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INDONESIA/MALAYSIA RELATIONS

Statement by the Prime Minister, The Rt.Hon. Harold Holt,  
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M.P.

The Australian Government warmly welcomes the hopeful signs of a favourable outcome of the talks between the Malaysian Deputy Prime Minister, Tun Razak, and the Indonesian Foreign Minister, Mr. Adam Malik.

The talks were held in an atmosphere of genuine goodwill and friendship which offers the prospect of an end to confrontation. The Government has taken a close and informed interest in developments leading up to the meeting in Bangkok and is encouraged in the hope that peaceful relations will be fully restored between the two countries.

The Government also welcomes, as another step in the establishment of friendly and co-operative regional relationships, the announcement of the Government of the Philippines that full diplomatic relations between Malaysia and the Philippines are about to be resumed. These are constructive developments.

Cabinet yesterday reviewed these matters and, also, noted that Indonesia has initiated discussions with creditor countries on the problems of accumulated external debts and economic rehabilitation. Australia itself, of course, is not a creditor of Indonesia. Ministers reaffirmed Australia's readiness to play a constructive part in assisting Indonesia with its economic problems. We considered that it was now timely for interested countries and institutions to discuss together and with Indonesia what might be done. In the meantime, we decided to give instructions to relevant Departments to develop projects which Australia could usefully undertake within the framework of our Colombo Plan aid programme.

CANBERRAJune 2, 1966.