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Conversation between Dr. van Hoogstraten and... about the relationship between the NEI Administration and Australia

*Hoog*

22.9.44  
ENTRANCE BOOKS  
194/600/5/1/7-1  
INDEXED  
*J.P.A. J.H.*

AUSTRALIAN RELATIONS WITH NETHERLANDS INDIES

I met Dr. Van Hoogstraten, acting head of the Netherlands Indies Administration, by appointment in Melbourne on September 19th and discussed with him on a personal plane the conditions on which a general understanding might be reached between the N.E.I. Administration and the Australian Government and the means of contact which might be set up between them while the former remained in Australia.

As a result of this conversation, Dr. Van Hoogstraten, on the authority of the Netherlands Minister, invited me the same evening to meet Dr. Van Blom, Financial Member of the Administration, and Mr. Van Panhuys, Counsellor of the Netherlands Legation. It was understood that although this meeting was also informal either side would be free to report on it if necessary to a higher authority.

Dr. Van Hoogstraten began by saying that he and his colleagues warmly welcomed the suggestion for closer relations between the Australian Government and the N.E.I. Administration than had so far existed and he felt sure that the Netherlands Government would do the same, but he agreed that the N.E.I. Administration in Australia had at times been in the position of acting without reference to the Australian Government on matters in which a full and frank prior exchange of views with the Australian authorities would have been desirable. I pointed out that the Australian authorities were also aware of this fact and were equally concerned to see that the way was clear, while the Administration was still in Australia, for a higher degree of collaboration between the two Governments which it would be in the best interests of both to have after the return of the Administration to Batavia.

*Dutch talks*

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I thought that at the moment we had an outstanding opportunity to come to a working understanding on both general and particular matters, that in any case events would force on us much closer relations after the war than existed before 1941 and that it would be a real and practical advantage to both parties to know each others mind in good time while the N.E.I. Administration was still here.

As an illustration of the subjects on which I thought an immediate beginning with an exchange of views was desirable, for instance -

- (a) As practical and current questions civil affairs administration covering prisoners of war, coordination of health control, purchase of N.E.I. supplies in Australia, provision of shipping, the work of UNRRA, and the location of UNRRA agencies in this area, and
- (b) Such long term questions as joint defence arrangements, welfare of native peoples, and economic integration.

Dr. Van Hoogstraten fully agreed that the above were proper and timely subjects for discussion but said that before entering on conversations the N.E.I. Administration would feel that certain conditions should be met. He specified three:

- (1) that the Australian Government should make it clear that it respected the territorial integrity of the Netherlands East Indies;
- (2) that it should be agreed that any defence arrangement such as the use of bases would be in principle fully reciprocal; and
- (3) that it should be recognised that any responsibility which the Netherlands Administration agreed to incur in respect of native welfare would be not to any single third party, but to a recognised international authority; on this understanding he thought that the Dutch would be ready to accept not merely an advisory but even a controlling international body on colonial policy.

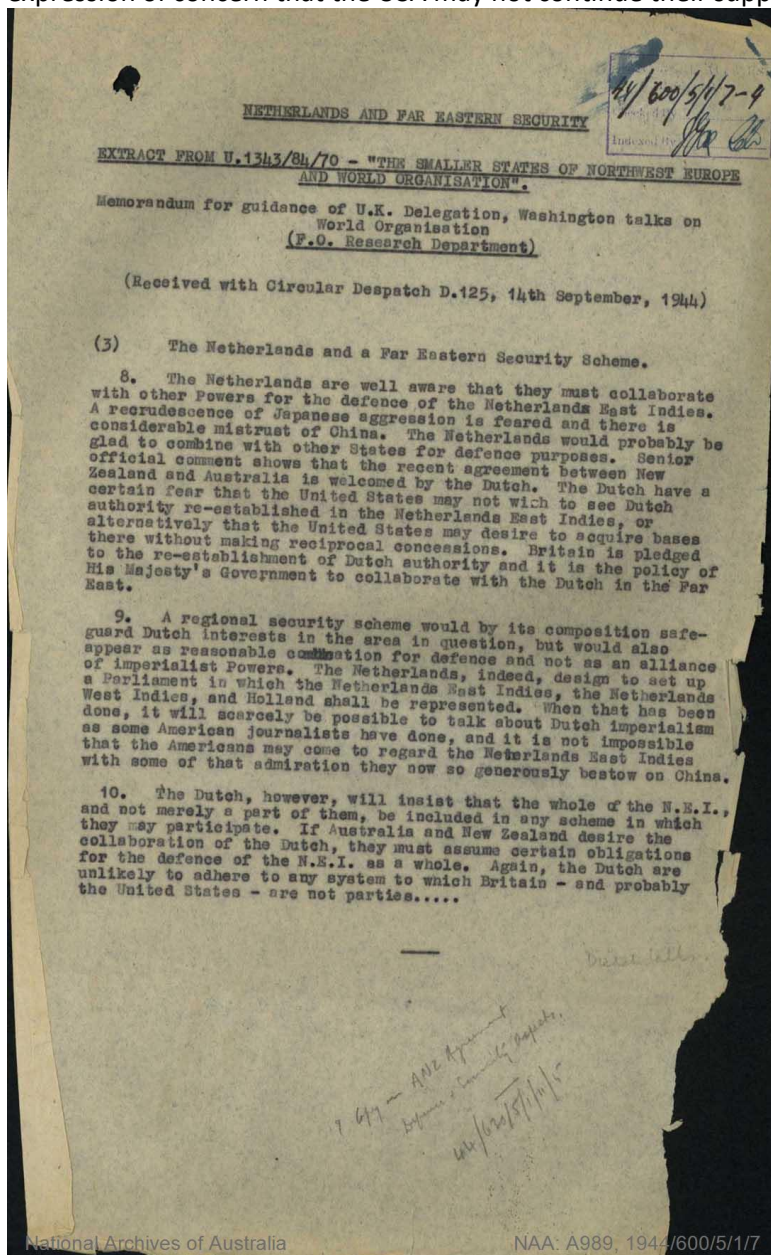
I made it clear at once that there would be no question of our meeting condition (1) in any way which would carry some indication against Australian policy in the last three years; a public statement in the bald form suggested by Dr. Hoogstraten would be quite impossible. Dr. Hoogstraten accepted this. As regards the other two conditions, I saw no real difficulty in finding an agreed form of words which would be satisfactory to both parties. I thought that all three points could in one way or another be met in a general understanding which would form a framework for discussion of the immediate matters referred in paragraph (a) above. In the same understanding the Australian Government will no doubt wish to have certain corresponding points of its own incorporated.

This suggestion proved entirely acceptable to the Dutch and the following procedure was finally agreed to:

On the understanding that the Dutch will do the same, I would recommend to the Minister that two officials from the Australian side be authorised to meet at an early date two officials from the Dutch side with the object:

- (1) of drawing up a list of subjects for immediate exchange of views and opening such discussions at once, technical and expert assistance to be called in where necessary;
- (2) of beginning simultaneously a drafting of a general political understanding between the Australian Government and the N.E.I. Administration which would make provision for subsequent detailed agreements on particular questions, especially defence and economic policy.

Talk about the Dutch reliance on Australia and New Zealand for support with NEI Government, and expression of concern that the USA may not continue their support



About the conversation between Dr. Van Panhuys and D. P. Macguire

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SECRET AND PERSONAL

ALLIED LAND FORCES HEADQUARTERS

FAR-EASTERN LIAISON OFFICE

Quote in Reply

*Melbourne, S.E.I.*

No. ....

104 Toorak Road,  
SOUTH YARRA. S.E.1.

11th December, 1944.

Dr. Van Panhuys,  
Counsellor to the Legation of Her Majesty,  
Queen of the Netherlands in Australia.  
Temple Court, Collins Street,  
MELBOURNE.

Dear Dr. Van Panhuys,

Following our talk in Melbourne, I met Mr. Hood in  
Canberra.

2. I gave him the general sense of our talk. I informed  
him that we concentrated on the problems of immediate and  
practical importance.

3. I said that we had given particular attention to:

(a) the desirability of establishing Australia as a permanent  
seat of the Far Eastern Committee of U.N.R.R.A.

X (b) the desire of your government for credits from Australia  
to meet a proportion of the costs of your supplies now being  
ordered in this country.

(c) co-operation in the question of the recovery of Prisoners  
of War and the rehabilitation of civil Internees (as a matter  
of urgency which we both would hope to develop at the next  
meeting).

(d) your interest in the possibilities of Dutch migration  
here.

4. During last week I had discussions in Canberra on the  
question of credits and I think we can hope for some progress  
here.

5. External Affairs reminds me that there had been dis-  
cussion before the war and during the administration of Mr.  
Lyons in Australia regarding the possibilities of Dutch

migration. Mr. Forsyth of External Affairs proposes to prepare some notes before our next talk.

6. I understand that the February meeting of the Far Eastern Committee of U.N.R.R.A. will be held in Sydney and it is obviously desirable that we should decide on any common action which we propose. I take it that this will also be a theme for our next meeting.

7. If Dr. Van Hoogstraten were to be in Melbourne or Sydney before Christmas, perhaps it would be possible to hold the next talk earlier than we had planned. Otherwise I assume that we shall meet again in the week before Christmas and the New Year.

With very many thanks for your hospitality the other evening.

I am

Sincerely yours,



D. P. McGUIRE,  
Lieut., (Sp.), R.A.N.V.R.

On the conversation held in Melbourne on December 3 1944 between Dr van Hoogstraten , Mr. van Panhuys and D. P. McGuire

Memorandum on the conversations held in Melbourne on December 3, 1944, between Dr. van Hoogstraten, Mr. van Panhuys and myself. (D.P. McGuire)

It was understood that the talk was at a personal level and any opinions I expressed were merely my own opinions.

The Dutch accepted Mr. Hood's draft of Agenda Items as covering satisfactorily the general themes of the conversations.

We concentrated on the matters of immediate practical importance.

1. The Dutch made much of the need for the N.E.I., Australia, and New Zealand to press together for Australia as the seat of the Far Eastern Council of U.N.R.R.A. Van Hoogstraten said that his latest advice was that the U.S. was inclining to the Chinese view. The Chairman wishes the Council to remain in Washington with perhaps one token meeting in Australia. But Hoogstraten holds it of the "utmost importance that the Council should be in Australia". He said that U.N.R.R.A. was the prototype and perhaps the one considerable instrument of international co-operation in the Pacific area. He obviously fears too strong a Chinese influence. He believes that both we and the Dutch must recognise China as an inevitable problem ~~source~~.

2. On the matter of supplies for the N.E.I., Hoogstraten said that the Dutch had already made an extensive survey of Australia as a source of supplies and they had presented their schedule of purchases required to the Australian Government. This had progressed well; orders would be to the value of about £10,000,000. They still had liquid assets including gold; but they hope that Australia will grant credits for part of the amount and look to its reimbursement from products of the N.E.I. which would come to us by the World Allocation Office.

3. On the matter of communications Hoogstraten said that he had hoped to place orders for ships with Australian shipyards. He had discussed the matter with Mr. Makin and Mr. Chifley. He had obtained quotations and submitted them to the Netherlands Government in <sup>the U.K.</sup> India. The Government had decided that our prices were too high. They do not want, however, to give orders to U.S. shipyards. Kayser prices <sup>are</sup> were roughly twice <sup>those</sup> of British shipyards and the British build better ships. Policy now is to give orders to British shipyards; until the Dutch yards can again meet all needs.

I argued that Dutch had a political and strategic interest in the maintenance of Australian shipyards with trained dockyard workers. I suggested that if we were to look for something like <sup>a</sup> security bloc in this area, strategic considerations of this sort must sometimes override economic. If Australia maintained shipyards in her own strategic interest, she would be serving Dutch interests as well as her own. Van Panhuys seemed to agree with this view; and I think that we can continue talking further on these lines.

On aviation, Hoogstraten said that the Dutch hoped for a reciprocal arrangement which would hold this area against excessive American competition. They believed that satisfactory arrangement would be one by which both countries agreed to despatch mails by the fastest service available; i.e., if a Dutch plane were leaving or arriving ahead of an Australian or British plane, it should carry the mails; and vice versa.

We agreed further that talk on aviation was to await the final verdict of the Chicago Conference and the clarification of Governmental policies.

4. On health organisation, we discussed generally the problems first<sup>ly</sup> of contagious and infectious diseases which will be primarily a problem for the Service Medical Units

/ at re-entry



at re-entry; secondly, the problems of deficiency diseases and endemic diseases like framboesia and thirdly of the re-establishment of normal medical services and controls.

I suggested that Australia might for a time be able to help with personnel.

5. We agreed that the question of Prisoners of War and internees was of first-rate importance, <sup>as</sup> ~~As~~ a matter of humanity and also for its political ~~conditions~~ <sup>IMPLICATIONS</sup>.

The Dutch will present their ideas at the next meeting with a view to co-operation ~~over~~ <sup>in</sup> all this problem with Australia.

6. We all thought that the arrangements incidental to the reception and training of Dutch forces here were primarily a Services matter. But I remarked that there were political and public interests in establishing and maintaining satisfactory relations between the Dutch Forces and the Australian public and Forces. A little forethought and preparation may meet here many problems before they develop.

7. The Dutch said that they had been distinctly interested in the newspaper suggestions of Dutch migration here. They would like to know the views of the Australian Government; the aids and facilities which might be offered, the types of migrants desired.

I suggested (this is a personal suggestion entirely), the possibility of linking a migration plan with a discussion of Dutch support (as by long-term purchase agreements) for any developmental plans Australia might have for the North and North-west. With refrigeration bases at the appropriate places for the Indies, something might be done for North-west beef; and ~~that~~ with fast Dutch cargo planes like the stripped-down Lancaster, it would obviously be economic to fly green vegetables as from the Katherine River farms into areas of

4.

The Indies where green vegetables are short; as in Borneo, Celebes and the Ambon area.

These notions, however, belong rather to long-term planning than to immediate problems. The Dutch did agree that they had a strong interest in the development of our North and North-west; in transport, harbour and airfield facilities there.

8. The Dutch proposed that the next discussions should be, if it meets <sup>the Netherlands</sup> ~~year~~ convenience, in Melbourne, between Christmas and New Year.

9. The items obviously needing attention before this next discussion are

- (a) matter of the U.N.R.R.A. Far Eastern Council;
- (b) question of supplies and credit for them.

I suggest also that we might take the discussion on migration one step further. This is a long-term matter, but I think it should be kept in play; as it can be a useful thread on which to hang <sup>other</sup> ~~our~~ topics.

*D. L. McGuire*

*Dec 6 44.*