There is little doubt that the meeting President Soeharto had with Prime Minister Gough Whitlam at Wonosobo near Yogyarkarta in September 1974 was crucial for his decision to authorize action to bring about the incorporation of Portuguese Timor into the Indonesian Republic. It is clear that the President took away from the meeting with Mr Whitlam the impression that the Australian Government would encourage incorporation. The official records of the meeting show that Mr Whitlam departed from the brief he had been given by the Department of Foreign Affairs, which expressed the policy approved by Foreign Minister Don Willesee that Australia would accept the establishment of an independent state of East Timor if that was what the people of the territory wished. Mr Whitlam's preference for incorporation into Indonesia over independence was apparently influenced by his expectation that President Soeharto would be as accommodating in negotiating a seabed boundary in the Timor Sea to the south of East Timor—the Timor Gap—as he had been in reaching agreement in 1972 on a seabed boundary to the south of Indonesian West Timor. At the time of the Whitlam-Soeharto meeting, Australia's attempts to negotiate a seabed boundary with Portugal over this oil and gas-rich area were getting nowhere.

Rather than accept the policy toward Portuguese Timor formulated by Foreign Minister Willesee, Mr Whitlam chose to stay with the policy he had inherited from preceding governments, which had been settled since 1963. Cabinet Decision 632 of the Menzies Government of 5 February 1963 stated:

In relation to Portuguese Timor, the Cabinet accepted the view that in the current state of world opinion, no practicable alternative to eventual Indonesian sovereignty over Portuguese Timor presented itself. It would not be acceptable to Australia or the West for Indonesia to proceed against Portuguese Timor with arms, and this must be brought home to Indonesia. But otherwise the course which it seemed best to follow is for Australia to bring such quiet pressure as it can upon Portugal to cede peacefully and in addition to explore ways by which the international community might bring pressure on Portugal.¹

This was a departure from the policy enunciated by Minister for External Affairs, Dr H.V. Evatt, who said in a statement to Parliament on 27 November 1941 that Australia had a very direct interest in preserving 'the complete political independence' of Timor and that Australia could not see with equanimity any development which threatened the integrity of that part of the Portuguese empire.²

In a letter to Prime Minister Menzies regarding Timor dated 1 March 1963, the Prime Minister of Portugal, Dr António de Oliveira Salazar, said Portugal continued to see the problem of Timor in the light of relations and the official statements made by the Australian Government during the Second World War, and referred specifically to Evatt's statement of 27 November 1941. Salazar also mentioned a note from the British Embassy in Lisbon of 14 September 1943 which said that 'His Majesty's Government in the Commonwealth of Australia' were glad to associate themselves with the assurance given by the British Government that at the conclusion of hostilities Allied forces would be withdrawn from the Azores, and Portuguese sovereignty over all its colonies would be maintained.³ Dr Evatt had explained the background to this in a statement to Parliament on 26 March 1946:

The occupation and use of the Azores as an air base by the United States of America and the United Kingdom were of supreme importance, and an arrangement had to be made between Great Britain and Portugal. The Portuguese asked the British Government, as a part of the arrangement over the Azores, to ensure that the Government of Australia should give an undertaking that in its post-war planning it would make no attempt to alter the sovereignty of Portuguese Timor.⁴

In accordance with this policy Timor had been restored to Portuguese rule at the end of the War after having been occupied by Japanese forces since 20 February 1942.
Cabinet Decision 632 of 5 February 1963 was referred to in a memorandum on Portuguese Timor dated 21 February 1963 from External Affairs Minister Garfield Barwick to the Menzies Cabinet. The memorandum said that superficially Portuguese Timor presented a picture of fatalistic calm, but it was widely believed by the Portuguese administration that Indonesian seizure of the province could not be prevented and was only a matter of time. It seemed certain, according to the memorandum, that the intention of the Indonesian Government was to take over Portuguese Timor at some stage, and it would be an easy military operation to do so. Barwick’s memorandum referred to the correspondence between Prime Ministers Menzies and Salazar, and concluded by citing Cabinet Decision 632, which established that Australia’s policy was to favour incorporation by peaceful means.3

Appearing before the Senate Committee on Foreign Affairs, Defence and Trade in December 1999, Mr Whitlam explained that Prime Minister Menzies had initiated the correspondence with Dr Salazar over Timor because of prompting by the United States and the United Kingdom. At the end of 1961, a United Nations resolution was passed that all the member states which had non-self-governing colonies should make reports to its Committee of 24 on the political, economic and social development of their colonies. NATO, said Mr Whitlam, was embarrassed because the Portuguese said that Angola, Mozambique, Guinea-Bissau, Equatorial Africa, São Tome and Principe, Macao and Timor were all overseas departments of the Portuguese state.6 America had commitments to Israel. The Americans could not fly fighter planes, and they could not send military materiel, from the Atlantic coast of the United States to Israel without landing at the Azores, which was Portuguese territory. Mr Whitlam said:

They wanted Menzies to do something about Timor because they wanted to be able to use the Azores… The UK and the US told Menzies, ‘This is an embarrassment to NATO that Portugal is so intransigent. Perhaps you could write to Salazar because they are next door to you.’ So Menzies did. At great length Salazar came back and said, ‘No, it's non-viable. It won't live politically or economically.’7

Dr Salazar’s views were expressed in a letter he wrote to Mr Menzies on 5 March 1964, in response to a letter to him from Menzies of 15 October 1963:

Your Excellency is aware that Portuguese Timor cannot constitute an independent nation. Your Excellency is aware that the Republic of Indonesia would never consent to the existence of an independent Timor. In this context, what policy can be formulated which, not maintaining the status quo on one hand, would take into account on the other hand the impossibility of the independence of the territory and would avoid the annexation of it by Indonesia? Your Excellency submits that the interest which the United Nations would take in Timor could protect the territory from external pressures. I do not know whether there might not have been something of naïveté in this suggestion. As for myself, Mr Prime Minister, I believe the United Nations took a profound interest in Dutch New Guinea: but that did not secure self-determination for the people of West Irian.8

Dr Salazar explained that there could be no political independence without economic viability, and referred to Portugal’s experience of African affairs. He said that the damage caused to the African populations by the policy adopted by the West and the United Nations had been very severe and, in some respects, irreparable: ‘misery, economic and political regression, disorder in administration, lack of order and security everywhere, submission to a new type of colonialism, exploitation of the populations disguised as economic aid which compensates itself by manipulation of prices of basic products, growing ascendency in Africa of the communist bloc…’9

Portugal’s intransigence over the status of Timor had led Australia to see no alternative to the policy adopted in February 1963, as was explained by the Australian Ambassador to the United States, Sir Howard Beale, to his Portuguese counterpart, Pedro Pereira: ‘On the one hand there is Soekarno’s obvious intention to take Portuguese Timor if it can, and, on the other, there is the difficulty [Portugal’s] friends have, and the United States in particular, in giving fuller support to you because of the position you take up’.10
The unsympathetic stance toward Portuguese rule in Timor adopted by the Australian Government in February 1963 was given sharper definition over the years following by the disagreement that developed with Portugal over the delimitation of a maritime boundary in the Timor Sea. This question became more urgent as exploration for petroleum during the 1960s and 1970s began to reveal large exploitable reserves under the seabed. Agreed delimitation was required for exploitation to proceed. Seabed boundaries with Indonesia in the Arafura and Timor Seas were settled in 1971 and 1972, but in the case of Portuguese Timor an agreement on a seabed boundary proved to be particularly difficult to achieve. By the beginning of 1974 Australia and Portugal were effectively in dispute over the question, with little prospect of a resolution.

The Creation of the Timor Gap

A consortium consisting of Arco Australia Ltd, Australian Aquitaine Pty. Ltd. and Esso Australia Ltd. had begun geophysical exploration in the Timor Sea and Bonaparte Gulf in 1962. A second consortium comprising Woodside Petroleum, Burmah Oil Company and the Anglo-Dutch Shell Oil Company conducted an aeromagnetic survey in 1963, followed by seismic surveys in each of the years 1964-1968. The extensive exploration efforts undertaken by both consortiums in the Timor Sea/Bonaparte Gulf/Browse Basin area from 1962 had by 1970 revealed the region to be petroliferous, and specifically, 'certain parts of the Bonaparte Gulf-Timor Sea area prospective in the search for viable oil and gas reserves'.

Sea-bed negotiations with Indonesia commenced in March 1970, following informal discussions between Australian and Indonesian delegates to the fourth ECAFE (Economic Commission of Asia and the Far East) symposium on the development of regional petroleum resources held in Canberra in November 1969.

The Australian government had developed its position on maritime boundaries since 1953 when it laid formal claim to its continental shelf. Australia developed two interpretations of the 1958 Geneva Convention on the Law of the Sea. Article 6.1 of the Convention stated, regarding delimitation of international boundaries:

Where the same continental shelf is adjacent to the territories of two or more States whose coasts are opposite each other, the boundary of the continental shelf appertaining to such States shall be determined by agreement between them. In absence of agreement, and unless another boundary line is justified by special circumstances, the boundary line is the median line, every point of which is equidistant from the nearest points of the baselines from which the breadth of the territorial sea of each state is measured.

The first interpretation by Australia concerned that area of the Arafura Sea, east of longitude 133°14' East, where petroleum exploration permits were granted as far north as the line of equidistance between Australia and West Irian and the Aru Islands. According to the Australian interpretation, the shelf in this area was judged to be common to both Australia and Indonesia. This interpretation provided for the drawing, with relative ease, of an equitable boundary on the equidistance principle.

The second Australian interpretation concerned the area west of that longitude, where permits were granted for areas as far north as the Timor Trough. Minister for Foreign Affairs William McMahon described the Timor Trough in October 1970 as a 'huge steep cleft or declivity, extending in an east-west direction, considerably nearer to the coast of Timor than to the northern coast of Australia. It is more than 550 nautical miles long and on the average 40 miles wide, and the sea-bed slopes down on opposite sides to a depth of over 10,000 feet'. The significance of the Timor Trough to this second interpretation lay in the development of what McMahon called an 'unmistakably morphological basis for the Australian claim to this area:

The Timor Trough thus breaks the continental shelf between Australia and Timor, so that there are two distinct shelves, separating the two opposite coasts.

For the Australian government, therefore, the Timor Trough separated two distinct continental shelves: a narrow shelf extending from Timor, and a wide shelf extending from the Australian coastline to the base of the Timor Trough. Since the 1958 Geneva Convention did not explicitly address a situation where there were two continental shelves, the Australian government deemed the 'special
circumstances' of Article 6.1 to apply, while 'the fall-back median between the 2 coasts provided for in the absence of agreement, would not apply for there is no common area to delimit'. This view had become encapsulated in the drawing of the Mackay Line. The Mackay Line, or Green Line, was drawn by and named after an official of the Department of National Development. It followed the foot of Australia's continental slope, and while its precise location was 'hard to pinpoint, it is known to follow the Timor Trough between 11 degrees South and eight degrees South'.

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Australia's sense of urgency with regard to settling a seabed boundary was heightened by the presumption of vast hydrocarbon reserves in the Timor Sea, the only area in which Australia faced direct competition to its continental shelf claims. Since the precise location and extent of these reserves was unknown, and those international laws applicable were in no sense definitive, it pursued a claim consistent with securing as much of the Timor Sea seabed as was possible. It appears that in order to secure a favourable settlement of the entire boundary in the Timor Sea, the Australian government first sought to negotiate a favourable settlement with the Indonesian government. Having achieved such a settlement (which implicitly recognized the legitimacy of Australia's perspective of the sea-floor), the Australian government could then present Portugal with a *fait accompli* in terms of the relevant applicable customary international law.

Foreign Minister McMahon explained to Parliament on 30 October 1970 that the Australian view 'is, of course well known to Indonesia, [there having] been a recent exchange of views, still incomplete, between Indonesian and Australian officials'. From these preparatory discussions, it became clear that Indonesia did not share the Australian view, counter-arguing that the Timor Trough was merely 'an incidental depression in the sea-floor, not the definitive edge of two shelves'. The *Australian Financial Review* of 16 October 1970 reported: 'Indonesia has already prepared maps showing the boundary of its own “continental shelf” as the median line between Australia and Timor'.

The sea-bed boundary in the Arafura and eastern part of the Timor Seas proved comparatively easy to negotiate. The Agreement signed on 18 May 1971 defined the boundary for 520 nautical miles from the southern terminus of the land boundary between Indonesia and Papua New Guinea as far as meridian 133° E, and was fixed by reference to 13 defined points. This Agreement, reached after some fifteen months of negotiations, could only be concluded at this time by distinguishing the basis on which agreement had been reached from that applying to the remainder of the boundary, i.e. this boundary approximated the line of equidistance for most of its length.

During President Soeharto's visit to Australia in February 1972, it was agreed with McMahon (now Prime Minister) 'that all outstanding issues [relating to the sea-bed boundary] should be negotiated at an early date'. The *Canberra Times* reported on 2 May 1972 that the line Australia's negotiators would take was 'likely to involve an attempt at compromise, possibly by drawing a line half-way between where Australia believes the boundary should be, and where the Indonesians would choose to draw it'. After a preliminary conference in September, delegates attended formal negotiations in Jakarta between 2 and 7 October which culminated in the signing of an Agreement on 9 October 1972. The Agreement embodied the compromise suggested by Australia, with the boundary being fixed 'roughly one third of the way down the southern side of the Trough', between the Mackay Line and the median line, but closer to the former.

Article 7 provided for a situation arising where a 'single accumulation of liquid hydrocarbons or natural gas, or any other mineral deposit, extends across any of the [border] lines'. In such a case, the two governments were to consult, and seek 'to reach agreement on the manner in which the accumulation or deposit shall be most effectively exploited and in the equitable sharing of the benefits arising from such exploitation'. This article provided a basis for establishing a joint development zone under the 1989 Timor Gap Treaty.

Article 3 dealt with the potential need for adjustments to be made, by consultation, to those portions of the boundary lines between points A15 and A16 and between points A17 and A18, should this become necessary in the event of a delimitation of that gap in the boundary created by the Agreement (the 'Timor Gap'). This was an unspoken reference to Portugal as a party to such a future settlement. Points A16 and A17 were putatively the junction points of Australian-Indonesian-Portuguese Timor boundaries, but in the absence of tripartite negotiations they had not been agreed to by Portugal. They were the points of intersection of the compromise line agreed by Australia and
Indonesia with lines following the shortest distance between the eastern and western points of Portuguese territory on the island of Timor and the nearest points on the opposite Australian coast. Alternative points of intersection along line drawn at right angles to the coasts were farther apart, and these points would have left a wider gap; as such, the narrower gap left by the Agreement represented an encroachment by Australia and Indonesia on the area that could be claimed by Portugal.

Why Indonesia agreed

In 1978 the Indonesian Foreign Minister, Dr. Mochtar Kusumaatmadja, a law of the sea expert who had played a prominent part in the 1971 and 1972 negotiations, claimed that Australia had 'taken Indonesia to the cleaners' in these negotiations.34

Given that 'both parties welcomed the agreement as a tribute to the spirit of reasonableness and good neighbourliness which had marked the negotiations',35 there are two major areas in which Indonesia could have regarded itself as having been 'taken to the cleaners' in the 1972 negotiations. The first concerned the relevance to the negotiations of plate tectonics theory, or at least the distinction between a single and separate continental shelves. In this regard, 'the Indonesian position has always been [based] on morphological evidence that the shared Continental Shelf ...extends north of Timor'.36 Yet, according to Dr. Mochtar, 'The Australians were able to talk us into [accepting] that the Timor Trench constituted a natural boundary between the two shelves, which is not true'.37 Had they so wished, the Indonesians could have pursued avenues other than that chosen to place greater pressure on Australia to reduce or alter its claim. These included waiting for the forthcoming United Nations Conference on the Law of the Sea (UNCLOS) to determine appropriate guidelines, international arbitration, or waiting for scientific confirmation of its claim. All of these options would probably have involved a period of several years waiting, and the implementation of such action could hardly be interpreted as 'good neighbourly' behaviour in circumstances where the Soeharto Government felt under a compulsion to reciprocate Australian gestures of goodwill. The 1972 Agreement reflected the prevailing pressures to add substance to bilateral relations.38 Both Prime Minister McMahon and President Soeharto had at their meeting in Canberra in February 1972 'expressed the belief that the relationship... was moving into a phase where it was possible to put more substance and content into that relationship'.39

Australian gestures in this regard included its involvement since 1966 in the Inter-Government Group on Indonesia (IGGI), the proportional increase in the amount of foreign aid directed to Indonesia from 1966, the commencement of a formal Defence Co-operation Program in June 1972 (the Program provided $20m for the period July 1972 to June 1975, including the transfer of Sabre jets [$6.1m] and mapping in Indonesia [$2m]), and preparations for Indonesia to become a 'most favoured nation' under the terms of a trade treaty. In addition, business links had become increasingly strong since 1966, although by 1972, these had not resulted in the creation of any significant bilateral economic ties. This factor by itself is indicative of Indonesia's position of deficit in the development of bilateral relations, in that economic co-operation was very much 'one way traffic' to Indonesia, in the form of Australian investment and a trade imbalance in favour of Australia.

While this was of comparatively little significance in relation to Australian civilian and military aid, as well as Australian diplomatic initiatives, together these factors pointed to a situation in which Australia was providing greater input into the substance of bilateral relations than was Indonesia. This was symptomatic of the asymmetry already implicit in bilateral relations at this time but, for diplomatic reasons if for no other, Indonesia needed to demonstrate its commitment to them. Agreement to the compromise suggested by Australia at the seabed negotiations offered Indonesia the opportunity to make a pragmatic reciprocatory gesture for accumulated Australian 'goodwill'. That reciprocation should occur in the seabed negotiations is demonstration of the limited options available to Indonesia in its choice of mechanisms to substantiate its claim of fostering better bilateral relations.40

While this in large part explains Indonesia's being in as much a 'hurry' as Australia to reach an agreement, it does not explain Dr. Mochtar's second claim concerning the 'fairness', or otherwise of the actual Agreement. This may be explained by the extent of Indonesia's knowledge of the region's hydrocarbon potential at the time of the negotiations. There is some doubt as to whether or not Indonesia knew of those prospective areas in the vicinity of the median line, and between it and the Timor Trough, which on the basis of extrapolation from seismic data Australia presumed to exist. The wells discovered to 1972 were all on the Australian side of the median line. If the Indonesian
negotiators were fully cognizant of these details, then it would appear that Indonesia's agreement to the Australian compromise was an act of even greater largesse.

*Negotiations to close the Timor Gap, 1972-1974*

Whilst seabed boundary delimitation negotiations with Indonesia proceeded toward settlement with comparative ease, the closure of the 'Timor Gap' remained as a task for the Whitlam Government elected in December 1972. In preliminary talks between Australia and Portugal on a seabed boundary from 1971, the Portuguese insisted that the seabed should be split midway between Timor and Northwest Australia, while the Australians wished for a simple straight line linking the two ends of the boundary negotiated with Indonesia in 1972, much closer to Timor than to Northwest Australia. An editorial in *The Age* of 11 October 1972 anticipated 'agreement with the Portuguese Government on the area lying off eastern Timor should follow the line already established.'

In November 1970, the Portuguese Ministry of Foreign Affairs took note of the concessions granted by Australia in the Timor Sea in areas where Portugal itself intended to grant concessions, and therefore considered it desirable that urgent consultations take place, preferably in December 1970. This did not happen, and on 20 April 1971 the Portuguese Ambassador in Canberra, Carlos Empis Wemans, renewed the request for negotiations at a meeting with Department of Foreign Affairs Deputy Secretary Owen Harry. He was informed that Australia preferred to conclude the negotiations then taking place with Indonesia on a seabed boundary before entering into negotiations with Portugal. Wemans protested that in that case Portugal would be presented with a position on the boundary which had already been agreed with a third country. Apparently Australia and Indonesia saw fit to hold negotiations on what was in fact a boundary between three countries, without including Portugal: the terminal points of the Australia-Indonesia-Portuguese Timor boundaries did require the agreement of Portugal, which was not obtained.

Harry drew to the attention of Wemans an announcement in the *Boletim Oficial de Timor* of 24 October 1970 of the request from Oceanic Exploration Company for an exploration concession in an area of the Timor Sea which overlapped an area claimed by Australia. Oceanic had written to the Ministro do Ultramar on 31 December 1968 applying for an oil and gas exploration lease. In describing the area of the Timor Sea for which it was applying, Oceanic noted that there were two ways of deciding the eastern and western division points between Portuguese Timor and Australia: 'If one uses perpendicular lines to shore between the Island of Timor and Northwestern Australia, the larger area prevails. If one, however, applies diagonal lines to establish the median point, then the smaller area prevails.' In the 1972 Australia-Indonesia seabed agreement, the terminal points of the Timor Gap (A16 and A17) were established using the diagonal lines, thus encroaching on the Portuguese area.

The Department of Foreign Affairs replied to Wemans in a note of 25 May 1971, drawing his attention to the statement made in Parliament by External Affairs Minister McMahon on 30 October 1970, and stating Australia's claim that the whole of the area of the Timor Sea specified in the Petroleum (Submerged Lands) Act 1967 formed part of the continental shelf belonging to Australia. The specified area was bounded by the Timor Trough. This being so, 'no question of negotiating a common boundary will arise where an area of ocean floor [i.e., the Timor Trough] lies between the two shelves.'

In a statement that verged on the disingenuous, Minister for National Development Reginald Schwartz advised the Parliament on 26 October 1972 that the Portuguese Government had not made known its position. Although the Australian Government was officially informed of Portugal's view only after the signing of the treaty with Indonesia in October 1972, it was known unofficially long before: a 'special correspondent' writing in *The West Australian* of 3 June 1972 reported that Portugal was expected to support Indonesia's view that the shelf was continuous and the Trough just an indentation in the shelf's surface, while Peter Hastings wrote in *The Sydney Morning Herald* of the same date: 'Obviously the Indonesian view is now shared by Portugal.' The *Far Eastern Economic Review* of 15 July 1972 reported: ‘It is understood Portugal will align itself with Indonesia in seeking a share of the rich, shallow sea-bed between Timor and the Australian coast… Indonesia?and now Portugal?will seek a dividing line which would run half-way between Timor and the Australian mainland and cut across a dozen oil lease tenements granted by the Western Australian Government.'
On 5 March 1973, the Department of Foreign Affairs wrote to Ambassador Wemans noting that Australia and Indonesia had negotiated seabed boundaries in the Timor Sea, and proposed that negotiations between Australia and Portugal commence in March or June 1973: 'the Australian Government would be grateful to be informed as soon as possible of the response of the Portuguese Government'.

Australian eagerness to conclude a boundary agreement in relation to Portuguese Timor was indicated by Senator Justin O’Byrne in the Senate on 23 May 1973:

It can only be to our advantage to have this matter settled amicably. We have the very good fortune to possess a defined area that is potentially rich. It has been stated that this area could become the richest hydrocarbon empire in the world. It contains gas and oil in quantities that could match even the fabulous riches of the Middle East. The future of Australia, at a time when a fuel crisis is developing in the United States of America and when the traditional source of supply of hydrocarbons is the subject of very delicate arrangements, with certain traditional practices being changed and the prices being under barter, is bright. We are extremely fortunate that at this time we are emerging into an era of self-sufficiency or near self-sufficiency in the supply of hydrocarbons.

The optimism expressed by Senator O’Byrne was based on the information gained by Australian exploration companies. Seismic work carried out by Burmah Oil in 1969 and 1970 had given rise to an estimate that the so-called 'Kelp Structure', the most prospective area in the Timor Sea, contained between 500 million and 5 billion barrels of oil, and gas reserves of some 50,000 billion cubic feet of gas. The Timor Sea, virtually in its entirety, was viewed as a highly prospective area.

Portugal had since 1956 claimed sovereignty over the seabed in accordance with current international law, subsequently codified in the 1958 Geneva Convention. It was known that in the Timor Sea case, the Portuguese preference had been for a median line determination. Yet, it seemed that the Australian government was reluctant to test the relevance of its prior settlement with Indonesia to that of the remainder of the boundary with Portugal. When asked in the Senate on 23 May 1973 if it was the Australian government’s intention to seek international adjudication, Senator Wriedt replied on behalf of the Government that Australia intended to proceed with direct negotiations ‘in the hope that we can arrive at some definitive position’. Minister for Minerals and Energy Rex Connor advised the Parliament on 2 May 1973 that Australia had been in contact with the Portuguese Government and expected discussions relating to the seabed to commence later that year (a tacit reference to the letter of 5 March 1973 to the Portuguese Ambassador).

The Whitlam Government was reported in July 1973 to be insisting on a seabed boundary along the edge of the Timor Trough (ie the Mackay Line), even closer to Portuguese Timor than that with Indonesian Timor. The Portuguese government indicated in November 1973 that ‘they did not wish to begin negotiations until after the United Nations Law of the Sea Conference, the first session of which was due to open in Caracas in June 1974’.

In January 1974, Portugal granted exploration permits in the Timor Sea to the United States company, Oceanic Exploration. The permit area covered 23,192 square miles (60,700 square kilometres) extending from a point not far from the south coast of the territory to the median line with Australia, and overlapped exploration permits granted by the Australian and Western Australian governments. The Kelp Structure lay within the area of overlap. The grant of the permit brought a strong diplomatic protest from Canberra. Portugal ignored the protest and in December 1974 the Ministry of Overseas Territories signed an agreement with Petrotimor, a consortium which grouped Oceanic Exploration with ‘Portuguese interests’. The Portuguese action represented a direct challenge to the Australian licenced exploration in the region. Secondly, it publicly dented Australian confidence in obtaining a settlement which joined boundaries established with Indonesia in an neat straight line, as had been hoped. This expectation was expressed during debates in both Houses during 1973, and partly arose from the optimism held by the Minister for Minerals and Energy, Rex Connor, that negotiations with Portugal would effect a settlement. Also, Portugal had pre-empted its statement concerning the impending UNCLOS deliberations, and while the Australian government knew Portugal’s preference was for a median line settlement, the granting of the exploration permit to Oceanic Exploration/Petrotimor came as a shock to both the Australian government and its licensed exploration companies.
This shock would have been doubly significant given the confirmation of the region's hydrocarbon potential provided by recent exploration activity in the region. The Woodside-Burmah consortium, whose permits were affected by the Portuguese overlap, had expanded its exploration operations considerably since 1972. From October 1973 it sought to overcome some of the logistic problems of operating in the Timor Sea by basing part of its well servicing operations in Kupang, in Indonesian Timor. The 'Big John' drilling rig was used to drill several wells, first in an area to the west of the Portuguese claim, and then in the Troubadour Shoals area, where it drilled several wells which indicated the presence of gas condensate. Confirmation of the prospectivity of the Timor Sea was given when Troubadour No.1 well was drilled in June 1974 on the Troubadour Shoals about 200 kilometres southeast of Timor, and intersected 83 metres of hydrocarbons.

Prime Minister Whitlam's irritation with Portugal over the question of the Timor Sea was expressed in Perth on 25 March 1974, when he revealed to the press during the recording of a television interview that the Australian Government had formally protested to Portugal about its encroachment into offshore resources areas claimed by Australia south of Timor by giving a concession to Oceanic Exploration. The article in *The Australian Financial Review* which reported this provoked a protest from the Portuguese Ambassador, Carlos Empis Wemans, that the Prime Minister had made public the dispute with Portugal. A subsequent note from the Ambassador said: 'Whilst regretting the fact of the Australian Prime Minister having made public declarations on the subject, the Portuguese Government maintain their willingness to enter into negotiations with the Australian Government. However, since a conference on the Law of the Sea is scheduled to take place in Caracas, in June next, the Portuguese Government are of the opinion that immediate negotiations would be ill-timed and would therefore prefer to await the results of that Conference'.

Political developments in Portugal added to the uncertainty regarding the settlement of the seabed boundary between Australia and Portuguese Timor. On 25 April 1974 the 'Carnation Revolution' (Revolução dos Cravos) took place in Lisbon, overthrowing the 'Estado Novo' which had been established over forty years earlier by António de Oliveira Salazar. The new Portuguese Government was committed to decolonisation. At that time, said Mr Whitlam, 'there was a change: they decided to get out of all their colonies'. In Timor, the decolonisation policy was to be implemented by a team led by Colonel Mário Lemos Pires, who took up his appointment as Governor on 18 November 1974.

A Department of Foreign Affairs policy planning paper drawn up following the Lisbon coup of 25 April, stated that Australia should 'bear in mind that the Indonesians would probably be prepared to accept the same compromise as they did in the negotiations already completed on the seabed boundary between our two countries. Such a compromise would be more acceptable to us than the present Portuguese position.' The paper advised caution to prevent Australia being seen as motivated by its own self-interest in pushing either for independence or incorporation of the territory. This approach was endorsed at a 3 May 1974 meeting of a departmental ad hoc task force on Portugal. This caution was subsequently manifested in the insistence consistently maintained by Australia that the question of the territory's political status was quite distinct from that of the maritime boundary in the Timor Sea.

On 29 November 1974, the Department of Foreign Affairs again wrote to the Portuguese ambassador, setting out the basis of Australia's claims in the Timor Sea, and asking 'that the Portuguese Government not permit any activities, relating in any way to exploration or exploitation of the sea-bed or subsoil in the areas concerned by the established Australian permits'. This letter, a response to the Portuguese letter of 18 April, had been discussed at an interdepartmental meeting convened by the Department of Foreign Affairs on 25 September.

**Australian policy following the Carnation Revolution**

Australian consideration of Portuguese Timor's political future was given impetus by an informal meeting between Harry Tjan, of the Jakarta Centre for Strategic and International Studies, and Whitlam's Principal Private Secretary, Peter Wilenski, at Yogyakarta in June 1974, at which Tjan pleaded that Indonesia and Australia should work together for the early incorporation of Portuguese Timor into Indonesia. Wilenski said that if incorporation were to be the solution, it would have to be done in such a way as to satisfy the principle of self-determination. Following the meeting, Tjan
submitted a proposal to President Soeharto (after having advised the Australian Embassy in Jakarta of his intention to do so) for a clandestine operation to ensure that Portuguese Timor opted for incorporation into Indonesia, while Wilenski's report of the meeting to Secretary of the Department of Foreign Affairs Alan Renouf caused Renouf to order the preparation of a brief for the planned meeting in September between Prime Minister Whitlam and President Soeharto. The brief incorporated the policy approved by the Minister for Foreign Affairs, Senator Willesee following the April 1974 Lisbon revolution, a policy that gave emphasis to self-determination by the people of the territory. This was considered by Renouf and Willesee to be in accord with Labor Party policy, adopted at the August 1965 Federal Conference on a motion by Whitlam: 'Labor urges effective decolonisation of all colonial territories.'

The Secretary of the Department of Foreign Affairs when Mr Whitlam was both Prime Minister and Minister for Foreign Affairs, Sir Keith Waller, had shared the view that Portuguese Timor was not viable as an independent state. Sir Keith's successor, Alan Renouf, held a different view. Although he believed that ultimate integration with Indonesia was best, he thought that in view of the unacceptable features of the 'Act of Free Choice' whereby Irian Jaya/West Irian had been incorporated into Indonesia, priority should be given to Timorese self-determination.

Australian misgivings about the manner of West Irian’s incorporation were expressed to Harry Tjan at a meeting with Department of Foreign Affairs officers in Canberra on 21 August 1974. The record of the meeting said: 'Precipitate action by Indonesia in Portuguese Timor, which reminded the Australian public of West Irian, could add very seriously to our problems in maintaining the present policy [of close relations with Indonesia].' Tjan had come to Canberra at the wish of President Soeharto, in order to ascertain in advance whether Prime Minister Whitlam would respond favourably at the September meeting to Indonesian initiatives to pave the way for integration of Portuguese Timor by raising the matter at the United Nations and by holding discussions with Portugal. He had already conveyed to the President advice from the Australian Embassy not to make any reference to Mr Whitlam about any clandestine operations Indonesia might be considering in Portuguese Timor, which would have had to have been repudiated for the record by the Prime Minister.

Tjan met with a sympathetic hearing at the Australian Embassy, where the Ambassador, Robert Furlonger, favoured Indonesian incorporation of Portuguese Timor and thought ‘a poor, uneducated, probably unstable, independent Eastern Timor on our doorstep, and susceptible to subversion and exploitation by other Powers, should be no more attractive to us than to Indonesia’. It is interesting to speculate that the motives of Tjan and his associates in keeping the Australian Embassy so closely informed of their plans could have been to use Australian receptivity as reflected support in winning over a President who was yet to be convinced of the wisdom and feasibility of a policy of incorporation. As he said at his meeting with Department of Foreign Affairs officers in Canberra on 21 August, Indonesia’s policy toward Portuguese Timor had not been finally determined, and there were divergent views within the Indonesian Government.

The brief prepared by the Department of Foreign Affairs prior to Mr Whitlam’s meeting with President Soeharto at Yogyakarta on 6 September 1974 referred to Tjan’s meeting with Department of Foreign Affairs officers in Canberra on 21 August, and emphasized that he had made clear the importance that President Soeharto would attach to an authoritative statement by Mr Whitlam of Australia’s attitude towards Portuguese Timor. The policy approved by Willesee of respecting the wishes of the people of Timor was included in the talking points in the brief:

In keeping with the general tenor of Australia’s foreign policy and our attitude towards Portugal’s African territories, we are committed to decolonization in Portuguese Timor on the basis of valid self-determination. Australia would be bound by the results of a genuine and internationally acceptable act of self-determination in Portuguese Timor. On this basis any of the three options for the future of the territory—continuing association with Portugal, independence, or incorporation in Indonesia—would be legitimate in Australia’s view. Conversely, any future disposition of Portuguese Timor which was contrary to the wishes of the people would be likely, in Australia’s view, to have a destabilising influence in the region. It would be important for this reason that the act of self-determination should be accepted as a genuine test of Timorese opinion by the Governments and people of the countries in the region.
Mr Whitlam was of the view, as he told the Senate Committee on Foreign Affairs, Defence and Trade in 1999, that it was indisputable that there had been culpable neglect of East Timor by the Portuguese for four centuries, and by the Catholic Church. He said that the 'great tragedy' was that Portuguese Timor had been kept in a cocoon. The only contacts that Timor had were with Macao, where the Church had a bishop. There were no contacts with West Timor. There is no question, he said, 'that but for the arrangement made by Alexander VI and approved by Julius II, each side of 1500, the island would have been united. It was a pure accident of history that it was separated. It was by sheer Portuguese intransigence, both political and ecclesiastical, that there were no contacts with West Timor. He explained to the Senate Committee:

East Timor was cocooned. There were no contacts with West Timor, and there has been no trouble in West Timor. The point is that they both had an indigenous language, Tetum... they did have the same language... There was a possibility that if they could meet each other, as they would over a three- or five- or eight-year period, that they would learn to communicate... there was a chance, with proper preparation, that the two Timors could have got to live together.

It was clear in the 1960s, Mr Whitlam said to the Senate Committee, that Portugal would take no steps towards self-determination in Timor. Nevertheless, the Menzies, Holt, Gorton and McMahon Governments had continued to condone what he called 'culpable neglect' of the people of Timor by the Portuguese State and the Catholic Church. Mr Whitlam held the view that colonialism was doomed in the Indian and Pacific Oceans as a result of the Pacific War. He said that the Labor Government elected on 2 December 1972 was determined to end the Portuguese colonialism which Australian Governments had condoned, and often supported, by their votes in the United Nations since 1960.

Addressing the UN General Assembly on 30 September 1974, Mr Whitlam said:

There is to me, I must say, a most satisfying symmetry in the march of events by which Portugal the oldest, and Australia the newest, of the colonial powers are acting at the same time towards the liquidation of colonialism [in Timor and Papua New Guinea]. Across the distance of 400 years the new world in Australia clasps hands with the old, in ending a false, demeaning, unworthy power over others.

As Deputy Leader of the Opposition, Mr Whitlam had expressed his views on Portuguese rule in Timor in a speech on Australian foreign policy delivered on 9 July 1963:

Eastern Timor must appear as an anachronism to every country in the world except Portugal. We shall get nowhere by saying that outside pressure on Portugal is just another indication of the expansionist policy of one of our neighbours. We would not have a worthy supporter in the world if we backed the Portuguese. They must be told in no uncertain terms that the standard of living must be rapidly raised and the right of self-determination fully granted. Our allies hesitate to speak because they are also Portugal’s allies in N.A.T.O.; we are not so embarrassed....Through the U.N. we must act quickly to meet this problem on our doorstep. We learned the lessons of West New Guinea the hard way. We must not become bogged down in another futile argument over sovereignty.

Mr Whitlam told the Senate Committee that Barwick's 1963 analysis, and the analysis which he himself received from the departmental secretaries whom he had inherited from the previous Coalition Government on coming to office, was exactly what Salazar had said to Menzies and what the Menzies government believed: that East Timor was non-viable politically and economically. That was also his own view, which he had formed after he had taken advice from Secretary of the Prime Minister's Department, Sir John Bunting, who had also held that position at the time of the Menzies-Salazar correspondence. Sir John thought that Portuguese Timor was not viable as an independent state, and this view was shared by the Secretary of the Department of Defence, Sir Arthur Tange, the Secretary of the Treasury, Sir Frederick Wheeler, and the Secretary of the Department of Foreign Affairs, Sir Keith Waller. Apparently the oil and gas resources of the Timor Sea potentially available to an independent East Timor did not cause them to alter their view as to its viability.
Whitlam’s disdain of Portuguese colonial rule in Timor only added to his irritation with Portugal’s unwillingness to negotiate a seabed agreement. His anger at Portugal’s defiance in issuing a concession to the Oceanic/Petrotimor consortium which overlapped the area claimed by Australia (including the vital Kelp Structure) found an outlet when he revealed to the press in Perth on 25 March 1974 that his Government had made formal protest to Portugal about its alleged encroachment into offshore resources areas claimed by Australia.103

The Wonosobo Meeting, September 1974

At his meeting with President Soeharto at the Wonosobo state guest house near Yogyakarta on 6 September 1974, Mr Whitlam took a different line to the brief he had been provided with by the Department of Foreign Affairs. The official record states:

The Prime Minister said that he felt two things were basic to his own thinking on Portuguese Timor. First, he believed that Portuguese Timor should become part of Indonesia. Second, this should happen in accordance with the properly expressed wishes of the people of Portuguese Timor. He hoped that the President would keep in mind the need, in gaining the support of the Australian people for the incorporation, for it to be based on respect for the democratic expression of the wishes of the Timorese people.

The official record of the Yogyakarta meeting says: 'The Prime Minister emphasized that this was not yet Government policy but that it was likely to become that'.104

President Soeharto's reaction to Mr Whitlam's statement of his position on Portuguese Timor was to point out the important constitutional and legal problems for Indonesia that incorporation involved (which had already been raised by the incorporation of West New Guinea/Irian Barat). The 1945 Indonesian constitution provided for a unitary state. The constitution, adopted as a challenge to colonial rule, would neither accept colonialism nor allow the Indonesian Government to seek to colonize others. The emphasis in the constitution on the unitary state also meant that incorporation could not lead to a violation of it by giving the territory any special status. Portuguese Timor could not be incorporated as a separate state within the Indonesian Republic, which was not a federation. Ultimately the Indonesians hoped for incorporation, but this should occur on the basis of the freely expressed wishes of the people of Portuguese Timor.105

This view was reiterated in a public statement on 18 October 1974, following President Soeharto's meeting in Jakarta with the Portuguese Minister for Inter-territorial Co-ordination, António Almeida Santos: 'Indonesia would accept Portuguese Timor as a province of the Indonesian nation, though not as an independent state within an Indonesian federation'.106

Mr Whitlam told the Senate Committee that the views he put to President Soeharto were in accord with the policy he had inherited from the preceding Coalition governments. The policy had been settled since 1963. Cabinet Decision 632 of 1963 stated that, while no practical alternative to Indonesian sovereignty over Portuguese Timor presented itself, 'It would not be acceptable to Australia or the West for Indonesia to proceed against Portuguese Timor with arms', and Australia should bring 'quiet pressure' on Portugal to cede peacefully.107

Mr Whitlam did not explain to the Senate Committee why he preferred to continue the policy he had inherited from previous governments, rather than accept the formulation approved by Foreign Minister Willesee, which accepted the possibility of an independent East Timor. His predisposition to encourage President Soeharto to incorporate Portuguese Timor could not but have been reinforced by his awareness that a favourable resolution of the Timor Gap boundary could more likely be negotiated with Indonesia rather than with Portugal or an independent East Timor.

Portugal's Socialist Party deputy leader, António Almeida Santos, said in 1985 that he had realized when he visited Australia in September 1974 as Minister for Inter-territorial Co-ordination that oil interests largely determined Australian policy toward Timor.108
Douglas Wilkie wrote in the Melbourne Sun of 10 September 1974 that 'according to reliable reports', at his meeting in Yogyakarta with President Soeharto Mr Whitlam had agreed to the merger of Portuguese Timor with Indonesia, and 'in return Indonesia will look favourably on Australia's search for off-shore oil in the area'. Whether or not Wilkie's sources were so explicit, his comment was perceptive.

The Legacy of the Wonosobo Meeting

'You could have knocked me down with a feather when I heard it', Willesee told a Cabinet colleague. In 1979, Renouf commented in The Frightened Country on Whitlam's departure from the policy approved by Willesee: 'The policy had become two-pronged and the two prongs might be irreconcilable. What was to happen if the Timorese opted for independence?'

Whitlam responded to Renouf in his 1997 book, Abiding Interests. He wrote that he had been shown the Menzies-Salazar correspondence by the Department of Foreign Affairs (by Renouf's predecessor, Sir Keith Waller) and had been referred to the Cabinet decision of February 1963 which established Australian policy on Portuguese Timor. The Departmental brief for the Yogyakarta meeting in September 1974 was not government policy in Mr Whitlam's opinion.

In The Frightened Country, Renouf wrote that the policy approved by the Minister for Foreign Affairs, Don Willesee, had not been put to Whitlam: 'the matter had not been prominent enough and his approval of self-determination had been assumed'. Mr Willesee said in November 1991 that he had been 'surprised' to learn what Whitlam had done at Wonosobo: 'Gough and I had some disagreements. That was one we diverted on. I believed we ought not to play God, but let the Timorese decide'. He believed that the attitude Whitlam had expressed to Soeharto changed the President's mind on the question of integration. In an interview on 9 March 1999, he said:

There is no doubt that Gough felt East Timor should be incorporated with in Indonesia. I just believed that we should have left the decision to the East Timorese, without any suggestions or trying to lead them to Indonesia. That was the difference between myself and Gough. I was constrained at the time. But as Foreign Minister you've got to manage your relationship with the Prime Minister. I had to compromise my way through the entire issue. My view the whole time was that the decision should be left absolutely to the East Timorese, but Gough just had a very firm opinion.

Mr Whitlam made his position much clearer in private conversation with Foreign Affairs officers, as recorded in a departmental minute of 24 September 1974 from Graham Feakes to Ambassador Frank Cooper in Lisbon, which quoted Mr Whitlam as saying: 'I am in favour of incorporation but obeisance is to be made to self-determination. I want it incorporated but I do not want this done in a way which will create argument in Australia which would make people more critical of Indonesia.'

The intra-governmental division over Timor policy was revealed in an article in The Age of 29 October 1974, which quoted 'an informed source' as saying: 'It would be extremely embarrassing to the Australian Government if it was ever revealed that Indonesia used Mr. Whitlam's conditional endorsement to muck around as it pleased with Portuguese Timor'.

The Australian Financial Review reported on 17 October 1974, 'Senator Willeee for his part is emphasising the idea of self-determination in an as yet unstated reversal of the priorities Mr Whitlam gave to the Indonesians in which 'self-determination' was only needed as some sort of 'gloss' to the unflurried handover to Indonesia'. With Willesee's approval, Renouf warned his Indonesian counterparts at the annual officials talks in Jakarta in October 1974 that Australia would not condone the use of force in incorporating Portuguese Timor. He also argued that an independent East Timor should not necessarily concern Indonesia. In Abiding Interests, Whitlam commented that Renouf had exaggerated the significance of the discussions. Renouf acknowledged that his arguments had not convinced the Indonesians, as was borne out when Foreign Minister Adam Malik declared in early December 1974 his conviction that independence for Portuguese Timor was not a practical option. Willesee responded on 5 December, saying he disagreed with the Indonesians, and that Australia's attitude was that the territory's options, including independence, should be decided freely by the Timorese. By implication Willesee was also publicly disagreeing with his Prime Minister.
Malik had changed his attitude since June 1974 when he had, with the approval of Soeharto, given José Ramos-Horta (one of the leaders of the Timorese Social Democratic Association) a letter in Jakarta in which he declared: 'The independence of every country is the right of every nation, with no exception for the people of Timor'. The letter was drafted for Malik by his private secretary, Ali Alatas, who served as interpreter at the meeting with Ramos-Horta in June 1974. In September 1997 when Foreign Minister he affirmed: ‘I was there… clearly at that time Adam Malik said, “We have no claims on East Timor. We will accept any outcome of a good decolonisation”’. The Head of the Indonesia Section of the Department of Foreign Affairs, Alister McLennan, commented in a memorandum of 7 August 1974: ‘It is difficult to know why Malik gave such an undertaking. Perhaps it represented a belief on his part that Portuguese Timor should have the right to independence and was an effort to block those who may be disposed to interfere’. The internal rivalry in Indonesia over Timor policy was reflected in the less than charitable comment by ‘Tjan that, as the policy toward Portuguese Timor was very much directed by the President himself, Mr Malik would have to fall into line’. Following his meeting with Soeharto, Whitlam was able to report to Willesee that ‘Malik has been fully informed of Indonesian policy and is now in sympathy with it’.

The Indonesian understanding of Australia’s position on Portuguese Timor following the Whitlam-Soeharto meeting of September 1974 was expressed by Juwono Sudarsono (then a political scientist at the University of Indonesia and in 1999-2000 Minister for Defence in the administration of President Abdurrahman Wahid) in an interview on 24 February 1975: ‘There is a high degree of cooperation between Australia and Indonesia at present. Mr Whitlam may have to put up with criticism from the left of his party. However, Timor is not a major issue in Australian politics, certainly not an election issue. So the Australian Government will allow Indonesia to do, to a certain extent anyway, what it likes with Timor’. Peter Hastings reported from Kupang in November 1974: There should be no misunderstanding in Canberra about the conviction of many Indonesians that the Australian Prime Minister, Mr Whitlam, gave Indonesia the green light for a takeover in his talks with President Soeharto in Jogjakarta a few weeks ago when his briefing officer told pressmen that the Prime Minister regarded an independent Portuguese Timor as non-viable economically and "a potential threat to regional stability".

Governor Lemos Pires had arrived in Timor on 18 November 1974 having been briefed before his departure from Portugal that independence was unviable, and that the only options were continuing links with Portugal or integration with Indonesia. He had also been shown a memorandum from the Director-General of the Foreign Ministry, Dr Magalhães Cruz, to President Francisco da Costa Gomes, which set out the Portuguese view of the conclusion of the Whitlam-Soeharto meeting of 6 September, which was that Whitlam had given agreement to integration as the ‘natural and inevitable solution’. The memorandum said that this fact ‘gave the Jakarta Government optimism in dealing from then on with the Timor affair and contributed, without doubt, to reinforce integrationist tendencies within Indonesian political circles… It was above all from this meeting that the idea that Timor should be integrated into Indonesia arose, always under the cover of ’the will of the population’.

Although he relinquished the Foreign Affairs portfolio to Don Willesee in November 1973, Whitlam continued to decide policy matters and did not consult Cabinet or Caucus on foreign policy. Timor policy was Whitlam’s policy. This was explicitly stated to have been the case by Clyde Cameron, who had been a senior minister in the Whitlam Cabinet, in a statement he made to Parliament on 14 November 1979:

No member of the Whitlam Government, other than Mr Whitlam himself, was party to the secret conversations between Mr Whitlam and President Suharto which led to the annexure of East Timor by Indonesia… The then Minister for Foreign Affairs, Senator Willesee, told me he had no knowledge of the conversation that took place between Mr Whitlam and President Suharto… President Suharto was just as astonished to hear Mr Whitlam’s remarks as were his own colleagues in the Cabinet… No member of the Whitlam Cabinet was ever told about the conversation and certainly did not approve of it.

In an interview in January 2000 James Dunn, Australian consul to Portuguese Timor 1962-64 and author of *Timor: A People Betrayed* (1993), referred to Foreign Minister Malik’s letter of July 1974 to José Ramos-Horta:
When Prime Minister Gough Whitlam went to Wonosobo [Yogyakarta] to have his meeting with President Soeharto, he astonished the Indonesians by making it very clear that his preferred solution was that East Timor go to Indonesia. I have a lot of information that suggests the Indonesians didn't expect Australia to be so generous. Whitlam's words encouraged the military to believe that this was the way to go... The Wonosobo meeting, therefore, was the turning point. That was the green light to start Operasi Komodo to bring about integration.132

Reinforcement is given to this view by Michael Richardson's report in The Age of 5 September 1974 that Australia's response would be 'crucial' to Indonesia's decision on whether or not to proceed with a policy of incorporation of Portuguese Timor.133 None less than Ali Moertopo told the Australian Ambassador in Lisbon on 14 October 1974 that ‘Australian support for the idea of incorporation had helped Indonesia crystallise its own thinking’.134

In December 1975, Ambassador Richard Woolcott briefed the press at the Australian embassy in Jakarta, saying that if Australia had helped in the formation of an independent East Timor, it could have become 'a constant source of reproach to Canberra... It would probably have held out for a less generous seabed agreement than Indonesia had given off West Timor.'135

There are some points in the flow of events where the views and actions of one man can make a difference. The meeting at Wonosobo between Prime Minister Whitlam and President Soeharto was one such turning point. If Mr Whitlam had expressed an unequivocal view in favour of self-determination for the people of Portuguese Timor, and opposition to any attempt to incorporate the territory by force or subversion, President Soeharto could have been fortified to resist the pressure he was under from his military advisers. The disquiet the President felt at that time about incorporation was justified. The twenty-four year long attempt to incorporate East Timor was a disaster for Indonesia, and a catastrophe for the East Timorese people. And as for the hopes held in Australia that Indonesia, having incorporated East Timor, would agree to a maritime boundary in the 'Timor Gap' on the same favourable terms as the 1972 seabed treaty, these were fated to disappointment. After 1975, Indonesia refused to agree to a seabed boundary which did not follow the line of equidistance in the Timor Sea; the subsequent twenty-three years of tortuous negotiations and diplomatic compromise eventually producing a 'rat's nest of ownership and royalty regimes',136 which all had to be re-negotiated after Indonesia withdrew from East Timor in 1999. A maritime boundary in the Timor Sea between Australia, Indonesia and East Timor has yet to be negotiated.137

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5 Published in Gough Whitlam, Abiding Interests, Brisbane, University of Queensland Press, 1997, pp.290-5.
6 An amendment to the Portuguese constitution in 1951 had incorporated the overseas territories into the state (Donald E. Weatherbee, ‘Portuguese Timor: an Indonesian Dilemma’, Asian Survey, December 1966, p.686).

Salazar to Menzies regarding Timor, 5 March 1964, NAA A1209/80, 1974/9010, p.5-6.


already expressed this view to Ambassador Woolcott privately in 1977 (Richard Woolcott, 'Fixed Relations', The Australian, 15-16 March 1997); 'Visit of Indonesian Foreign Minister', Australian Foreign Affairs Record [AFAR], December 1978, p. 591.


37 Dr. Mohtar, in Michael Richardson, 'Jakarta's Tough Sea Boundary Claim', The Australian Financial Review, 20 December 1978, and Michael Richardson, 'Tying up Timor's loose ends', Far Eastern Economic Review, 5 January 1979, p.45. Professor Gordon Lister, Director of the Australian Crustal Research Centre at Monash University, was reported in June 2001 as commenting with regard to the tectonic movements along the line of impact between north-west Australia and the Sunda archipelago that the geological trend was for Timor to be ultimately absorbed by the Australian continent: 'Timor is pretty well on board now, it'll be further on board as time goes by. As Java rides over the Australian plate it will push the sediments up, and that's why we have oil in the Timor Gap now' (Simon Grose, 'Australia adrift in global shift', The Canberra Times, 8 June 2001).


41 Andrew Mills, Australian-Indonesian Relations: A Study of the Timor Sea Maritime Delimitation Negotiations, Bachelor of Arts (Honours) Thesis, University of Adelaide, 1985, citing discussions with Department of Foreign Affairs officials in July 1985, p.87. Mohtar's complaint could have been a reference to Australian knowledge of the Indonesian negotiating position, illicitly obtained, (Hamish McDonald, 'Sounding the gap', The Sydney Morning Herald, 21 October 2000).


43 'Room for two in a seabed', The Age, 11 October 1972.


48 House of Representatives Hansard, 26 October 1972, p. 3381.

49 'Sea-bed row looms over oil-gas field', The West Australian, 3 June 1972; Peter Hastings, 'Whose Riches Under The Sea?', The Sydney Morning Herald, 3 June 1972.


54 Addressing the APPEA Conference in Hobart on 9 April 2001, Peter Galbraith, Cabinet Member for Political Affairs and Timor Sea in the East Timor Transitional Government, said: 'The scale of the resources in the Timor Sea is vast: Bayu-Undan holds 3TCF of gas, Greater Sunrise nearly 10 TCF, Laminaria, Buffalo and Elang Kakatua are producing more than 220,000 barrels per day' (Maritime Studies, May/June 2001, p.2).


'Australia calls for report on oil leases', The Age, 14 December 1974. On 21 June 2001, Petrotimor presented the United Nations Transitional Administration in East Timor with its claim to own a concession over the sea bed resources granted by the Portuguese administration in 1974 ('US company claims rights to Timor Sea resources', AAP, 21 June 2001). On 14 April 1976, the Inspeção Geral da Minas had written to Petrotimor giving an assurance from the Secretary of State for Inter-territorial Co-operation that the terms and contractual obligations granted to Petrotimor would 'become entirely effective and in force again, as soon as the general situation in the territory of Timor is stabilized at a minimum level of normality allowing the concessionary to proceed with its activity' (Lettre du Directeur du service juridique de l'Inspection générale portugaise des mines, 14 avril 1976, Cour internationale de justice, Affaire relative au Timor oriental (Portugal c. Australie) mémoire du gouvernement de la république portugaise, La Haye, 1991, Vol.V, Annex IV.14, p. 336). On 22 August 2001 PetroTimor, `owned by Colorado-based Oceanic Exploration and the East Timor government', launched action in the Federal Court against the Australian and Indonesian governments and Phillips Petroleum, seeking up to $2.85 billion in damages (Jane Counsel, 'Damages bid hits Timor Gap talks', The Sydney Morning Herald, 23 August 2001).


Mr Whitlam, submission to Senate inquiry, 26 March 1999, pp.7.

Mr Whitlam, Committee Hansard, 6 December 1999, p.976.


Minister for Foreign Affairs Gareth Evans stated in the Senate on 1 November 1989: 'Australia has consistently supported discussions between Portugal and Indonesia under the auspices of the United Nations Secretary-General to resolve the lingering East Timor issue as it exists between those two countries. That is a matter that relates to the dispute between Portugal and Indonesia, to which Australia is not a party, and is quite separate from the Timor Gap negotiations.'


Mr Whitlam, *Committee Hansard*, 6 December 1999, p. 984.

Mr Whitlam, *Committee Hansard*, 6 December 1999, p. 984.


Mr Whitlam, *Committee Hansard*, 6 December 1999, p. 984.

Mr Whitlam, *Committee Hansard*, 6 December 1999, p. 984.


Mr Whitlam, *Committee Hansard*, 6 December 1999, p. 986. José Osorio Soares, Secretary-General of Apodeti, expressed a similar view in 1975, saying that East and West Timor should be joined into one autonomous province: ‘We become a part of Indonesia, then the government in Kupang gets independence from Indonesia for a united Timor. It is only one land; how can it be divided?’ (Bill Nicol, *Timor: The Stillborn Nation*, Melbourne, Visa, 1978, p. 62).

Mr Whitlam, submission to Senate inquiry, 26 March 1999, p. 6.


Mr Whitlam, submission to Senate inquiry, 26 March 1999, p. 7.

Mr Whitlam, submission to Senate inquiry, 26 March 1999, p. 7.

Gough Whitlam, *Australian Foreign Policy*, 14th Roy Milne Memorial Lecture (delivered in Armidale, NSW), Australian Institute of International Affairs, 1963, p. 13. This was drawn to the attention of the press in July 1973 when Portugal was showing reluctance to engage in negotiations with Australia over a seabed boundary (Paul Webster, ‘Dying empire next door’, *The Australian*, 13 July 1973; Michael Davenport, *Portuguese Timor: a colonial embarrassment at our front doorstep*, *The National Times*, 16 July 1973). As Deputy Leader of the Opposition, Mr Whitlam had presumably been briefed on the Government’s policy toward Portuguese Timor.

Mr Whitlam, submission to Senate inquiry, 30 November 1999, pp. 9-10.

Mr Whitlam, *Committee Hansard*, 6 December 1999, pp. 976, 986

Mr Whitlam, submission to Senate inquiry, 30 November 1999, p. 3.


‘Record of Meeting between the Prime Minister and President Soeharto, State Guest House, Yogyakarta, 6 September 1974, p. 2; published in *The Sydney Morning Herald*, 6 March 1999 and included in Mr Whitlam’s submission to Senate inquiry, 23 November 1999. Also in Wendy Way, Damien Browne and Vivianne Johnson (eds.), *Australia and the Indonesian Incorporation of Portuguese Timor, 1974-76*, Melbourne University Press, 2000, p. 84.


and the Indonesian Incorporation of Portuguese Timor, 1974-76, Melbourne University Press, 2000, p.85). The Dutch had attempted to impose a federal system on Indonesia at independence as a means of maintaining their control over the new state.


109 ‘Tidier than thou in Timor’. Indonesia did offer the Fraser Government negotiation of a seabed boundary to close the Timor Gap on the same favourable terms as the 1972 Indonesia-Australia seabed treaty in return for recognition of Indonesia sovereignty over East Timor (Michael Richardson, ‘Indonesia’s Timor carrot’, The Australian Financial Review, 19 October 1976). The question of whether Indonesia had promised agreement on a seabed boundary closing the Timor Gap in return for Australian recognition of its Incorporation of Portuguese Timor was reportedly discussed at a meeting of the Australia Indonesia Business Co-operation Committee on 15 October 1976 (Russell Shleton, ‘Recognise takeover?’Companies in approach to Canberra’, The Age, 23 October 1976; ‘Timor Sold for Oil’, Tribune, 27 October 1976).


124 Alatas commented further: ‘This is what Ramos Horta doesn’t say. The only thing that we wanted was that all parties got the same treatment. Got the same fair chance to compete and that whoever won in a clean and just decolonisation process we would gladly accept… But everybody knows that it didn’t happen that way’ (David Jenkins, ‘Alatas cites history in East Timor conundrum’, The Sydney Morning Herald, 13 September 1997).


130 ‘Whitlam… teria manifesto o acordo da Austrália à eventual integração de Timor português na Indonésia, como sendo a solução natural e inevitável. Tal facto… contribuiu, sem dúvida, para reforçar em certos círculos indonésios as posições integracionistas que estavam já a ser trabalhadas por grupos de pressão internos. Foi sobretudo a partir daquele encontro que se radicou ali a ideia de que a solução natural para Timor português seria a integração no Indonésia, sempre a coberto do princípio da «vantade populacões»’ (Magalhães Cruz to Francisco da Costa Gomes, 13 November 1974, in Presidência do Conselho de Ministros, Relatórios da descolonização de Timor, Lisboa, 1981, ‘Relatório de Governador Mário Lemos Pires’, doc.2.9; quoted in Jill Jolliffe, ‘Whitlam named in


133 ‘Timor: a colonial question that has to be settled’.


137 On 25 March 2002, Foreign Minister Alexander Downer announced that Canberra would henceforth exclude maritime boundaries from compulsory dispute settlements in the International Court of Justice and the International Tribunal for the Law of the Sea. Mr Downer denied the decision was linked to the Timor Sea issue but the announcement was made after a seminar in Dili, during which experts advised that East Timor should own most of the biggest natural gas fields so far discovered in the sea, including the huge Greater Sunrise resource being developed by Woodside, Shell, Phillips and Osaka Gas (Attorney-General Daryl Williams and Minister for Foreign Affairs Alexander Downer, ‘Changes to International Dispute Resolution’, joint media release, 25 March 2002; Hamish McDonald, ‘Timor gas billions all at sea’, *The Sydney Morning Herald*, 27 March 2002). This action had been foreshadowed on 14 June 2000 by Mr Bill Campbell, Director of the International Law Office of the Attorney-General’s Department, who at a seminar at the Australian Institute of International Affairs in Canberra, “East Timor and its Maritime Dimensions: Legal and Policy Implications for Australia”, said he favoured a negotiated settlement of the Timor Gap dispute, and was opposed to a judicial settlement in which ‘states lose control’ (Energy Asia, 3 August 2000).