Sulawesi , Maluku and Irian Jaya, Bali, AIDA was launched by both the governments on 24 April 1997, in the presence of Australian foreign minister, Dr. Downer and Indonesian coordinating Minister for production and distribution Mr. Isharto. The vital aim of AIDA was to accelerate development through building business partnership in trade and investment within the region. Its main aim is to improve the environment for private sector trade and investment. As accepted in the Simons Report and elsewhere, private sector growth is more efficient at sustaining economic development.⁴ The most prospective areas of commercial activity can be agricultural production and processing. The opportunities to private development were identified in the following ways:

- tourism services
- Education and health services
- Oil and gas and general mining
- Timber logging and processing

⁴ Hon Alexander Downer, Australia - Indonesia: the primary Team [http://www.Australia-Indonesia: Business council \(AIBC\) Denpasar, Bali, 16 June 1997, p.7-8](http://www.Australia-Indonesia: Business council (AIBC) Denpasar, Bali, 16 June 1997, p.7-8).

- Physical infrastructures supply
- Shipbuilding and repair; and
- Light manufacturing to local requirement (eg building materials handicrafts, textiles and jewellery)

So the mission of AIDA is strongly based on private sector development:-

Agenda	Date	Location
AIDA meetings held to date have been	29 August 197	Melbourne, Australia
AIDA sectoral working group co-converners meeting	28 October 1997	Sakkcota, Indonesia
AIDA agriculture working group meeting	Before end 1997	Jakarta, Indonesia
AIDA mining and Energy working Group meeting	Before end 1997	Jakarta, Indonesia
AIDA ministerial Meeting	25 February 1999	Bali Indonesia

This agenda shows that both the countries had taken some similarities to this sub-regional organisation.

AIDA and the Transport working Groups

The Department of transport and Regional Development in playing a key role in facilitating the Australia-Indonesia Development Area

(AIDA) through the transportation working Group. Directly engaging the private sectors in AIDA is crucial to the success of the initiative.

Key issues for the Transport working Group

The department of transport and Regional Development held its first industry-based transport meeting relating to Eastern Indonesia in Darwin in November 1996. This meeting identified interest by a range of Australian and Indonesian private sector bodies in participating in the development of transport infrastructure and services in the Eastern Region of Indonesia on a fully commercial basis.⁵

The initial working Groups meeting identified six key issues for transport cooperation.

- Streamlining of arrangement for companies entering into joint ventures on a commercial basis and deregulation of legal or administration requirement, for joint ventures in the transportation sector.
- Exploring options for Australia and Indonesia maritime operations to offer more effective services cutting AIDA on a reciprocal basis within the existing regulatory requirements.

⁵ Hon Alexander Downer, no. 4, p. 8-9.

- Continue to accommodate the access for Indonesian and Australian Aviation service operators within the area and beyond through the bilateral air services consultations.
- Following the reconnaissance survey made by Australia, Indonesia to conduct a study into appropriate vessels and commercial operations of theory services to serve the area.
- Indonesia to conducted a study of private sector participation in airport development in the Eastern Region of Indonesia.
- Identity training and human resources development needs in the transport sectors.
- So AIDA play a vital role between Australia and Indonesia. It is a challenge for both lectures now in to put some flesh on the bores of AIDA.

Austrade in Indonesia

The main aim of Austrade in Indonesia is intended to enhance its capability to identify business opportunities for Australian companies in the fast growing province, there is a strong focus on market entry in a range of high-priority industries - but advocacy and intervention supply for established, exporters is also an important element of Austrade. Austrade market development programmes concentrate on mining defence, building

and construction, health services transport, power/energy, environment, telecommunication, food agribusiness and manufacturing industry inputs. Since Indonesia's trade exhibition industry took off in the early 1980, Australia has taken a lead role as national exhibitors. Over the next year major Australian national exhibits planned by Australia include mining, construct, and transport environmental health, transportation and deterrence sectors. Their displays deliver strong export impact. There were 53 Australian exhibitions on Mining Indonesia in 1998, for example, at the height of the economic crisis and the deferred Mining Indonesia scheduled for April 2000 is likely to reach pre-crisis figures of 80-100 exhibitors. So Australia's presence in the market since 1935, together with high quality databases and contacts put to in a unique position to show Australian business the way in developing markets in the Indonesian economic powerhouse.⁶

Developing Science and Technology Collaboration between Australia and Indonesia

Both Australia and Indonesia show keen Interest in promoting Science and technology collaboration for mutual benefit. The activities which will have the greatest impact on technology collaboration in trade and investment by Australia company in Indonesia and by Indonesia farm in Australia and the

⁶ Trade with Australia - Indonesia <http://www>: April 200, Australia trade commission.

training Indonesia's student in Australia. The commercial relations are developing strongly: by 1996 Indonesia had become Australia's sixth largest trading partner, and bilateral trade in that year grew by about 30% over the previous year. Manufactured goods account for almost 40% of Australia's export to Indonesia, with elaborately transformed manufactures constituting one of the fastest growing categories to trade. Nevertheless, at this stage of the bilateral relationship and for sometime come government-instituted mechanisms can play an important role in facilitating science and technology collaboration.⁷

Because of science and technology collaboration between Indonesia and Australia, many other aspects of bilateral relations grew slowly throughout the 1970s and 1980s and rapidly in the 1990s, particularly after 1992, Recent rapid development has been driven by several factors.⁸

- From mid 1980s Australia was very much concerned about his own trade, investment and collaboration with the countries of East Asia. As a result, increasing number of companies have been seeking market entry mechanism, Reducing the costs of market entry was particularly important because most Australian firms were small in size and relatively novices in international trade and investment, while market opportunities

⁷ Hal Hill, *Thee Kon cure, Indonesia's Technological Challenge*, (Canberra, 1998, pp.365.

⁸ *Ibid.*, no. 37. p.365.

were fragmented among the many growing national markets of the region.⁹

- Australia government has played an active role in the internationalization of the Australian economy and the development of links with countries in the region. The role of government is perceived to be, important in countries such as Indonesia where the national government's formal and informal intervention in the economy is substantial.
- Australian companies have recognised the opportunities generated in the short and long term by Indonesia's size, growth and proximity.

Improvement in the bilateral relationship, since 1992 in particular, has promoted broader dialogue between the two countries and encouraged the desire on Australia's part at least to develop many dimension of the relationship. The strong Indonesian government interest in science and Technology more particularly the special role that the Minister for Research and technology, Dr Habibie, has played in the Soharto government and in Indonesian politics more generally has given an additional impetus strengthening the science and technology dimension of the bilateral relationship.

⁹ Ibid., p.366.

- The increasing external earnings requirement for research and higher education institutions in Australia has made them responsive to opportunities provided by Australian government support for calibration, multilateral agency funding for technical assistance and other projects, and recipient country funding. Research organisations in Indonesia, on the other hand, had long looked to bilateral and multilateral sources for a significant proportion of their (research) funds.
- Indonesia requires assistance in the development and management of science and technology organisation. Although funding by the Australian Agency for International Development (AUSAID) has been important in areas such as agriculture - unlike money other OECD countries has not been a major supporters of Industrial technology transfer or R&D institutional development. The Viviani report into Australian priorities under the ASEAN - Australia economic Cooperation program AAECF did, however, recognize the important rule of science and technology in the ASEAN - Australia framework.

Objectives of Science and Technology Collaboration

The Australian and Indonesia governments recognize the potential complementarities between the two centres, in which science and technology could play a significant rule.

Despite the barriers to trade and investment, there is great confidence that, as Australia-Indonesia relationship will increase science and technology cooperation will become increasingly important. The Australian government has several objectives in actively encouraging such collaboration. These include¹⁰

- The marketing of Australian science and technology services (Australia has invested heavily in its science and technology base, with an annual investment about 10 times that of Indonesia)
- Supporting Australian trade interests, including by shifting perceptions about the Australian economy and capabilities.
- Providing development assistance.
- Investing in the building of relationships to long term collaboration and diplomacy
- Generating science and technology knowledge that may be of benefit to Australia. Example includes information on ocean currents, geological characteristics of the migration of pests and diseases along the Indonesia archipelagos.

¹⁰ Hill Hall, no. 9, p.366-67.

Coordination and Communication

The coordination and communication between Australia and Indonesia is difficult and resource intensive. Different funding cycles and criteria create problems for managing interaction.

It is true that Australian economy is much larger (in terms of real GDP) than Indonesian, Australia offers a major potential market for Indonesia's rapidly expanding export - oriented manufacturing sector. But the prospect seems to excite neither the Indonesia government nor Indonesia business. The Indonesian Government is always willing to discuss ideas for closer economic relations with Australian ministers and officials, but Australia does not figure in Indonesia's Strategic Trade plan; Indonesia has the (Indonesia-Australia Business council) formerly the business cooperation committee, but it attracts only prominent Indonesian business figures, not only for political but also to diplomatic and economic reasons. Indonesia may also have been more important to Australia than Australia has been to Indonesia. For Australia and Indonesia-Australia are not only the largest and most powerful neighbour, but also a major player in ASEAN and APEC.

CHAPTER – V

CONCLUSION AND SUMMARY

The history of Australia-Indonesia relations has been a complicated one. With the passage of time both countries have faced different political and diplomatic problems. Going back to the history of Indonesia and Australia relations in West Irian problem, confrontation Malaysia are two of the major issues in which both countries took opposite stands. In the cold-war Sukarno's preference for the Communist ideology pushed Australia to take a different stand in the region. In the case of West Irian it produced an element of strain in Australia-Indonesia relations. It was precipitated by the opposition of the Menzies Government to Indonesia's efforts to regain control over west Irian, territory, which had been part of the former Dutch East Indies, and by President Sukarno's increasingly erratic action. Once again in 1963, turned a new phase when Sukarno launched a policy of 'confrontation' against the newly formed state of Malaysia. which amalgamated the former British colonies Malaya, Singapore, Sabah and Sarwak. Australia took diplomatic and military steps, including stationing of Australian armed forces in Borneo, to help defend Malaysia. In this period lay the roots of a persistent Australian suspicion of Indonesia as a military threat.

Under President Suharto, Indonesia turned essentially inwards. The coming to power of the New Order Government was arguably the event of single greatest strategic benefit to Australia, after the Second World War. Australia would have faced three decades of uncertainty, fear and almost

certainly, massive greater defence spending. So in 1966, bilateral relations had gather speed for a while, but then lost momentum.

As far as the security policy of the both countries are concerned they had adopted different approaches, which was suitable to their needs. During Suharto's long regime the two countries came closer to each other through various regional organisations like the ASEAN, APEC, and ARF. Both of them regard the importance of their geopolitical connections. Australia in particular realises the significance of the largest country in South East Asia being its neighbour. Confidence Building Measures had been taken during the 80's and early 90's. Timor Gap Treaty of 1989 and Agreement on Maintaining security 1995, had played like an anchor between the two-nation security establishment. Defence co-operation between Australia and Indonesia was developing well and was an important element in helping to build trust between the two countries. In 1993, Strategic review said "especially more than with any other regional nation, a sound strategic relationship with Indonesia does most for Australia's security. In March 1994, Australian Prime Minister Keating said.

"Change in Australia and Indonesia and in the world sense the end of the cold war should compel us to take a fresh look at our strategic relationship. I believe great potential exists for further defence cooperation between Australia and Indonesia.... If we are to turn into reality our policy

of seeking defence in and with Asia, instead of against Asia, Indonesia is the most important place it will have to be done."¹

So the purpose of the Agreement on maintaining security was to build mutual confidence and assuage fears regarding security threats emanating from each other. However, from the very beginning the security pact, created a debate among the Australian intelligentsia. Most found a contradiction in the way the two countries perceived "security". At the end of 1991, as so often before, the storm clouds blowing the relationship of course seemed darkest over East Timor. Indonesia eventually used its own force to invade the territory in December 1975. Australia got a great shock when in 12 November 1991, unarmed civilians had been massacred in the Santa Cruz ceremony in Dilli by Indonesian troops. Because of the East Timor issue once again Australia took a stand against Indonesia and Australia felt a threat because of Indonesia's aggressive activities. But after a passage of time Australia's regional relations was a factor of East Timor independence. Canberra played an important role in brokering a relation between a bettered East Timor and its giant neighbor Indonesia.

One major bridging factor between Australia and Indonesia is the economic factor, which is the prime factor of Australia – Indonesia's

¹ Paul Keating, *Engagement – Australia faces the Asia – Pacific*, (Sydney, 2000), p.147

positive relationship. In the 21st century Indonesia became Australia's sixth largest trading partner. But now its position is 5th. But, we consider the past economic relationships between Australia and Indonesia they had quite a good cooperation. Indonesia supported Australia proposal for peace in Cambodia Australia was one of the first nations to pledge financial assistance to Indonesia when the financial crisis devastated the economy of East Asia in late 1997. Their economic relationship has survived many difficulties. It has sustained despite of political misunderstandings and misapprehensions, so in the 21st century this relationship flourished with full strength.

The fifth meeting of the Australia- Indonesia ministerial forum and the third ministerial meeting of the Australia-Indonesia development Area(AIDA) was held in Canberra an 7 to 8 December 2000. Sixteen Australian and Indonesian ministers attended the forum-eleven from Australia and five from Indonesia. The strong participation reflects the enduring commitment of both countries to maintaining good neighbourly relations based on mutual respect and in the future to develop a mutually beneficial bilateral relationship across the entire spectrum of cooperation .

The fifth meeting of the ministerial forum was conducted in a cordial atmosphere with ministers and they noted that the forum remained an extremely valuable mechanism for deepening and broadening practical

positive relationship. In the 21st century Indonesia became Australia's sixth largest trading partner. But now its position is 5th. But, we consider the past economic relationships between Australia and Indonesia they had quite a good cooperation. Indonesia supported Australia proposal for peace in Cambodia Australia was one of the first nations to pledge financial assistance to Indonesia when the financial crisis devastated the economy of East Asia in late 1997. Their economic relationship has survived many difficulties. It has sustained despite of political misunderstandings and misapprehensions, so in the 21st century this relationship flourished with full strength.

The fifth meeting of the Australia- Indonesia ministerial forum and the third ministerial meeting of the Australia-Indonesia development Area(AIDA) was held in Canberra an 7 to 8 December 2000. Sixteen Australian and Indonesian ministers attended the forum-eleven from Australia and five from Indonesia. The strong participation reflects the enduring commitment of both countries to maintaining good neighbourly relations based on mutual respect and in the future to develop a mutually beneficial bilateral relationship across the entire spectrum of cooperation .

The fifth meeting of the ministerial forum was conducted in a cordial atmosphere with ministers and they noted that the forum remained an extremely valuable mechanism for deepening and broadening practical

cooperation between Australia and Indonesia. Ministers acknowledged the continuing commitment of the Australian and Indonesian business communities to maintaining and strengthening the bilateral economic and commercial relationships. In this meeting Australia under lined its Commitment to support Indonesia as it suffers many social and economic challenges. It reiterated its strong support for Indonesian territorial integrity, noting that Australia's national interests were closely linked to Indonesia's stability and prosperity. Indonesia underscored its commitment to containing its economic, legal and political reforms and Australia welcomed this commitment. Because of this meeting, ministers acknowledged that excellent cooperation and complementarities existed in a wide variety of areas including education, law enforcement, immigration, economic development cooperation, cultural ties and people to people contact. Against this background they endorsed the continued development of the ministerial forum and AIDA, both in relation to deepening established areas of cooperation but also in the development of new areas, such as empowering SMES positive relationship. This 21st century brought a drastic change between their bilateral relations in multiple ways. After East Timor issue, both countries are trying to build their confidence, trust which are helpful to re-establish the bilateral relationship. Because so many factors help as a fuel to establish a understanding relationship between the bilateral machine, Putting a site

their suspicious nature, in 20th century both the countries were to take their steps in a positive way. There is so many ministerial meetings economic forum, security treaty, which show the way of positive constructions in the relationship. These are the factors which are also responsible of positive relationship in marine issues.

Australia–Indonesia Development Area (AIDA) playing a constructive role between Australia and Indonesia's relationship. Ministers considered that the long-term prospects for enhanced cooperation and engagement between Australia and Indonesia AIDA Provinces remained excellent.

In conclusion, it is true that Australia in the past was concerned about Indonesia's threat to its national security. This fear had no existence in reality, this vague fear on the part of Australia had acted often as a stumbling block in their bilateral relationship. It is acknowledged by eminent Australian academics that Australia fear of Indonesia was baseless, as Indonesia has not made any direct confrontation or waged any war against Australia.

At present the bilateral relations of both countries is undergoing change in post Timor Period. However, both the countries are marching ahead in-order to bridge the gulf between them and to overcome the past rifts and to construct a strong relationship.

BIBLIOGRAPHY

Primary Source

Department of Defence, Australia's Strategic policy, DPVC, Canberra, 1997.

Department of Defence, Defending Australia, AGPS, Canberra, 1994.

Department of Defence, Review of Australia's Defence Capabilities, Report to the Minister for Defence by Mr. Paul Dibb, AGPS Canberra. 1986.

Department of Foreign Affairs and trade, Australia's Regional Security, Minister Statement by G. Evans, Minister Foreign Affairs and Trade, Canberra 1989.

Department of Foreign affairs and Trade, Australia's regional Security, Ministerial Statement by G. Evans, Minister for Foreign Affairs and Trade, Canberra 1989.

Government of Australia and government of Republic of Indonesia, Agreement between the government of Australia and Government of the republic of Indonesia on maintaining Security. 1995, pp. 1-2.

Government of Australia and Government of Republic of Indonesia, Agreement between the government of Australia and Government of the Republic of Indonesia on maintaining Security' 1995 pp. 1-2.

Statement by the Prime Minister, Hon, P. J. Keating M. P. Australia-Indonesia Agreement on maintaining security Canberra, 14 December 1995.

Statement by the Prime Minister, Hon, P.J. Keating MP, Australia-Indonesia Agreement on maintaining security Canberra, 14 December 1995.

Secondary Source

Book:

- Akihiko, Tanaka, (ed.), Asian Security (1997-930), Research Institute for Peace and Security, Washington, 1997.
- Alves, Dora, (ed.), Cooperative Security in the Pacific Basin, National defence University Press, Washington, 1990.
- Anderson, David (ed.), Australia-Indonesia relations: Towards a More Stable Footing, Pacific Security research Institute, Sydney, 1991.
- Anderson, David (ed.), The PNG- Australia relationship problems and Prospects, Pacific Security Research Institute, Sydney, 1990.
- Ball, D. and Downes, C (eds), Security and Defence: Pacific and Global Perspectives, Allen & Unwin, Sydney, 1990.
- Ball, D, and Wilson Helen (eds) Strange Neighbours: The Australia-Indonesia Relationship, Allen and Unwin, Sydney 1991.
- Bateman, Sum, (ed.), Australia's maritime Bridge into 'Asia Allen & Unwin, Sydney, 1980.
- Beaumont J. (ed.), Where to Now? Australia's Identity in the Nineties, Federation press, Sydney 1993.
- Bonnor, J. And Brown, G. (ed.), Security for the 21st century ADSC, ADFA Canberra, 1995.
- Brown, G., Frost, F. and Sherlock, S. The Australian-Indonesian Security Agreement: Issues and implications, Parliamentary Research Service, research Paper 25, Department of the Parliamentary Library, Canberra, 1996.
- Brown, Gray, Australia's Security: Issues for the New century; Australia Defence studies, Canberra, 1994.
- Carpenter, M. William and Woencek, G. David (ed.), ASIAN security handbook: An Assessment of Powerful Security Issues in the Asia- Pacific Region, An East Gate book, Washington, 1996.

- Cheeseman G. And kettle. St. J. (eds), The New Australian Militarism: Undermining o four future security, Pluto Press, Sydney, 1990.
- Cheeseman. G and Bruce R. (eds), Discourses of Danger and Dead Frontiers: Australian defence and Security Thinking after the Cold War, Allen &Unwin, Sydney, 1996.
- Cotton, James (ed), East Timor and Australia, Australia Defense Studies Centers, Canberra, 1999.
- Dibb, Paul. The Conceptual Basis of Australia's Defence Planning and Force Structure Development , SDSC, ANU, Canberra, 1992.
- Eaton, Jonathan and Samuel Kartum, International technology Diffusion : theory and Measurement' Proceedings of the 25th Annual conference of Economists, Australian National University, Canberra, 1996.
- Evans, G. Grant, B (eds), Australia's foreign relations: In the World of the 1990s Melbourne University Press, Carlton, 1991
- Evans, Gareth. (ed), Cooperating for Peace: The Global Agenda for the 1990s and Beyond, Allen & Unwin, Sydney, 1993.
- Fetth, Herbert, The Decline of Constitutional democracy in Indonesia, Cornell University Press, Ithaca, 1962.
- Fitzgerald, S. Is Australia in Asian Country? Allen & Unwin, Sydney 1996
- Fry Greg, (ed), Australia's regional Security, Allen & Unwin, New South Wales, 1991.
- George, M. Australian and Indonesian Revolution, Melbourne University Press, Carlton, 1998.
- Green, Eric Marshall, Economic Security and High technology Competition in an Age of Transition: Prague, London, 1996.
- Grey J. A military History of Australia, Cambridge university Press, Cambridge, 1990.
- Hayami, Y. Development Economics: Form the poverty to the wealth of Nations, Oxford University Press, Oxford, 1997.

- Hayams, Y. Development economics: from the poverty to the wealth of Nations, Oxford University Press, Oxford, 1997.
- Hettne, Bjorn, Mortal Andor's and Sunkel Osvaldo, (ed.), Globalisation and the New regionalism, The united National University world Institution for Development Economics research, Finland, 1999.
- Hill, H, (ed), Indonesia's News Order: the Dynamics of Socio-economic transformation, Allen and Unwin, Sydney, 1994.
- Hill, Hal, (ed.), Indonesia's technological challenge, Research School of Pacific and Asian Studies, Singapore, 1998.
- Kingsbury, D (ed.), Guns and ballot boxes, Manash Asia Institute, Clayton, 2000.
- Kosaka, Mosatate and Bearma, Sidney, (ed.), Asian Security (1990-91) Research Institution for Peace and Security, great Bridge, 1990.
- Law son, S (ed.), The New agenda for global Security: Cooperating for peace and Beyond, Alen & Unwin, Sydney, 1995.
- Leaver, R. and Cox, D. (eds), Middling, Meddling, Issues in Australian Foreign Policy, Allen &Unwin, Sydney, 1997.
- Lee, D. Search for Security; The Political economy of Australia's Postwar foreign and defence policy, Allen & Unwin, Sydney, 1995.
- Legge, j. D. Central Authority and regional authority in Indonesia, Cornell University Press, Ithaca, 1961.
- Leitao, H, Vinte e oito aros de hysteria de Timor, Agencies General do Ultoamar, Lisbon, 1956.
- Lipsey, R.G, globalization and National Government Policies: An Economics is View", In J. H. During (ed.), Government, Globalization and Antenatal Business, oxford University Press, Oxford, 1997.
- Lutz, E. L, ' After the elections: Compensating ructions it human night abuses in Lutz, E, Hannum, H and Burhe, KJ (ed.), New Directions in human rights university of Pennsylvania Press, Philadelphia 1989.

- Malik, J. Mohan (ed) Australia's Security in the 21st century, Allen & Unwin, Sydney, 1999.
- Malik, J. Mohan (ed), The Future Battlefield, Deccan University Press, Geelong, 1997.
- Marce, T. (ed), The Papua New Guinea a Hand book, National Centre for Development Studies, Australian National University, Canberra, 1993.
- Nagara, Bunn, Siewzan, Cheah (ed.), Managing Security and Peace in the Asia-Pacific, ISIS Malaysia, Malaysia, 1996.
- Neill. O, Robert Horner, D. M. Australian before policy; for the 1980, Queensland Press, Queensland 1982.
- Nicol, B, Timor: The Still born nation, wide scope international publishers, Melbourne, 1978.
- O'Connor, M. Australia's Defence Policy: to live in peace, Melbourne University, Press, Carlton, 1985.
- Panqestu, M. (ed.), Small-Scale Business Development and Competition Policy, Centre for strategic and International Studies, Jakarta, 1996.
- Penney, D. H, (ed.), "Indonesia". MRT Shand. And Agricultural Development M Asia, Australia's National University, press. Canberra, 1969.
- Ralfe Jim. (ed.), Unresolved Futures: comprehensive security in the Asia-pacific, center for strategic studies, Wellington, 1995.
- Ravenhill. J. (ed.), No longer an American Lake, Allan & Unwin, Sydney, 1989.
- Singh, B, East Timor, Indonesia and the world: myths and Leatities Singapore Institute for International Affairs, Singapore, 1995.
- Singh, Udaibhanu, ASEAN Requitat forum and Security t the Asia Pacific Institution for defence studies and Analysis, New Delhi, 2001.
- Smith, G. and kettle, St, H. (eds), Threats without enemies: Rethinking Australia's Security, Pluto Press, Sydney, 1992.

Soesastra H and Mc Donald. (eds). "Australia-Indonesia relations Towards the 21st Century, Allen & Unwin, Sydney, 1995.

Sunga, L. S, Individual responsibility In International as for serious Hunan rights violations, M Hijhoff, Dordrecht. 1992.

Thompson, A. Australia's Defence Policy: A Drift towards new forwards Defence, Working paper No. 29, ADFA, Canberra, 1999.

William Son, J. (ed.), the Political Economy to policy Reform, Institute for International, economics, Washington DC, 1994.

1. ARTICLES

Alan, D, " Australian-Indonesia Security Agreement", Indonesia Quarterly, Vol. 24 (2); (U 90, P-195-205).

Anderson D, "The Indonesia- Australia security, relationship; Problems and prospects" Pacific Security research Institute, 1991, pp. 52-54.

Anwar D. F "Indonesia's Foreign Policy after the cold war, in Southeast Asia Affairs, 1994," Institute at Southeast Asian Studies, Singapore, 1995, pp. 3-27.

Bhutani, K. K. "East Timor and Indonesia-Australia Relation," Journal of Indian Ocean Studies, Vol. 7. No. 2 -3 March 2000.

Cheeseman G, "the Wrigley Review; Defence and Australian Community," Current Affairs Bulletin, Vol. 64, no. 6 (1990, pp u-14).

Crouch, A, "Another Symbol of strengthening ties in," Australia financier review, 20th December 1995, p. 15

Davis, Malcolm R., "Indonesia's Security Agreement centre Australia," Asia-Pacific Defence Reporter, May 1 June 1996, Vol. 22 No, 516 pp. 18-19.

Dewitt, d "Common Comprehensive and Co-operative Security". The Pacific Review, Vol. No. 1 1997 p-7.

Downer. A, "East Timor-Looking back on 1999", Australian Journal of International Affairs, Vol, 54. No.1, 2000, pp. 15

Dupont, A, "The Australia-Indonesia Security Agreement Australia Quarterly, Vol. 68, no. 2, Winter 1996, pp. 56.

- Earl, Greg, "How Indonesia Saves form Security Poet," Australian financial review, 18th December 1995, pp. 13.
- Earl, Greg, "Suharto Plays Down Role of Keating Treaty," Australia Financial Review, July 7 1996, p. 3.
- Evans G "co-operative security and Interstate Conflict," Foreign policy Vol. No.-96, 1994, pp. 3-30.
- Goodfellow, R, " Ignorant and Hostile: Australian perceptions of Indonesia" Inside Indonesia Sept. 1993, pp. 3-6.
- Gorjao, Paulo, "the end of a cycle: Australian and Portuguese foreign policies and the fate of East Timor," contemporary South-east, Asia, Volume 23, Number -1 , April 2001, pp. 102-121
- Hock, C, "Prospectors on Australian foreign Policy 1999 " Australia Journal of International Affairs " Vol. 59, No. 2000, pp. 36
- Indonesia in 1992: Commit to terms with the outside world. "Asian Survey Vol. 33, no. 2 February 1993. pp. 204-10.
- Indonesia in 1993: Increasing political movement? "Asian Survey, Vol. 34, No. 2, 1994 pp III-18k.
- Jamie, Machie, "Indonesia lora sae and Australia: The future of triangular relationship," the Indonesia Quarterly, vol, 33, No2. 2000 pp. 172-180.
- Jayanath, V, "Trouble Sports,: East Timor, Aceh, Ambon and Irian Jaya," Journal of Indian ocean studies, Vol. No. 102, August 2000, pp.51-59.
- Mc Berth, J "Australian assertiveness strains ties with Indonesia" Far Eastern Economic Review, October 7, 1999, pp.5-10.
- McBeth John, "Personal Pact: Suharto, Keating Surprise Asian with security Deal," Far Eastern Economic Review, 28 Dec, 1995, 4 Jan, 1996, P. 18-19.
- Mcdougall, Derek, "Australia and Asia-pacific Security Regionalism: form Houke and Keating to Howard," contemporary Southeast Asia, Vol. 32, Number, 1, April 2001, pp. 82-99.
- Metz S, "Racing towards the future: the Revolution in Military Affairs" Current History, Vol. 96, no. 609, 1997, pp. 15-20.

- Millett, Michael, "Pact Considered Neas ANZUS in Importance," Sydney morning Herald, 15th December 1995, p.6.
- Naley, W, "Australia and the East Timor Crisis, some critical comments," Australia Journal of International Affairs, Vol. 9, no. 2, 2000, pp. 15-21.
- Nossol, K. R, "Seeing thing' The adornment of "Security" in Australia and Canada," Australia Journal of International Affairs Vol, 49, no. 1, 1995, pp.7-15.
- Sebastian L. C, "Enhancing the Security of South East Asia through the Deepening web of Bilateral Relation," Indonesia quarterly, Vol. 24 , no. 1, 1st Quarter, 1996. P. 17.
- Sukam R, "Indonesia's Babes - Aktif foreign policy and the "Security Agreement with Australia" Australia Journal of International Affairs, Vol. 51 No. 2-July 1997, pp. 255-6.
- Utula, S, " The choice for PNG self-reliance or mutual destruction" Social alternation Vol. 8, No. 2. 1989, pp. 5-15.
- Whitlam G, "Australia and the UN commission on Human Right's;" Australia Journal of International Affairs, Vol. U5, Aug. 1991, pp. 6-18.
- Wrigley, Alan, "Formal Ties Call for Basic Agreement on the concept of security," The Australian (newspaper), 15th December 1995, p. 5
- _____, " Trade, Security and the International Ratio of grand Strategy in Southeast Asia" National Bureau of Asian Research, NBR Analysis Vol. No. 3, October 1996, pp. 21-34.
- Wright, Tony, "Australia, Indonesia Join Forces, "Sydney Morning Herald," 15th December 1995, p. 12,

NEWSPAPERS AND PERIODICALS

Economic and political weekly- Bombay,

Financial times, London, June 20, 2000

Financial times, London, June 9, 2000.

Financial times, London, May 18, 2000

Harold Crouch "Basic flow in defence ties with Indonesia" Canberra Times, 5 July 1993.

Harold Crouch, " Another Symbol of Strengthening ties" Finance review, Wednesday, December 20, 1995.

Harold Crouch, Defence aid should be defence aid" Canberra times 4", April 94l Michelle Grattan and Karen Middleton, ' Evans concedes some ambiguity in Indonesia treaty Age 19 December 1995.

Harold Crouch, New treaty in more abort symbolise than reality" The Canberra Times", Saturday December 16, 995.

Research Report.

The Hindu - Madras.

World Focus , New Delhi.