

THE ORIGINS OF NONALIGNMENT:

**Great Power Competition and Indonesian
Foreign Policy 1945-1965**

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A thesis submitted for the degree of Doctor of Philosophy of The Australian National
University.

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I certify this is an original work and I am the sole author. It contains no material which has been accepted for the award of a degree or diploma in any university and, to the best of my knowledge, contains no material previously published by another person, except where cited in the text of the thesis.

A handwritten signature in black ink, reading "Donald Greenlees". The signature is written in a cursive style with a large, prominent initial 'D'.

Donald Greenlees

Abstract

The thesis analyses Indonesia's foreign policy, specifically its alignment behavior, in the 20 years after it declared independence in 1945. It investigates the origins of Indonesia's enduring *bebas-aktif* (independent and active) foreign policy and its manifestation in an official policy of neutrality and then nonalignment during the Cold War. It then follows the evolution of alignment policy via Indonesia's interactions with the great powers of the era – the USA, the Soviet Union and the People's Republic of China. The case study period provides a detailed account of a series of episodes that engaged the Cold War's great powers, including the Asia-Africa conference, US-sponsored regional rebellions in Indonesia, the campaign to wrest control of West New Guinea, and the attempt to "crush" the formation of Malaysia under a policy of *Konfrontasi*.

In trying to account for patterns in Indonesian alignment, the thesis challenges conventional approaches to alignment that explain changing behavior as purely a response to either the capability or intentions of other powers. Instead of seeing alignment as the result of a balance of power or a balance of threat, the thesis finds that Indonesia's alignment policy during the period is better understood as a balance of risk between competing domestic and international demands and objectives. Policymakers are viewed as placing especially high priority on maintaining policy autonomy, which they compromise only when the objective that alignment serves is regarded as critical to the state.

The analysis highlights a deep vein of *Realpolitik* and pragmatism in Indonesia's alignment behavior, which prompted it to abandon neutrality when the international and domestic objectives of policymakers outweighed their commitment to the *bebas-aktif* policy. But the thesis found Indonesia's most common approach to alignment was the use of a range of 'smart' strategies designed to maximise the benefits and minimise the risks of alignment. The principal risks could be placed in two categories: first, the risk of losing policy autonomy and, second, the risk of alignment choice provoking a domestic or international backlash. The thesis also reviewed methods of analysing decisions under conditions of risk. Comparing a rational actor model with a psychological model of choice, it found policymakers were prone to depart from the precepts of rational choice under conditions of crisis and uncertainty when the risk of critical loss to the state was high.

To the Memory of late Professor Desmond Ball

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Jakarta, April 2018.

List of Abbreviations

AA: Asia Africa Conference

ASA: Association of Southeast Asia

CCP: Chinese Communist Party

CIA: Central Intelligence Agency

CONEFO: Conference of the New Emerging Forces

CPSU: Communist Party of the Soviet Union

DEKON: Economic Declaration

FDR: People's Democratic Front - (*Front Demokrasi Rakyat*)

GOC: Good Offices Committee, UN body to assist resolution of Dutch-Republican conflict.

JCS: US Joint Chiefs of Staff

KNIL: Koninklijk Nederlandsch-Indisch Leger (Royal Netherlands Indies Army)

KNIP: *Komite Nasional Indonesia Pusat* (Central Indonesian National Committee)

KOTI: *Komando Tertinggi* (Supreme Operations Command)

KOTOE: *Komando Tertinggi Operasi Ekonomi* (Supreme Economic Command)

Manipol: Political Manifesto

Maphilindo: The troika of ethnic Malay states, Malaysia, the Philippines and Indonesia

Masyumi: Majelis Surjo Muslimin Indonesia (Consultative Council of Indonesian Muslims)

NASAKOM: *Nasionalisme, Agama, Komunisme* (Nationalism, Religion, Communism)

MSA: Mutual Security Act

NEFO: New Emerging Forces

NU: *Nahdatul Ulama* (Revival of the Religious Scholars)

OCB: Operations Coordinating Board, an Eisenhower initiative to coordinate and implement national security policy for the NSC

OSS: Office of Strategic Services, forerunner to CIA

Partai Rakyat Brunei: Brunei People's Party

Partai Socialis: Socialist Party

Permesta: Piagam Perjuangan Semesta (Charter of Total Struggle)

Peta: Soekarela Tentara Pembela Tanah Air (Volunteer Army of the Defenders of the Fatherland)

PKI: *Partai Komunis Indonesia* (Indonesian Communist Party)

PNI: *Partai Nasionalis Indonesia* (Indonesian Nationalist Party)

PRC: People's Republic of China

PRRI: *Pemerintah Revolusioner Republik Indonesia* (Revolutionary Government of the Republic of Indonesia)

PSI: *Partai Socialis Indonesia* (Indonesian Socialist Party)

NAM: Nonaligned Movement

NATO: North Atlantic Treaty Organisation

NSC: US National Security Council

NTBT: Limited Nuclear Test Ban Treaty

OLDEFO: Old Established Forces

RUSI: Republic of the United States of Indonesia

RoC: Republic of China, on Taiwan

SEATO: Southeast Asia Treaty Organisation

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CHAPTER ONE

The Limits of Alliance

From the moment the Republic of Indonesia declared independence on 17 August 1945, its success in navigating the years of Cold War rivalry between the great communist and capitalist powers, and in building a new state, largely rested on the answer it gave to a single question: How would it align itself? The choice it made would not only determine its place the world, but have profound consequences for the nature of its domestic politics.

This work proposes to examine the patterns of Indonesian alignment in the first 20 years after it declared independence with the goal of uncovering the reasons behind its alignment choices. There are two rationales for such a study. First, as a strategically important state, an ardently-courted ally for the great powers, and one of the founders of the Nonaligned Movement (NAM), the case of Indonesia potentially provides valuable insights into how and why states align. That the Republic of Indonesia officially renounced security alliances soon after it proclaimed independence, and while it was fighting for its survival, would, according to certain traditional explanations of state behavior, make it an aberrant case. Second, the alignment behavior of Indonesia presents an important study in itself. Even after the end of the Cold War, Indonesia remains a contested ally for the great powers because of size, natural resource wealth and location. A deeper understanding of the origins of its alignment policies might indicate how Indonesia responds to a new era of great power competition with implications for the security of its wider region.

At the heart of the Indonesian alignment puzzle is a foreign policy created in the late 1940s that in theory bound Indonesia to the principles of independence and activity in international relations and neutrality from competing global power blocs. The independent and active, or *bebas-aktif*, foreign policy has in practice required Indonesia to abstain from all military alliances or pacts. This self-imposed denial of one of the primary tools of international security has been official policy throughout Indonesia's history as an

independent state. After the creation of the NAM in 1961, Indonesia transformed neutrality into an official policy of nonalignment.

The *bebas-aktif* policy and adherence to neutrality or nonalignment has survived on paper through generations of ideologically distinct political regimes and diverse international conditions, contrary to the common belief that alignment adjusts with a state's circumstances. It presents as an interesting test of propositions that the primary determinant of alignment is a combination of changing perceptions of power and threat. It might provide some fresh insights into the factors that drive alignment decisions, which could serve to refine traditional, predominantly western-centric theoretical approaches. Few states, particularly those that have found themselves in such challenging strategic circumstances, have voluntarily relinquished as vital a tool of national security and done so as enduringly as Indonesia.¹

It will be argued here that the totality of the Indonesian experience is not captured by analytical frameworks that rely solely on the capabilities and intentions of potential foreign adversaries or other factors external to the state. Instead, the Indonesia case is better understood in terms of the management of risk, which needs to be calculated with reference to both international and domestic levels of analysis. This idea of weighing, or balancing risk, can help account for the wide and nuanced range of alignment strategies Indonesia employed to both increase its security *and* preserve the independence of its policymaking.² These 'smart' strategies do not fit neatly with standard approaches that predict Indonesia ought to maintain security by seeking alignments to either oppose or side with potential adversaries.³

¹ John S. Duffield et al describe alliances as "one of the most valuable instruments for advancing a state's interests... a primary tool for enhancing a state's security in the face of external and sometimes internal threats". See, "Alliances", in Paul D. Williams (ed.), *Security Studies: An Introduction*, Abingdon, Oxon: Routledge (2008), p. 292.

² Work on the psychology of risk taking has been introduced to the study of actors and groups in international relations, but it remains a developing field because of conceptual and methodological challenges. See, Jack S. Levy, "Prospect Theory and International Relations: Theoretical Applications and Analytical Problems", *Political Psychology*, Vol. 13, No. 2 (1992), pp. 283-310.

³ For a review of these theories see Stephen M. Walt, "Alliances: Balancing and Bandwagoning", in Robert J. Art and Robert Jervis (eds.), *International Politics: Enduring Concepts and Contemporary Issues*, New York: Pearson Longman (2005), pp. 96-103.

Indonesian alignment policy during the early decades of Cold War rivalry is better understood as the story of how international and domestic actors vied for their distinct objectives and policymakers sought to simultaneously preserve their autonomy and manage the contention on both levels.⁴ This was a high stakes game. The great powers of the era – the USA, Soviet Union and China⁵ – regarded Indonesia as a critical prize in their global struggle. As they strove to draw Indonesia into their strategic orbits, they employed a combination of covert and overt means to directly intervene in Indonesian politics, exacerbating already deadly tensions. For the domestic protagonists, the contest over alignment with the great powers, and the desirability of the competing political and economic systems they represented, was equally fierce. In the first two decades after the declaration of independence, the Indonesian Communist Party (*Partai Komunis Indonesia*, PKI) – the biggest in the world outside the communist bloc – posed a serious challenge for political leadership. This resulted in decisions about alignment becoming entwined with a bitter, and often violent, polemic between groups on the political left and right in Indonesia about the character of the state. It reached a bloody crescendo at the end of the rule of Sukarno, Indonesia’s first president, when conflict over the choice of alignment and ideology provided the backdrop to one of the biggest mass killings of the 20th Century.

Alignment behavior will be investigated in a case study that has three principal features. First, it will consider the broad pattern of Indonesia’s alignment behavior. Second, it will trace the origins and evolution of Indonesia’s *bebas-aktif* policy to become

⁴ There are numerous works that aim to model the interplay between domestic and international factors in foreign policy. Those that has been particularly influential on the approach developed here are Peter B. Evans, Harold K. Jacobson, and Robert D. Putnam, *Double-Edged Diplomacy: International Bargaining and Domestic Politics*, Berkeley: University of California Press (1993) and Steven E. Lobell, Norrin M. Ripsman, and Jeffery W. Taliaferro, *Neoclassical Realism, the State and Foreign Policy*, Cambridge University Press (2009).

⁵ The most common definition of great power is the one utilized by Paul Kennedy, following German historian Leopold von Ranke, that a great power is “a state capable of holding its own against any other nation”. See Paul Kennedy, *The Rise and Fall of the Great Powers*, New York: Random House (1987), p. 539. John J. Mearsheimer argues a state must have “sufficient military assets to put up a serious fight in an all-out conventional war against the most powerful state in the world”. During the Cold War, the USA, Soviet Union and China all fit this definition and are arguably the only states that do. See, *The Tragedy of Great Power Politics*, New York: Norton (2001), p. 5 and p. 404.

a self-imposed prohibition on foreign military bases and participation in either bilateral or multilateral military alliances and collective defence agreements. Third, the analysis of alignment will focus on Indonesia's interactions with the great powers during years of high tension and flux in the Cold War. The historical period of analysis stretches in chronological order from 1945, with the declaration of independence, to late 1965 with the declaration of an Indonesia-China "axis".

Examining Indonesian alignment behavior over this period of history allows us to trace the *bebas-aktif* policy from its origins through numerous interpretations of it during times of varying ideological inclinations and leadership approaches. An examination of patterns of cooperation with the great powers during a time of polarised international politics is particularly useful because these states were usually the preferred choice of alliance partner or their behavior was often, if not always, the trigger for other states to seek security in alliance. It also was a time when international institutions were relatively weak and interstate suspicions acute, producing heightened perceptions of threat. This might tell us a great deal about Indonesia's preferences and allow for some contingent generalisations to be made about alignment decisions. It is worth noting that the *bebas-aktif* policy and the concomitant position of neutrality were framed with specific reference to the main Cold War power blocs led by the USA and Soviet Union.

Thus, this study seeks to answer one fundamental question of Indonesian foreign policy: What are the causes of Indonesia's alignment behavior?

Beyond this basic question there are a series of other related questions that it is hoped can be addressed in the course of inquiry: What explains the persistence of Indonesia's *bebas-aktif* foreign policy and refusal to enter military alliances? What roles have theories on the balance of power and the perception of external threat played in determining alignment? What strategies has Indonesia adopted to enhance security in the absence of formal alliance?

In the following sections, this chapter will start by outlining a theoretical and analytical approach to the study of alignment as an exercise in managing risk. It will then summarise the key arguments, locate the study within the literature on Indonesian foreign policy, define key terms, and describe a research design.

Balancing Risk in Indonesian Alignment

Power, Threat and Risk in Alignment

What drives states to align with each other? This is a fundamental research question in international politics; an abiding preoccupation of both scholars and statesmen.⁶ But the question of what determines alignment behavior remains contested, as does debate over the myriad ways in which states might manifest alignment. Even the term ‘alignment’ can be a source of some confusion, often used erroneously and interchangeably with the term ‘alliance’. The definitional problem will be assessed below. It is sufficient to note here that alignment is a broad concept “defined as expectations of states about whether they will be supported or opposed by other states in future interactions”.⁷ This makes alliances a subset of alignments comprising formal agreements between states, usually enshrined in treaties.

That said, there are numerous theories over what drives alignment and how it is manifested. According to one of the dominant schools of thought, alignment is an inevitable reaction to the distribution of power in the international system.⁸ Kenneth Waltz, the most frequently cited scholar on the subject, argued states are driven to align regardless of the deliberate designs of policymakers. Consequently, “balances of power tend to form whether some or all states consciously aim to establish and maintain a

⁶ A good review of the various approaches to the study of alliances can be found in Duffield et al., op. cit. The authors argue that “[a]lliances are one of the most significant phenomena in security studies and world politics more generally”, see p. 291. But Wilkins stressed “alignment” rather than “alliance” is the more useful focus of analysis. His work contains a useful review of the types of alignment. See, Thomas S. Wilkins, “‘Alignment’, not ‘alliance’ – the shifting paradigm of international security cooperation: toward a conceptual taxonomy of alignment”, *Review of International Studies*, (2012), pp. 53-76.

⁷ Glenn H. Snyder, *Alliance Politics*, Ithaca NY: Cornell University Press (1997), p. 6.

⁸ The treatment of power as the most important variable in international politics is one of the hallmarks of the realist school of international relations. There are several variants of realism, but Wohlforth identifies three basic assumptions and one scope condition that they all share. The basic assumptions are the centrality of the state in international relations, rational self-interest as the driver of political behavior and the quest for power as the ultimate guarantor of security. The scope condition is the existence of anarchy or the lack of a supra-state authority in the international system. William C. Wohlforth, “Realism and Foreign Policy” in Steve Smith et al. (eds.), Oxford University Press (2012): 35-53.

balance”.⁹ States are presumed to automatically align or expand their own military capability, and usually both, to offset preponderant power because by definition in a self-help international system power is threatening and intentions can rapidly shift or fail to be accurately discerned. It assumes the actions and motives of states are determined by the principles of *Realpolitik*.¹⁰ The collective result of this behavior is to produce a balance of power.¹¹ Waltz’ influential neo-realism has spawned several variations on his theme.¹²

The structural determinism of realist explanations for how and why states align has prompted attempts to reintroduce factors closer to the foreign policymaking process to explain alignment.¹³ One of the most well-elaborated has been “balance of threat theory”. In an analysis of the international relations of the Middle East, Stephen M. Walt argues relative power alone is insufficient to account for decisions to seek alliance.¹⁴ Instead, he

⁹ Kenneth N. Waltz, *Theory of International Politics*, Long Grove IL: Waveland Press, (1979), p. 119.

¹⁰ The main elements of Waltz’ ideas can be found in *ibid.*, pp. 88-99 and pp. 107-123. One of the key assumptions of Waltz’ theory is that states are driven by *Realpolitik*. Its features are: ruler or state interests provide the well-spring of action; unregulated competition between states provide the imperative behind policy; calculation based on those imperatives determines the policies that serve a state’s interests; and the preservation and strength of the state is the ultimate test of success. It is noteworthy that this interpretation of *Realpolitik* is predicated on a rational analysis of the utility of the options facing policymakers. See, *ibid.*, p. 117.

¹¹ There is an extensive literature on balance of power. Waltz noted scholars had found as many nine distinct meanings of the term. See Waltz, *Theory of International Politics*, p. 117. Hedley Bull, quoting Emer de Vattel, described it as: “A state of affairs such that no one power is in a position where it is preponderant and can lay down the law to others.” See, *The Anarchical Society*, New York: Palgrave Macmillan (1977 [2012]), p. 97. For good historical accounts of the balance of power see Brian Healey and Arthur Stein, “The Balance of Power in International History”, *Journal of Conflict Resolution*, Vol. 17, No. 1 (1973), pp. 33-61 and Paul Seabury (ed.), *Balance of Power*, San Francisco: Chandler (1965). Other notable and useful reviews of the concept and literature are found in Geoffrey Blainey, *The Causes of War*, New York: The Free Press (1973 [1988]), Martin Wight, “The Balance of Power” in H. Butterfield and Martin Wight (eds.), *Diplomatic Investigations: Essays in the Theory of International Politics*, London: Allen and Unwin (1966), and “Special Issue on the Balance of Power”, *Review of International Studies*, Vol. 15, No. 2 (1989).

¹² Mearsheimer argues that states are not content to simply balance the power of others, but see the best protection of their interests lying in obtaining a preponderance of power; as a minimum, they aspire to hegemony over their own regions or hemispheres. For discussion of his ideas about “offensive realism”, see, Mearsheimer, *op. cit.*, pp. 4-8 and pp. 29-54.

¹³ Criticism of Waltz’s theory has come from a number of perspectives. A good summary of the arguments is in Robert O. Keohane (ed.), *Neorealism and its Critics*, New York: Columbia University Press (1986).

¹⁴ Stephen M. Walt, *Origins of Alliances*, Ithaca NY: Cornell University Press (1987), pp. 21-22. Walt focuses on the specific category of military alliance rather than the broader phenomenon of

cites four factors that determine whether states chose to balance against or bandwagon with another state: aggregate power, geographic proximity, offensive power and aggressive intentions. First, aggregate power – measured by metrics such as population, industrial and military capability and technological prowess – reflects the degree of potential threat a state can pose. Second, geographical proximity can amplify the scale of a potential threat.¹⁵ Third, offensive capability, comprising the type of military instruments required to attack and subdue the military of other states, creates the ability to carry out threats and makes the cost of doing so more acceptable. And, fourth, perceptions of aggressive intentions are cause for alarm.¹⁶

The precise weight put on each of these factors will be contingent on the individual case. But the significant feature of the theory is the fourth condition. It reintroduces human agency into the alignment equation and provides a central place for threatening intentions. According to Walt, these four factors provoke one of two reactions. Faced with a perceived threat states will either “balance” or “bandwagon”, depending on the circumstances and decision-making of each state.¹⁷

Walt proposed to test his theory by putting forward a range of hypotheses, which are useful to bear in mind in the analysis of Indonesian alignment behavior. He divided his hypotheses between what to expect if his four criteria motivated balancing and bandwagoning behavior. He then looked at several other potential influences on alignment behavior other than the existence of threat. These included ideology, foreign aid, and “transnational political penetration”, by which he referred to “the manipulation of the target state’s domestic political system to promote alignment”.¹⁸

alignment. As has already been argued, alignment is a more useful way of analysing state behavior.

¹⁵ To this, one might add the qualification of favourable terrain. It might be more useful to think about a state’s geographic accessibility rather than proximity. Mearsheimer for example highlights the “stopping power of water” in limiting offensive capability, see *op. cit.*, pp. 114-128.

¹⁶ Walt, *Origins of Alliances*, pp. 21-26.

¹⁷ *Ibid.*, p. 17. Balancing refers to measures taken by states to offset the power of one or more potential adversaries, including the acquisition of new military capabilities and forming security alliances. Bandwagoning refers to alignment with a more powerful potential adversary.

¹⁸ *Ibid.*, p. 242

Walt's propositions are briefly summarised here:¹⁹

Balancing: States will seek alliances when they are faced by threat, especially as judged by aggressive intentions; the greater the threat (measured by a state's aggregate power, offensive power and geographic proximity) the greater the tendency to seek a balancing alliance; once a threat is resolved, an alliance should dissolve.

Bandwagoning: States will ally with a threatening power; the greater the threat, as measured by the metrics referred to above, the greater the tendency to seek alliance with the threatening power; if the threat appears certain to manifest in aggression the alliance will dissolve.

Propensity to balance or bandwagon: Balancing is the most common reaction to threat; the stronger the state, the greater the probability of allied support, and the more certain acts of aggression are perceived to be, the greater the preference to balance; the preference for bandwagoning is greater when the reverse is true.

Ideology: States with similar ideologies are more likely to ally; alliances based on ideologies that require adherence to a foreign centre of power are likely to be fragile; the greater the level of a state's perceived security, the greater the freedom to allow ideology to affect alliance choices; the preference for ideological alliances will increase when regimes seek to bolster internal and external support; statesmen will have a tendency to embellish the degree of shared ideology with their allies and the degree of ideological difference with rivals.

Foreign Aid: The greater the level of foreign aid from one state to another, the greater the likelihood an alliance will form between them and the greater control the donor will exercise over the recipient; the greater the threat facing a state, the greater the role aid will play in its alliance choices; donor's will have greater influence when they possess a monopoly over a valued commodity, when a recipient is highly dependent, and when the recipient values the aid relationship more highly; the weaker the donor regime's control over domestic decision-making on aid disbursement, the lower the leverage it has over recipients.

¹⁹ Walt's hypotheses stated in full can be found in *ibid.*, pp. 32-33, p. 40, p. 46 and p. 49. The logic underpinning these hypotheses is described in *ibid.*, pp. 17-49.

Transnational Penetration: The greater a state's access to the political system of another state, the greater tendency for the two to ally; the more open the society, the greater propensity for penetration; the more benign the motive for penetration, the more likely it is to succeed; the stronger the motive for alliance based on external criteria, the more likely penetration is to succeed.

Balance of threat theory appears to provide a more realistic description for the motives influencing the alignment and other balancing decisions of individual states than simply compensation for changes in relative power alone.²⁰ Walt found that the states of the Middle East were more concerned to “counter a threat from another local actor” than they were about the global balance of power, even in the context of the Cold War.²¹ Perceptions of the threat posed by proximate states were consistently the main driver of alliances. Still, when it came to selecting an alliance partner in the face of external threats, regional powers frequently sought the support of extra-regional great powers.²²

The alliance model underpinning balance of threat made particular sense in the context of the zero-sum game of the Cold War, when it was assumed great powers had a manifest interest in defending their allies because any loss of an ally potentially weakened the whole global or regional alliance network and conceded advantage to the principal adversary. The polarisation caused by the Cold War placed enormous pressure on states to choose sides.

But there are several lines of criticism of balance of threat, which create the potential for alternative theoretical argument, that will be discussed here. First, Walt largely ignores state responses to threat other than balancing and bandwagoning. The failure to account for other potential reactions to threat is an omission Walt himself subsequently acknowledged.²³ For example, he pays scant attention to nonalignment as an

²⁰ Waltz acknowledged his was a system theory aimed at describing outcomes on a world scale, and not a theory of the foreign policy of individual states. See Waltz, *op. cit.*, pp. 71-73.

²¹ *Ibid.*, p. 158.

²² *Ibid.*, pp. 150-151. Nearly half the 33 alliances Walt cited as being formed in response to external threat between 1955 and 1979 were formed with an extra-regional great power, in almost all cases the USA or Soviet Union.

²³ Walt recognized that behavior including “non-alignment, free-riding on a Great Power, fighting alongside a Great Power, balancing with other weak states, fighting alone” offered “a more

option for states, despite extensive treatment of the case of Egypt during the period when it became one of the founders of the Non-Aligned Movement (NAM).²⁴

Writing earlier, Waltz contemplated a wide definition of balancing. When states engaged in balancing they could adopt a range of internal actions, including “moves to increase economic capability, to increase military strength, (and) to develop *clever strategies*”, or external actions, including “moves to strengthen and enlarge one’s own alliance or to weaken and shrink an opposing one”.²⁵ It is important to note that this definition combines internal and external actions. It does not refer purely to forming alliances.

Since then, scholars have added to the variety of potential behaviors states might employ to mitigate an external threat.²⁶ Not all the strategies states use are listed here, but several of potential interest to this study are worth noting.

Wedge strategies can be a form of external balancing whose purpose is to increase a state’s relative power over external threat, by preventing the grouping or causing the dispersal of threatening alliances.²⁷

Omnibalancing is the act of appeasing secondary threats in order to counter those that are more pressing. Of particular relevance in the Third World, it involves accommodating states that pose lower order threats to counter more immediate and dangerous domestic threats. States seek to split the alignment against them to focus their energies on their most dangerous (domestic) opponents. A key part of the rationale is to

elaborate typology”. See, Walt, “Alliances, Threats, and U.S. Grand Strategy: A Reply to Kaufmann and Labs”, *Security Studies*, Vol. 1, No. 3 (1992), pp. 448–482.

²⁴ A.W. Singham and Shirley Hune, *Non-Alignment in an Age of Alignments*, Westport, Conn: Lawrence Hill & Co. (1986), p. 62. The formation of NAM in 1961 was “heavily dependent” on the leadership of five figures, including Gamal Abdel Nasser of Egypt and Soekarno of Indonesia.

²⁵ Waltz, *Theory of International Politics*, p. 118. Emphasis added.

²⁶ A convenient summary of scholarship on the variety of alignment actions open to states is provided in Andreas M. Bock and Ingo Henneberg, “Why Balancing Fails: Theoretical reflections on Stephen M. Walt’s ‘Balance of Threat’ Theory”, *Lehrstuhl Internationale Politik Universität zu Köln*, Köln: Thomas Hartmann (2013), pp. 10-17. The following categories and citations are sourced from this work.

²⁷ Timothy W. Crawford, “Wedge Strategy, Balancing, and the Deviant Case of Spain, 1940-41”, *Security Studies*, Vol. 17, No. 1 (2008), p. 3

align with the outside power that is most likely to keep a regime in power. This sometimes means appeasing the international allies of domestic opponents.²⁸

Hedging is seen as a set of strategies employed when states cannot decide upon alternatives such as balancing, bandwagoning, or neutrality. Instead, they will calibrate policy to incorporate elements of each while waiting for the international situation to become clearer. For example, a state might build-up its military, while sending reassuring signals to potential rivals and avoiding overtly hostile alliances.²⁹

Hiding can take various forms. A state might ignore a threat. It might declare neutrality in a wider conflict and seek a guarantee of safety from both sides to a dispute. It might try to withdraw into isolation. It might assume a purely defensive position and hope the crisis will pass. It might seek protection from some other power or powers in exchange for diplomatic services, friendship, or non-military support, without joining that power or powers as an ally or committing itself to any use of force on its part.³⁰

Transcending is an attempt to rise above *Realpolitik* by establishing international legal, religious, moral, or procedural norms to govern international practice, with these norms maintained and enforced by the international community or by a particular segment by it.³¹

Competitive bidding is an attempt to extract benefits from rival powers by playing them off against each other. Although a potentially risky strategy, as it might alienate both, a state that is weak but strategically important could in the short-term dangle the prospect of alignment to get rivals to outbid each other with the offer of security, aid and diplomatic benefits.³²

²⁸ Steven R. David, "Explaining Third World Alignment", *World Politics*, Vol. 43, No. 2 (1991), p. 236

²⁹ Evelyn Goh, *Meeting the China Challenge: The U.S. in Southeast Asian Regional Security Strategies*, Policy Studies No. 8, Washington DC: East-West Center Washington (2005).

³⁰ Schroeder, op. cit., 1994, p. 117.

³¹ John A. Vasquez and Colin Elman, *Realism and the Balancing of Power: A New Debate*, New Jersey: Prentice Hall (2003), p. 119. This is closely associated with the strategy of "binding" in which states seek to "constrain or enmesh targets in institutions, agreement, or forms of interdependency so as to weaken their ability to pursue autonomous policies". See, D.H. Nexon, "The Balance of Power in the Balance", *World Politics*, Vol. 61, No. 2 (2009), p. 346.

³² This strategy has not been encountered in the literature on balancing and is developed here specifically for the case of Indonesia. It is probably more common among nonaligned or neutral states because rival great powers have an incentive to make payments in cash or kind to these

Undisclosed alignment attempts to secure the benefits of alignment without the downside of inciting domestic or international opposition. This would be the case when an alignment could be viewed as hostile by another power or alignment is a source of contention among domestic parties. While undisclosed alignment might weaken its credibility, it can be useful to disguise intentions.³³

Collectively, these could be termed ‘smart strategies’. As noted above, these strategies offer a means of mitigating external threat without necessarily incurring the obligations and constraints that come with alliances. They allow policymakers to manage some of the pressures and contradictions of alignment, such as the perverse situation in which an alliance aimed at enhancing state security might generate new sources of domestic and international hostility. They require the analysis of alignment to take into account the behavior of policymakers as much as the actual policy instruments they employ – an important distinction that will be elaborated in further detail below. Smart strategies, like hedging and competitive bidding, are often designed to create a degree of ambiguity about a state’s alignment posture. They usually obviate the necessity for formal alliance. But they might entail the use of some formal instruments of alignment. These could include the negotiation of strategic partnerships, covering defined security and economic cooperation activities, or agreements to consult on mutual security concerns.

There are other common features to smart strategies. They are not mutually exclusive and might be employed in concert. They generally fit at the ‘soft’ end of the spectrum of balancing behavior, although they can be combined with ‘hard’ balancing or bandwagoning strategies. As a rule, the more militarised the balancing option, the ‘harder’ it can be deemed.³⁴ They are more likely to be practiced by relatively weak states and at times when threat is either not specific or of a low order of magnitude. A threat

states to ensure they at minimum remain neutral rather than defect to the other side and at maximum accept alignment.

³³ This term is proposed here to describe Indonesia’s conduct, but it is a well-studied phenomenon, particularly in relation to the origins of the First World War. See, for example, Richard F. Hamilton and Holger H. Herwig, *Decisions for War, 1914-1917*, Cambridge University Press (2004), pp. 8-9.

³⁴ Robert A. Pape defined soft balancing as the use of “non-military tools to delay, frustrate, and undermine aggressive unilateral... military policies”. It uses “international institutions, economic statecraft and diplomatic arrangements”. See, “Soft Balancing Against the United States”, *International Security*, Vol. 30, No. 1 (2005), p. 10.

that is specific, highly likely to be carried out, and impinges on non-negotiable state interests, is more likely to engender a less ambiguous response, such as explicit balancing. At times when threat is less precise, smart strategies can be attractive for states that want to avoid the loss of policy autonomy that inevitably accompanies a balancing or bandwagoning alliance. The above strategies provide a good idea of the range of policy choices that share the common thread of preserving a state's policy independence in the pursuit of greater security.

But the variety of strategies that can be employed does highlight the importance of a deeper understanding of the nature of decision making over alignment. The presumption is that the more a state believes a threat is likely to be carried out and the greater the cost imposed if the threat is carried out, the more likely it will seek to employ 'hard' balancing options, such as alliances that offer specific security guarantees. Equally, the reverse should be true.

This points to a second, and major, weakness of balance of threat theory. Its explanatory power hinges on the difficult task of understanding and interpreting perceptions.³⁵ But it fails to provide any guide as to what states might perceive as aggressive intent or how they arrive at that conclusion. If it is impossible to codify threat, then balance of threat theory might simply devolve into a more elaborate version of Waltz's theory about relative power, in which states have no choice other than to assume the aggregation of power is threatening. The theory loses predictive power and only works as a rear-view mirror once threat is manifest.

To differentiate a balance of threat analysis from a balance of power analysis, the treatment of human agency is critical. The first three components of balance of threat – aggregate power, offensive power and geographic accessibility – are, as broad measures of capability, enablers of hostility. They can be considered necessary but insufficient conditions. It is only with the introduction of human agency – with intent – that threat is mobilised. Leaders need to decide whether the combination of perceived capability and

³⁵ Robert O. Keohane argues balance of threat theory "requires so much information about perceptions as well as objective facts that it has relatively little theoretical power of its own". See, "Alliances, Threats, and the Uses of Neorealism", *International Security*, Vol. 13, No. 1 (1988), p. 172.

intent will lead to actual armed conflict. This establishes a likelihood. But the judgment of leaders does not end there. They also make calculations over the nature of the grievance at the centre of dispute.³⁶ Glenn H. Snyder casts this in terms of the “degree of conflict” with an adversary. He sees alliance need in terms of two factors: “The greater the shortfall between a state’s own military strength and that of its opponent, and the deeper the conflict with the adversary, the greater the state’s need and the more the state will value any alliance that satisfies that need.”³⁷

Essentially, Snyder is pointing to the elements of a risk assessment. At the centre of a standard risk assessment is the act of weighing the chances of an event occurring (its likelihood) and the scale of the event (the costs imposed if the event does occur), which are mediated by the ability to contain the event (its susceptibility to resolution by some form of intervention).³⁸ Risk assessments are usually conducted as a means of compensating for uncertainty. Even if another actor is viewed as hostile, it is not always possible to know when or how a threat might manifest.

Snyder’s reference to the “degree of conflict”, or what might be termed the criticality of the objective of a conflict, recognises an important dimension to understanding how risk is evaluated: not all threats are equal. Threats can be placed on a sliding scale. The bigger the potential loss incurred if a threat is carried out, the greater the attention a threat is likely to receive from policymakers and the greater the precautionary measures they are likely to take. It follows that the nature of alignment and other responses to the spectrum of possible threats are not equal either. Snyder makes the sound point that judgements about alliances sometimes need to be “farsighted”; they need to take account of consequences in the distant, not just the immediate, future and how they affect the

³⁶ Snyder, *Alliance Politics*, p. 45.

³⁷ *Ibid.*

³⁸ A simple formula for risk assessment is that Risk = Threat x Vulnerability x Criticality, where threat is the likelihood that an adversary will attack identified assets or interests, vulnerability refers to the ability to defend against or avert an attack on those assets or interests, and criticality is defined as the likely impact if an identified asset or interest is lost or harmed. See, Joel Leson, “Assessing and Managing the Terrorism Threat”, Bureau of Justice Assistance, US Department of Justice (2005), p. 16.

behavior of third parties.³⁹ In other words, decisions might be made about alignment beyond the horizon of foreseeable threat.

For these reasons, it might be more useful to think of alignment behavior in terms of a balance of risk rather than a balance of threat or a balance of power. When faced with the requirement to make a judgment under conditions of uncertainty, policymakers have three choices: they can leave matters to chance (proverbially toss a coin), they can trust their intuition (“emotional beliefs” or belief in the absence of evidence)⁴⁰, and they can conduct a risk assessment. Of these, the risk assessment is the rational choice, although rationality cannot always be assumed. There were occasions, especially under the leadership of Sukarno, where intuition arguably played a big role in decision making. But as we will see, it is not always easy to separate emotion from rationality under conditions of risk. Still, in general, a risk assessment can be viewed as the rational way of compensating for the inability to know intentions of another actor.

There are several advantages to explaining alignment decisions in terms of a risk analysis. It can create room for a variety of motives for alignment other than a response to just power and threat. It permits the explanation of alignments, and other strategies designed to enhance state and regime security, in conditions of unforeseen or speculative threat when they can be viewed as the insurance policies of cautious policymakers. Alignments can be seen as tools for serving a range of political purposes – the prevention of undesired events or the attainment of specific domestic or international objectives. It lends itself to a more realistic scale in which states can be seen to escalate from smart strategies at the ‘soft’ end of the alignment spectrum all the way up to binding alliances at the ‘hard’ end of the spectrum. The greater the perceived risk the firmer the alignment response. In this way, the diverse array of alignment behaviors cited above can be brought together and explained within one analytical framework. Moreover, from an analytical point of view, it might be easier to deductively ascertain the elements of a policymaker’s

³⁹ Ibid., p. 46.

⁴⁰ Von Neumann, J., and O. Morgenstern, *Theory of Games and Economic Behavior*, 2nd Ed., Princeton, NJ: Princeton University Press (1947).

Mercer cites as an example the Bush administration’s belief in the existence of weapons of mass destruction in Iran and Iraq in the absence of incontrovertible evidence.

risk assessment than his or her perceptions of whether another state is or is not threatening.

But it still leaves unanswered questions over the range or types of risks policymakers might seek to balance and how they balance them. According to Snyder, the decision to form or join an alliance comes down to a cost-benefit analysis in which “benefits are counted chiefly in terms of the increased security resulting from the partner’s commitment, and the costs largely in terms of the autonomy sacrificed in the commitment to the partner”.⁴¹ Snyder views the benefits of alliance as largely defensive; the costs in terms of security risks such as being drawn into the disputes of other states, or “entrapment”, and “general constraints on freedom of action... and perhaps (the need) to modify one’s preferred policy to suit the ally’s preferences”.⁴²

In analysing the benefits of alignments, Snyder, like Walt, sees them as largely defensive or reactive. This accounts for too narrow a range of motivations. Alignments could be formed for offensive reasons or to achieve a specific objective.⁴³ That is, they could be intended as a means to alter rather than preserve the status quo. As noted above, it might be more useful to think of the criticality of the objective in considering the motives policymakers have for incurring the potential costs of alignment and the level of commitments they make under an alignment. There is no quarrel with Snyder’s decision to cast the costs in terms of the risks of entrapment in another state’s designs or of lost policy autonomy. An underlying assumption is that policymakers view security alignments as a compromise that would not be necessary in a perfectly secure world. But he places emphasis on international factors in determining the costs and benefits of alignment. While this is a reasonable priority, the very real costs and benefits a policymaker might experience at the domestic level should not be ignored.

⁴¹ Snyder, *Alliance Politics*, p. 43.

⁴² *Ibid.*, pp. 43-44. Snyder lists six benefits to alliances and five costs. The benefits include enhanced deterrence, capacity for defence and access to aid. They can also include “side payments” unrelated to the alliance, like having a free hand in a colonial venture. The costs include the risks of a state having to come to an ally’s assistance when it otherwise would not, of emboldening an ally to be more aggressive and of causing other states to form a counter alliance. Presumably, some of these costs are higher for weaker or more dependent alliance partners.

⁴³ For example, the Molotov-Ribbentrop pact that facilitated the invasion of Poland in September 1939.

It follows that the balance of risk in alignment choices can be seen as working on two levels. On the first level, a policymaker balances the criticality of an objective motivating a decision to align against the cost in lost policy autonomy. On the second level, the policymaker balances the objective against the possibility of provoking domestic and international opposition to the state and regime.⁴⁴ The objective in seeking to align might be defensive – the preservation of territorial integrity or regime survival, for example – or it might be offensive – the assertion of a claim over territory. Decisions about alignment will be mediated by policymakers’ judgments over the vulnerability or susceptibility of the objective to resolution by the use of force and the likelihood of an event occurring.

Ultimately, the alignment game comes down to the policymaker’s ability to maximise the benefits of cooperation with other states while minimising the potential losses. This is how Indonesia managed its alignment policies and where so-called smart strategies played a crucial role. Both sets of balancing acts were pertinent. Successive Indonesian governments placed a high priority on policy autonomy and neutrality, even as they entered alignments with varying degrees of commitment. A “sharp awareness of their country’s weakness” dictated Indonesian policymakers seek economic and military aid from abroad.⁴⁵ But the experience of revolution against a European power was bound to make them suspicious of foreign cooperation. It could serve as either a platform for interference or a doorway for neo-colonialism.⁴⁶

The question of alignment also was central to the Indonesian domestic political debate in the years 1945 to 1965. The projection of at least the image of independence, which was integral to the *bebas-aktif* policy, had as much to do with convincing a domestic as a foreign audience that Indonesia would not accept a “lessening of independence and sovereignty” in exchange for the assistance it so desperately needed to

⁴⁴ There are elements of the so-called “two-level” game in this analysis. See, Evans et al., op. cit.

⁴⁵ Franklin B. Weinstein, *Indonesian Foreign Policy and the Dilemma of Dependence: From Sukarno to Suharto*, Ithaca, NY: Cornell University Press (1976), p. 20.

⁴⁶ Weinstein describes this phenomenon, which was especially acute in the army and towards the great powers. Ibid., p. 30, pp. 43-44 and p. 57.

achieve “internal consolidation”.⁴⁷ Shifts in alignment could add to or subtract from the strength of rival political forces on the left and the right. They could strengthen or weaken the government of the day in relation to its domestic opponents.

Although this provides a picture of what categories of alignment risk policymakers were actually balancing in Indonesia, or how they ‘framed’ the risk dilemma, it is harder and more complex to determine how either individually or collectively they assessed or evaluated alignment risks. To provide a complete account of how policymakers managed risk it is necessary to go beyond an explanation of how they framed the problem to show how they made decisions.

Explaining risky choice: A Rational or Psychological Approach?

How decision makers adjust their calculations to account for risk has been the source of a long historical debate.⁴⁸ The conventional approach for explaining decision making – the so-called expected utility model – has been to see problems of risky choice as a rational exercise where individuals seek to maximise their gains. Decision makers, displaying “consistency and coherence” in their preferences, select the option available to them that provides greatest utility.⁴⁹ The utility function could be any specific objective – “survival, maximisation of power, minimisation of threat” – but there is presumed to be a

⁴⁷ Mohammad Hatta, ⁴⁷ Mohammad Hatta, “Indonesia’s Foreign Policy”, *Foreign Affairs*, Vol. 31, No. 3 (1953), p. 447 and p. 449.

⁴⁸ The nature of risk taking – the paradox of an individual who simultaneously engages in gambling and buys insurance – has been a subject of interest in the study of economic behavior for many decades. See, for example, Milton Friedman and L.J. Savage, “The Utility Analysis of Choices Involving Risk”, *Journal of Political Economy*, Vol. 56, No. 4 (1948), p. 281. The foundations of expected utility were laid in the 18th century by Daniel Bernoulli. See, “Exposition on the Measurement of a New Theory of Risk” *Econometrica*, Vol. 22, No 1. (1738[1954]), pp. 23-36.

⁴⁹ George A. Quattrone and Amos Tversky, “Contrasting Rational and Psychological Analyses of Political Choice”, *American Political Science Review*, Vol. 82, No. 3 (1986), p. 719. Several key assumptions underpin expected utility theory. The main ones are: transitivity (choice options are hierarchical, so that “if option A is preferred to option B, and B is preferred to C, then A is preferred to C as well”); dominance (“if one option is better on at least one aspect, and at least as good on all other aspects, it will be preferred to lesser options”); and invariance (preference for options should not change according to how the choice problem is described). See, Rose McDermott, *Risk-Taking in International Politics: Prospect Theory in American Foreign Policy*, Ann Arbor: University of Michigan Press (1998), p. 17.

unified decision process and the actor is presumed to choose the alternative that best maximises his/her objectives.⁵⁰ This has been used as both a normative and descriptive model of decision making under risk such that “all reasonable people would wish to obey”.⁵¹

The pioneering work on rational choice was performed to better understand economic behavior.⁵² The payoffs were measured in money. But it has been adapted to political science with necessarily less precision in calculating probabilities and the utility of outcomes. There are several salient features of a rational choice analysis of international political decision making: there is a single actor for analytical purposes (state or leader); there is a clearly defined objective or set of objectives chosen in response to the “threats and opportunities arising in the international strategic ‘marketplace’”; policy options for meeting the objective and the consequences of those options are evaluated in terms of the “benefits and costs” to the actor; a “value-maximising” choice of policy option is made.⁵³ It should be noted that both balance of power and balance of threat explanations of alignment implicitly rely on this rational actor model.

But there are variants to the treatment of rationality, most importantly studies in cognitive psychology that show there are certain instances in which “preferences systematically violate the axioms of expected utility theory”.⁵⁴ Viewing risky decisions as a choice between prospects or gambles, prospect theory suggests that decision outcomes are significantly dependent on the context in which choices are posed or framed. The basic elements of prospect theory are as follows: Decision makers normally conceive of outcomes in terms of gains and losses, rather than their final asset position⁵⁵; there is a neutral reference point for determining gains and losses, usually, but not always, the status

⁵⁰ Graham Allison and Philip Zelikow, *Essence of Decision: Explaining the Cuban Missile Crisis*, 2nd Ed., New York: Longman, (1999), p. 27.

⁵¹ Daniel Kahneman and Amos Tversky, “Prospect Theory: An Analysis of Decision Under Risk”, *Econometrica*, Vol. 47 (1979), p. 263.

⁵² J. Von Neumann and O. Morgenstern, *Theory of Games and Economic Behavior*, 2nd Ed., Princeton, NJ: Princeton University Press (1947).

⁵³ Allison and Zelikow, op. cit., p. 24.

⁵⁴ Kahneman and Tversky, op. cit., p. 263.

⁵⁵ Ibid., p. 277.

quo⁵⁶; losses loom larger than gains⁵⁷; and decision makers tend to be risk averse in the domain of gains and risk seeking in the domain of losses.⁵⁸ The effect of these behaviors is to produce “normatively unacceptable consequences” and “inconsistencies”, that is they depart from what would be assumed by a rational choice analysis.⁵⁹

There are two steps to applying prospect theory to the analysis of risky decisions.⁶⁰ The first is what is described as an “editing function” in which a decision maker conducts a preliminary analysis of prospects with the purpose of simplifying the decision choice.⁶¹ In translating the use of prospect theory to the study of alignment, the simplification of choice represented by the balance of risk scenario described above could be regarded as a method for modelling at least some significant components of the editing phase. By identifying the generic options available to a policymaker, it can help fill a vital gap in the application of prospect theory to the complex realm of international alignment choice.⁶² The laboratory experiments in cognitive psychology that were used to establish prospect theory focused on preferences when subjects were presented with defined probabilities and payoffs. The question of exactly how an individual constructed or framed a choice problem was left open. But for prospect theory to be of value to the study of international

⁵⁶ Ibid., p. 274.

⁵⁷ Ibid., p. 279.

⁵⁸ Ibid., p. 268.

⁵⁹ Kahneman and Tversky, op. cit., p. 277.

⁶⁰ Prospect theory was developed via laboratory experiments that used monetary units to evaluate attitudes to risk taking. But Kahneman and Tversky argue the theory is readily applicable to choices with other attributes, such as lives lost or saved as a consequence of policy decisions. See Ibid., p. 288. The main findings of prospect theory have been borne out in studies of political choice. See, Quattrone and Tversky, op. cit., pp. 719-736.

⁶¹ The elements of the editing phase are described in Kahneman and Tversky, op. cit., pp. 274-275.

⁶² However, as Tversky and Kahneman point out, how choice problems are edited is difficult to predict because “framing is controlled by the manner in which the choice problem is presented as well as by norms, habits and expectations of the decision maker”. See, Amos Tversky and Daniel Kahneman, “Rational Choice and the Framing of Decisions”, *The Journal of Business*, Vol. 59, No. 4 (1986) p. S257. Levy places particular emphasis on the issue of how choices are framed in order for prospect theory to be effectively translated to the study of international relations. See, Levy, “Prospect Theory and International Relations”, pp. 292-296.

relations phenomena the editing phase “requires far more theoretical and empirical attention”.⁶³

The second step in applying prospect theory is the evaluation phase.⁶⁴ The key to evaluation is the establishment of a reference point that is used by the decision maker to determine prospective losses or gains.⁶⁵ Although the reference point is normally the status quo, it can shift so that it can become “an expectation or aspiration level”.⁶⁶

Clearly, close attention needs to be paid to the question of what represents the decision maker’s point for determining gains and losses. It is in the evaluation phase that patterns of choice are seen to depart from the normative expectations of expected utility theory and risk aversion and risk seeking behavior is witnessed in the face of gains and losses respectively. Interesting influences on evaluation include the phenomena of “sunk costs”⁶⁷ and the “endowment effect”⁶⁸. Sunk costs can lead a decision maker to take ever riskier gambles to recover losses; the endowment effect leads a decision maker to quickly accommodate to gains, thus setting a new reference point for what represents a gain or a loss. It is necessary to pay close attention to how a decision maker sets a reference point, and particularly how it might shift, for it “determines not only where the decision maker perceives himself to be but also the perceived nature of his options”.⁶⁹ During Confrontation against Malaysia, for example, Sukarno found himself in a position of constantly mounting losses that in turn repeatedly constrained his options if he wanted to avoid admitting defeat.

Despite the greater complexity of employing prospect theory rather than expected utility theory to model decision making over alignments, there are likely to be considerable advantages in explaining decisions that would otherwise appear anomalous

⁶³ Jack S. Levy, “An Introduction to Prospect Theory”, *Political Psychology*, Vol. 13, No. 2 (1992), p. 180.

⁶⁴ Kahneman and Tversky, *op. cit.*, pp. 277-280.

⁶⁵ The reference point is based on the decision makers perceived “asset position”, which allows for variations on magnitude to be evaluated. See, *ibid.*, p. 277.

⁶⁶ *Ibid.*, p. 286.

⁶⁷ Robert Jervis, “Political Implications of Loss Aversion” *Political Psychology*, Vol. 13, No. 2 (1992), p. 190.

⁶⁸ Levy, “Introduction to Prospect Theory”, p. 175.

⁶⁹ Eldar Shafir, “Prospect Theory and Political Analysis: A Psychological Perspective”, *Political Psychology*, Vol. 13, No. 2 (1992), p. 315.

or irrational. In the case of Sukarno's unwavering pursuit of Indonesia's claim over West New Guinea, for example, the status quo of the continuation of Dutch occupation represented the realisation of such a critical loss that it justified extraordinary measures to ensure the territory's incorporation within the Republic. From the American perspective, it was difficult to comprehend why West New Guinea was worth fighting over – the image at the time was that it was populated by a primitive people and of little economic or strategic worth. Neither threat as a causal account nor value maximisation as an account of decision process can explain Indonesia's decision to align with the Soviet Union to pursue its claim to West New Guinea. It is difficult to construct the framing of Indonesia's grievance in terms of overt threat. The Dutch had neglected the development of West New Guinea and did not have a substantial military garrison there. As for the decision-making process, Indonesia's expectation or aspiration levels were built to the point where continued Dutch rule was viewed as a critical loss. Consequently, Indonesia was prepared to take risks that could not be predicted by a pure cost-benefit analysis.

There are caveats attached to the application of psychological analysis to risky choice. Prospect theory provides insights into the decision-making behavior of individuals. It loses explanatory power if it is aggregated to groups.⁷⁰ Nonetheless, this is sometimes done when groups are viewed as a single purposeful risk taker.⁷¹ In the Indonesian case, two factors compensate somewhat. First, foreign policy, and particularly the orientation of alignment, was often dictated by one or two individuals. Sukarno was the undisputed orchestrator of Guided Democracy foreign policy, but even under constitutional democracy the big foreign policy initiatives frequently reflected the personal judgments of prime ministers and foreign ministers rather than the outcome of bureaucratic and political party consultation. Second, there was a pronounced similarity of worldview among Indonesian political elites on basic features of international politics that colored how alignment problems (and foreign policy problems in general) should be framed.

⁷⁰ According to Shafir, research has shown that decisions by groups tend to differ from the average of individual members decisions prior to group discussion. See, *ibid.*, 313.

⁷¹ See, for example, Audrey McInerney, "Prospect Theory and Soviet Policy Towards Syria, 1966-1967", *Political Psychology*, Vol. 13, No. 2 (1992), pp. 265-282.

A second limitation of prospect theory is that its main conclusions are based on simple tests of choice under defined experimental conditions. They cannot easily be translated to the complexity of international politics where policymakers face an array of choices that potentially present the prospect of simultaneous losses and gains regardless of the option they chose. The choices political leaders face “rarely involve one riskless and one risky option, but rather two risky options”.⁷² In addition, the utilities of outcomes are highly subjective. Their value is subject to political contention and is shaped by the international environment. These are illustrative of the analytical challenges that make prospect theory a more complex method of analysis than a rational actor model. In some instances, a rational choice explanation might suffice. In that case, it would be preferred because of its greater parsimony. Therefore, part of the task of psychological analysis is to show how it provides a superior explanation to the alternative.⁷³ To stress this point, this thesis is neutral on the question of whether rational choice or prospect theory offers a more satisfying explanation for any given risky choice. The value of prospect theory must not be judged in “absolute terms, but relative to a rational choice model based on a straightforward expected-value calculus”.⁷⁴ The value of prospect theory emerges only when the simpler explanation of rational choice proves inadequate or anomalous.

Testing the Balance of Risk in Alignment

If predictions that Indonesian policymakers primarily balanced risk in deciding on alignment posture are correct, then it should be possible to reduce their behavior to a series of testable propositions. The first four hypotheses proposed below deal with the anticipated role of risk under given external and internal conditions. Three additional motivations for alignment then are proposed. These adapt Walt’s hypotheses in relation to

⁷² Levy highlights the problem of state choices being influenced by the choices of others and by “random shocks”. Current choices also have “future consequences which are themselves risky or uncertain and which need to be incorporated into one’s current risk calculus”. Levy, “Prospect Theory and International Relations”, p. 293.

⁷³ Ibid., p. 297.

⁷⁴ Ibid., p. 298.

the separate roles of ideology, aid and transnational political penetration in influencing alignment behavior.

1. When the prospect of critical loss to the state or regime is perceived to be high⁷⁵, states should prefer hard or offensive policies, including building their own military strength and balancing alliances. This should be the first preference in the event of a high risk of high loss.
2. When the prospect of critical loss to state or regime is perceived to be high, yet it has no recourse to 'hard' balancing policies, it should prefer a variety of 'smart' alignment strategies or, as a last resort, to bandwagon with a threatening state. This should apply only if balancing options are unavailable.
3. When the prospect of critical loss to the state or regime is perceived to be low, states should prefer alignment strategies that support domestic group or individual preferences and interests in foreign policy. At such times, states are more likely to adopt soft or defensive policies such as various 'smart' alignment strategies that aim to maximise the benefits of international cooperation while minimizing the loss of policy autonomy. They should prefer to avoid hard strategies like expansion of military capability and overt balancing and bandwagoning options.
4. The strength of a state's balancing response should escalate in tandem with the prospect of incurring loss. This should manifest in a tightening of alignment commitments and attempts to grow state power.

⁷⁵ This is measured as a high probability of a dispute erupting that has the potential to harm critical national interests and that is susceptible to resolution by coercion. The definition of criticality will vary from state to state, although it is likely to have some common definitions. All would regard loss of territory and existential threats to the state and regime as critical. But it is a subjective classification – the erosion in influence over a region of interest, a change to an international regime, denial of access to vital markets or resources, and decline of national status and prestige might all be regarded as critical losses by policymakers.

5. States should prefer alignment partners that share the same ideology. The ideological preferences of a state, or the effects of domestic political competition, are more likely to be reflected in alignment when external risks are low, that is, in the absence of existential threat to state or regime.
6. Aid should increase the propensity for alignment and increase the influence of the aid donor on the policies adopted by the recipient. The same should be true of access to commercial opportunities via trade and investment.
7. The higher the transnational political penetration of one state by another state, the more likely the states are to seek alignment.

Explaining Indonesian Alignment: Smart Strategies and Managing Risk

Two somewhat contradictory themes pervaded Indonesian foreign policy thinking in the decades after it won independence, each with specific implications for decision-making about alignment. The first was a *Realpolitik* wariness of great powers meddling in the internal affairs of Indonesia, compromising its independence and destabilising the country and its immediate region.⁷⁶ This produced an acute sense of the significance of power in international politics and the vulnerability of the state, both of which contributed to how policymakers interpreted the risks posed by international politics. The second was a strong ideational foundation for the appropriate conduct of external relations that is reflected in the Constitution and *bebas-aktif* principles. These ideological commitments are presumed to guide and temper the conduct of foreign policy. The two themes of *Realpolitik* and foreign policy ideology will be examined separately here to elucidate the main arguments of this thesis.

By the time Indonesia won its independence in 1949, it had a long and bitter experience with the exercise of state power in an international system that imposed few

⁷⁶ This was sometimes expressed in the “pretty girl” analogy, whereby Indonesia was seen as a vulnerable young woman constantly approached by men trying to take advantage of her. See Weinstein, *Indonesian Foreign Policy*, pp. 42-44.

restraints on its most powerful constituents. After independence, it learned how to use power to attain its own international and domestic ambitions. Power, seen as both a threat and opportunity, was central to elite perceptions of Indonesia's international place.

The idea of power as threat had its roots in the experience of 300 years of Dutch rule, Japanese occupation during the Second World War and the behavior of the USA, the Soviet Union and other European powers during the struggle for national independence and in the early decades of independent statehood. In the words of a former Indonesian ambassador to the USA and presidential adviser, these "bitter experiences with foreign powers prior to, during and after (the struggle for) independence" have left an indelible mark on Jakarta's policy elites. He notes "each of the major powers has at one time or another been engaged in hostile acts against the country" which was "bound to have an impact on the policymakers' perception of these powers".⁷⁷ An appreciation of the sensitivity of Indonesian elites to the presence and suspected hostile intentions of extra-regional great powers in Southeast Asia is an essential point to comprehend about Indonesia's international outlook. But the flipside of power as threat is its utility as a tool of the state. From the late 1950s, under Sukarno's Guided Democracy, Indonesia embarked on a program of building its own military capabilities to address an historic imbalance. This arms build-up allowed it to pursue its longstanding grievance over continued Dutch occupation of West New Guinea, to claim its status as a regional power and to protect the state from foreign incursion.

Indonesia's uses of alignment need to be seen in the context of these perceptions of power as both threat and opportunity. It reflects a deep vein of pragmatism in the conduct of foreign policy that was evident at the time the *bebas-aktif* policy was cast, but which is frequently neglected in portrayals of that policy. That pragmatism is seen in an apprehension of the practical outcomes of policy as opposed to its ideological purity. It is not to say decision-making was always objectively rational, free of risk-taking or lacking idealism. At times, policymaking could seem rash, grandiose or idealistic, as will be seen in several episodes recounted in the coming chapters. But foreign policy, and specifically

⁷⁷ Dino Patti Djalal, *The Geopolitics of Indonesia's Maritime Territorial Policy*, Jakarta: Centre for Strategic and International Studies (1996), p. 102. Dino Patti Djalal was Ambassador to Washington from 2010 to 2013.

alignment, served as valuable tool to further the interests and ambitions of individual policymakers and navigate the promise and peril of great power politics during the Cold War.

Still, in a divided polity, pragmatic politics often counselled caution. It is generally accepted that states seeking to enhance their security by military means have two options – they can either grow their armed forces or they can enter military alliance with a state or states who share the same security interests. Usually, states concerned about their security or seeking to pursue international ambitions will do both. Indonesia for the entire period of this study disavowed formal alliance. Indeed, actions that might implicate Indonesia in alliance with a foreign power fractured domestic politics and brought at least one government down. This did not mean Indonesian policymakers were willing to forsake all the benefits of cooperation with other states to enhance the country's security and pursue its international ambitions. Instead, it employed a range of strategies of collaboration or resistance designed to do just that.

How then can Indonesian alignment behavior be explained? According to common realist explanations, states adjust their alignments respond to either changes in the capabilities or the intentions of other states or a combination of both.⁷⁸ This is captured by the concepts of a balance of power and a balance of threat. But neither changing international structures of power nor the emergence of threatening intentions among sufficiently powerful states can consistently account for the alignment choices of Indonesia's policymakers during the period studied here. One of the main findings of this work is that the nature and scale of issues in an interstate dispute, and how they are perceived by policymakers, are essential to the analysis of alignment decisions. By incorporating assessments of the importance of the grievance to both parties and its susceptibility to resolution by force, whether military or economic, we get a better idea of what the stakes might be in a potential conflict and what range of options are available for the resolution of conflict. This is particularly relevant to a rules-based international order

⁷⁸ Kenneth Waltz argues this is true only in aggregate at the international system level. The behavior of individual states cannot be captured by such generalisations. See, Waltz, *Theory of International Politics*, pp. 121-122. But Walt's balance of threat approach also seeks to explain individual alliance decisions rather than alliance purely at the system level. See Walt, *Origins of Alliances*, pp. ix-x and 1-5.

when a territorial dispute might be settled by quasi-judicial processes rather than a resort to arms, which would implicate external alignments. Likelihood, criticality, vulnerability provide the ingredients of a classic political or security risk assessment. Rather than balancing power or threat, policymakers can be seen as balancing risk.

This places alignment by balancing or bandwagoning on the extreme ends of a continuum of behaviors that include a range of ‘smart’ strategies short of formal alliance that enhance security while preserving policy independence. The strength of alignment policies is determined by weighing the value attached to an objective at one end of the scale, which might be framed as the attainment of gain or avoidance of loss, and the prospect of sacrificing policy autonomy or inciting opposition to the state and regime at the other. The more decision makers value an objective, the more likely they are to prefer a hard alignment. The aim of avoiding losses would outweigh the aim of making gains. Indonesia appeared to exhibit this pattern of decision making over alignment in the 1950s and 1960s. It included a range of policies such as what has been termed here ‘competitive bargaining’ – playing rival powers off against each other to obtain benefits from both. The significance of these strategies is that they allowed Indonesia to maintain an official policy of neutrality or nonalignment while obtaining many of the benefits of alignment.

Risk management occurred simultaneously at the domestic and international levels.⁷⁹ At the domestic level, a fundamental goal was to preserve the image of independence for a domestic polity fiercely divided over the governing ideology of the state. It was axiomatic that alliance with either the West or the Communist bloc would tilt the domestic debate in favor of one ideological position or another. It meant actual alignment arrangements were frequently managed in secret to hide the truth of Indonesian policy from domestic audiences – ‘undisclosed alignment’ was one of the key ways of minimising risk. It also meant alignment in practice frequently shifted during the period studied here simply because there was a change of Prime Minister, of regime type, or President. It demonstrated that alignment served functions at both a strategic level for the state and a tactical level for rival political factions. It accentuated the difference between what political scientist Herbert Feith famously described as the “solidarity makers” and

⁷⁹ Levy, “Prospect Theory and International Relations”, p. 286.

“administrators” in Indonesian politics.⁸⁰ Politicians who wanted to strengthen their appeal could use the politics surrounding alignment choices as a domestic tool to excite popular fervor; economists, businessmen and soldiers would support alignment strategies as an international tool to gain access to foreign resources.

The ascendancy of Sukarno’s Guided Democracy regime offered one of the most powerful examples of regime type affecting alignment policy. Given a free hand in foreign policy, Sukarno effectively abandoned the *bebas-aktif* policy to embrace an increasingly close alignment with the Soviet Union. The access this provided to large quantities of modern weapons enabled Indonesia to pursue its territorial claim to West New Guinea. Later, Sukarno switched his attention to forging a de facto alliance with China as Confrontation against Malaysia deepened. It culminated in the declaration of a proposed “axis” with the People’s Republic of China and several other Asian countries.

Less dramatic, but no less pronounced, were shifts in alignment policy as governments rapidly rose and fell during the constitutional democracy period between 1950 and 1959. Often the consequence of intense competition between nationalists, Muslims and communists, alignment shifts promised both domestic advantage and partisan access to international resources.

At the international level, there was a separate set of calculations. An important rationale for neutrality and the *bebas-aktif* policy was to maintain policy autonomy. Policymakers did not want to be dragged into foreign conflicts – especially those driven by old-world rivalries – because of formal alliance commitments. It was a matter of pride for Indonesians after the predations of colonialism that sovereign independence should have its reflection in foreign policy. They desired influence, perhaps leadership, in the immediate strategic neighborhood and stature and prestige on the world stage. Formal alliance might have entailed subjugating these interests to the interests of a great power partner. But official neutrality presumably was viable only as long as Indonesia did not face either an existential threat or a threat to regime survival. Those extreme scenarios never arose, although US-sponsored internal rebellions in the 1950s might have threatened the regime had they gained momentum. This goes some way to explaining Indonesia’s

⁸⁰ Herbert Feith, *The Decline of Constitutional Democracy*, Ithaca, NY: Cornell University Press (1962), p. 25. A contemporary terminology might be “nationalists” and “technocrats”.

ability to maintain neutrality and the *bebas-aktif* policy. If neutrality and the assertion of policy independence helped to manage international and domestic tensions in the absence of a direct external threat, it could be assumed that Indonesia would have sought security in more overt alignment arrangements had an existential challenge actually arisen.

Indeed, there was ample evidence of the flexibility with which the *bebas-aktif* policy was imbued. Indonesia confronted a range of foreign policy challenges in the early post-independence period that touched on what it regarded as core, non-negotiable interests. Two in particular brought Indonesia into alignments that stretched the credibility of claims to either neutrality or independence in foreign policy. The first was the push to incorporate the last Dutch territory in the archipelago, West New Guinea, into the Republic of Indonesia. The second was the attempt to prevent the creation of the state of Malaysia, which eventually conflated with a broader agenda to oppose colonialism and imperialism. These diplomatic-military campaigns that Indonesia dubbed Confrontation brought it into increasing alignment with the Soviet Union in the first instance and China in the second. In the case of China, the alignment was so pronounced as to be an alliance in all but name.

In neither case could it be said that Indonesia was presented with a shift in the structure of regional power or an objective threat to its own security. The forces arrayed against Indonesia were too modest. And neither the Netherlands nor Britain could be accused of signalling overt aggression against Indonesia, although the relationships were far from good. It was, in fact, Indonesia's actions in backing its demands with threats and demonstrations of force on both occasions that resulted in escalation of the military posture on the other side.

The two episodes point to another driver of alignment that is not explained in an unambiguous way by treating threat in a strict security sense. As 'threat' was perceived in these instances, it was not so much objective physical threat as threat to state identity and international role. The failure of the mission Indonesia had set itself in the first decade after obtaining independence – territorial consolidation and eradication of colonialism on its periphery, among various others as we shall see – challenged the nation's status and idea of its place in the world. Indonesia's aspirations had created a new 'status quo' in which a decision to relinquish its claims to territory and regional influence would have

manifested as an acceptable loss of fundamental interests. Indonesia's determination to achieve what it saw as critical national objectives prompted it to turn to states that would help provide the means to accomplish them. But the choice of allies was controversial and risky. Deepening alignments with communist states constrained foreign policy choice, aggravated domestic tensions and jeopardised important relations with the West.

It follows that Indonesia's alignment strategies and their use to fulfil foreign policy goals over West New Guinea and Malaysia are better understood again as an elaborate calculation of risk. The risk of losing policy freedom, of prompting an external backlash that Indonesia might not be able to resist, and of provoking internal conflict over its choice of partners, had to be weighed against the risk of diminishing national stature and permitting foreign powers to dictate the post-colonial settlement of the immediate region. It was the perceived size of the loss if Indonesia did nothing that made the risk worth taking.⁸¹

In the West New Guinea case, acceptance of the status quo would have required Indonesia to sacrifice what it regarded as its basic rights as the sovereign successor to the Dutch East Indies. A similar logic applied to the formation of Malaysia. Indonesia believed the post-colonial settlement should be determined not in London, but in the region directly affected. It could not accept as the status quo a situation in which the will of European and other Western powers continued to prevail in Southeast Asia. Challenging this state of affairs via Confrontation or diplomatic stratagems like the creation of a new regional body of Malay states was viewed as necessary regardless of the growing consequences. The depth of the emotions involved resulted in Indonesia persisting with its campaign, and deepening an alignment with China, beyond a point that could be predicted by a rational cost-benefit calculation. It is better explained by the idea of sunk costs and an escalation of risk-taking in parallel with a rising expectation of losses, as predicted by prospect theory. The premise that decision makers are risk-seeking in the domain of losses also better explains Indonesian policy over West New Guinea.

⁸¹ This kind of risk calculation appears to accord with the expectations of prospect theory that states are risk acceptant in the face of sure losses, see Kahneman and Tversky, *op. cit.*, p. 263 and 268.

Thus, a theory of risk, in terms of both the framing of choice and the evaluation of choice, can help identify a broader range of impulses for alignment. It is able to account for decisions by states to use alignments to pursue their own aims rather seeing those decisions as solely a reaction to the state of the international system or the aims of a rival. It deals with another weakness of balance of power and threat approaches – that alignment decisions are essentially reactive. It suggests that alignment choice, seen purely as a function of threat perception, is likely to be a special case in which a clear and present danger exists to state sovereignty or regime survival.

Nonetheless, it leaves the question of how to determine what objectives a state will perceive as significant enough to require a change to alignment policy. In other words, how do policymakers decide what risks are worth taking?

The solution offered here suggests there is a limit to the viability of formulaic answers. Rather, it is necessary to seek clues in a detailed account of foreign policy history from domestic and international perspectives. The aim is to offer a rich account that includes disparate influences such as history, geography, international conditions, regime type, institutional arrangements, societal beliefs, and values and norms.⁸²

In examining how these factors bore on Indonesia's worldview, certain non-negotiable national interests emerge: first, assertion of territorial control over the territory of the Dutch East Indies, which was paramount to Indonesia's ideas of nationhood and transcended all political divides; second, consolidation of centralised political control over the archipelago or, in other words, the imposition of a shared national identity and resistance to separatism; third, prevention of interference in the conduct of internal affairs by foreign powers or the perceived agents of foreign powers; fourth, opposition to foreign bases, lodgements or enclaves on Indonesia's periphery that are used to launch territorial incursions, influence domestic affairs or constrain Indonesia's regional authority; fifth, promotion of national economic, social and political development free from foreign interference; and, sixth, recognition of Indonesia's status and rights within its immediate

⁸² The question of how policymakers frame or determine what changes in a state's circumstances represent a gain or a loss is considered to be an especially difficult component of a risk-based analysis. Levy notes this is difficult to predict because the process is influenced by "norms, habits, and expectancies of the decision maker". See, Levy, "Introduction to Prospect Theory", pp. 179-180.

region and the international system, including its ability to participate on at least equal terms with all other states. The domestic risks to Indonesian leaders of conceding any of these fundamental interests was likely to outweigh the international risks of resistance. The manipulation of alignment policy could allow Indonesia to proactively pursue those interests or to resist external challenge to them.

The combination of explanations at both the domestic and international levels of analysis in the Indonesia case shows there is no simple formula for predicting alignment behavior. Indonesian alignment was a complex story with multiple domestic and international factors influencing decisions at different times. It reinforces the value of the contingent application of methods of analysis, especially in the case of a single state.

In summary, the most common form of alignment behavior for Indonesia was the conduct of so-called ‘smart’ strategies that avoided explicit and formal security commitments. Indonesia eschewed overt “balancing” or “bandwagoning” strategies. This enabled it to maintain an official commitment to neutrality or nonalignment and the *bebas-aktif* policy. But when alignments were strengthened, as in the case of the campaigns over West New Guinea and Malaysia, the principal Indonesian motive was less a perception of changing power balances or emerging external threat than a desire to gain support for its own foreign policy ambitions. Indonesia did not face an existential threat in the years of formal statehood after the revolution. But there are indicators from the record that Indonesia would have been open to overt alliance in the event of such an extreme scenario. Indeed, Indonesia did move into de facto alliance with China towards the end of the Sukarno era amid growing isolation over its confrontation of Malaysia and its increasingly strident anti-colonialism, anti-imperialism agenda, which it shared with Beijing.

Unchallenged Doctrine: Literature on Indonesian Foreign Policy

In the writing on Indonesian foreign policy, neutrality or nonalignment and the *bebas-aktif* policy have been subject to little critical analysis. For the most part, they have been treated as either starting points for analysis or essential dimensions of its international identity. It has resulted in a lack of systematic examination by both scholars

and practitioners of the assumptions underlying the basic tenets of Indonesian foreign policy, why the *bebas-aktif* policy was formed, and how it survived as official guidance for decades beyond its birth. Interest has been largely satisfied by the general observation that it identified where Indonesia stood internationally and “was intended to mitigate domestic rivalry among competing elites”.⁸³

Franklin B. Weinstein reflected the mentality of Indonesian political elites when he referred to the *bebas-aktif* principles as the “unchallengeable doctrinal basis of Indonesian foreign policy”.⁸⁴ Weinstein noted this might have been due to the fact what was meant by neutrality “proved amenable to frequent redefinition”, but he found a common thread to all the definitions of *bebas* and *aktif*. It was that they reflected the “basic assumptions of a hostile world view”.⁸⁵ Weinstein, who carried out an extensive survey of elite opinion, argued the preference for neutrality or nonalignment was heavily influenced by a distrust of foreign powers – the threat came not just from enemies; allies too evoked the danger of domination.

But, in general, the major works on Indonesian foreign policy have looked to the role of domestic political competition in defining state preferences and interests. The origin of neutrality and the *bebas-aktif* policy was seen to lie in the contest between secular nationalists, Muslims and communists during the revolution against Dutch rule. The assumption is that domestic political dynamics sustained it through various regimes and changing international conditions. Typical of this analysis is an observation by Michael Leifer, the author of the most influential study on the topic, that Indonesia’s circumstances in the first few decades after independence meant foreign policy had to be “tailored to domestic requirements”.⁸⁶ This analytical bias is common to the majority of seminal works. In his study of the Sino-Indonesian relationship, Rizal Sukma argues the history of the troubled relationship between Jakarta and Beijing illustrates the “primacy of

⁸³ Rizal Sukma, “Indonesia’s *bebas-aktif* foreign policy and the ‘security agreement’ with Australia, *Australian Journal of International Affairs*, No. 51, Vol. 2 (2008), p. 232.

⁸⁴ Weinstein, *Indonesian Foreign Policy*, p. 161. Weinstein devoted a chapter to exploring the meaning of an independent foreign policy. See *ibid.*, pp. 161-205.

⁸⁵ *Ibid.*, p. 161.

⁸⁶ *Ibid.*, p. 27.

Indonesia's domestic politics in foreign policy making".⁸⁷ Others like Jon M. Reinhardt have looked for deeper currents by exploring the pre-independence experience to find historical and cultural antecedents to Indonesian foreign policy behavior. He assesses Indonesian neutrality and nonalignment in the context of its "anticolonial confrontation".⁸⁸

But the work in the vein of domestic causes generally has been implicitly rather than explicitly theoretical, derived inductively from historical analysis. Some authors have explicitly rejected theory in favor of a "checklist of items", which privilege domestic influences, including political culture and leadership.⁸⁹ Others have focused on various dimensions of the domestic environment, arguing explanations for Indonesia's international behavior can be found in the idiosyncrasies of leaders, domestic structures, political competition and contending national identities.⁹⁰

The emphasis on the domestic origins of policy arguably has created a lopsided literature in which the significance of the interplay between domestic and international forces is underestimated. This is likely to bias work in favor of either finding continuity in foreign policy or attributing disruption only to domestic events. It ignores the scenario in which external shocks might have a profound influence on the course of foreign policy. This work aims to address that bias by modelling Indonesia's alignment behavior as a function of the dynamic interplay of both domestic and international variables.

Another gap in the literature is that the focus on domestic drivers has tended to overlook the phenomenon of Indonesia as an international actor. Instead, it favors description and analysis of episodes of domestic contention over ideologically 'correct'

⁸⁷ Rizal Sukma, *Indonesia and China: The Politics of a Troubled Relationship*, London: Routledge (1999), p. ix.

⁸⁸ Jon M. Reinhardt, *Foreign Policy and National Integration: The Case of Indonesia*, Monograph Series No. 17, Yale University Southeast Asian Studies, (1971), p. 74.

⁸⁹ Leo Suryadinata, *Indonesia's Foreign Policy Under Suharto: Aspiring to International Leadership*, Singapore: Times Academic Press (1996), p. 1. Suryadinata takes the view that theory is of little use in studying Indonesian foreign policy because it is presumed to be a special case beyond the scope of theory.

⁹⁰ Examples of studies with a domestic emphasis include H. Warshawsky, "From Confrontation to Cooperation: The Influence of Domestic Forces on Indonesian Foreign Policy, PhD thesis, University of Virginia (1974), Gordon Robert Hein, "Soeharto's Foreign Policy: Second Generation Nationalism in Indonesia", PhD thesis, University of California, Berkeley (1986), and J.H. Sullivan, "The United States and the 'New Order' in Indonesia", PhD thesis, The American University (1969).

foreign policy positions. There have been far fewer works that examine how Indonesia interacts with, and affects, other states. This might be in part because Indonesia adopted a low international profile after the high drama of the Sukarno years. As Gordon Hein notes: “Indonesia itself made a conscious decision at the start of the New Order to reduce its foreign policy role significantly, as it devoted priority attention to the more immediate goals of domestic political stabilisation and economic recovery and development.”⁹¹ The foreign policy reserve of the Suharto years possibly contributed to reduced interest in historical survey of the topic in the Sukarno years. General political works on the Sukarno years do pay attention to foreign policy, but the emphasis is overwhelmingly on the consequences for domestic political dynamics.⁹²

Despite the absence of major theoretical treatments that combine analysis at the international and domestic levels, Weinstein, who wrote on the foreign policies of the Sukarno and early Suharto regimes, and Leifer, who wrote the major published narrative account of Indonesian foreign policy from independence up to the point of the middle New Order, did pioneer some important thematic ideas that informed the work of subsequent generations of students and analysts. Weinstein introduced the idea of an essential paradox in the Indonesian worldview: He recognised a “sense of weakness that prevails in Indonesia” coupled with an elite opinion that “their country is the natural leader of Southeast Asia”.⁹³ Weinstein focused his work on the relationship between underdevelopment and foreign policy, exposing a central dilemma between the aspiration for Indonesians to be in command of their own affairs and the reality it was mendicant, depending on foreign aid, investment and expertise.⁹⁴

⁹¹ Hein, op. cit., p. 1.

⁹² Feith devotes several passages to foreign policy in the constitutional democracy period. See, *The Decline of Constitutional Democracy*, pp. 155-165, pp. 192-206, pp. 384-394, 450-461, pp. 507-520. George McTurnan Kahin, *Nationalism and Revolution in Indonesia*, Ithaca, NY: Cornell University Press (1952[2003]) describes the significance of foreign policy to the independence struggle for independence. Other examples include Arnold C. Brackman, *Indonesian Communism: A History*, New York: Praeger (1963) and *The Communist Collapse in Indonesia*, New York: W.W. Norton (1969), Rex Mortimer, *Indonesian Communism Under Sukarno: Ideology and Politics 1959-1965*, Singapore: Equinox (1974[2006]) and Ulf Sundhaussen, *The Road to Power: Indonesian Military Politics 1945-1967*, Oxford University Press (1982).

⁹³ Weinstein, *Indonesian Foreign Policy*, p. 27.

⁹⁴ Ibid.

Later, Leifer further refined the notion that Indonesian foreign policy was born with contradictory impulses. After winning independence, the new state enjoyed a sense of confidence or conviction, but was also prone to diffidence. The struggle for independence exposed the “weakness and vulnerability” of the state and “an apprehension of external powers”. On the other hand, its leaders and political class felt a “proprietary attitude” towards the region, a conviction “Indonesia was entitled to play a leading role in the management of the regional order within Southeast Asia”.⁹⁵

Of specific relevance to this work, there has been little analysis of Indonesia’s pattern of alignment and how it relates to the status of the *bebas-aktif* policy on either a theoretical or empirical basis. The closest in spirit to the current work are Juwono Sudarsono’s study of “de facto alliance” between Indonesia and the USA under Suharto and Bilveer Singh’s study of Soviet-Indonesian relations from the time of the Russian revolution until the early Suharto years.⁹⁶ Sukma studied the Sino-Indonesian relationship, but the focus was on the New Order period.⁹⁷ These works do not examine in detail the origins of Indonesia’s attitudes to alignment and the *bebas-aktif* policy; they also are limited to the relationship with one state. An extensive review of the literature fails to turn up any major work that has the explicit purpose of analysing Indonesian alignment behavior from its origins and placing it the context of the competition for influence between the great powers.⁹⁸ Yet it is almost axiomatic that alignment is best understood in terms of great power competition. Discussion of alignment behavior is

⁹⁵ Leifer, Michael, *Indonesia’s Foreign Policy*, London: Allen and Unwin (1983), p. xiv.

⁹⁶ Juwono Sudarsono, “Indonesia and the United States, 1966-1975: An Inquiry into a De Facto Alliance Relationship”, PhD thesis, London School of Economics and Political Science (1979). Bilveer Singh, *Bear and Garuda: Soviet-Indonesian Relations from Lenin to Gorbachev*, Yogyakarta: Gadjah Mada University (1994).

⁹⁷ He devotes a chapter to the relationship between 1950 and 1967. Sukma, *Indonesia and China*, pp. 16-43. For an Indonesian language works on the relationship with China under Guided Democracy see, Muliadi, L., *Peranan Republik Rakyat Cina Pada Masa Demokrasi Terpimpin Dalam Politik Indonesia (1959-1965)*, Makassar: FEIS UNM (2003) and Soyomukti, Nurani, *Soekarno & Cina*, Jogjakarta: Garasi, (2012).

⁹⁸ Daniel Novotny offers a contemporary analysis of competition for influence in Indonesia between the USA and China using the elite survey methodology employed by Weinstein. See, *Torn between America and China: Elite Perceptions and Indonesian Foreign Policy*, Singapore: ISEAS Publishing (2010).

touched on in several other book-length works, but it is in the context of the relevance of alignment to other themes of study or specific episodes.⁹⁹

On a purely historical level, the account of Indonesian foreign policy during the two decades of great upheaval after the declaration of independence could arguably benefit from some refreshing. There has been a paucity of writing in general on Indonesian foreign policy and the best general histories were produced some time ago.¹⁰⁰ Certain historical records, unavailable at the time, have since become available. In the

⁹⁹ Good examples of this are Jamie Mackie, *Konfrontasi: The Indonesia-Malaysia Dispute 1963-1966*, Kuala Lumpur: Oxford University Press (1974), F. Weinstein, “The Uses of Foreign Policy in Indonesia”, PhD thesis, Cornell University (1972), Audrey R. Kahin and George McT. Kahin, *Subversion as Foreign Policy: The Secret Eisenhower and Dulles Debacle in Indonesia*, University of Washington Press (1995), Ken Conboy and James Morrison, *Feet to the Fire: CIA Covert Operations in Indonesia 1957-1958*, Annapolis, MD: Naval Institute Press (1999) Saprida, *Politik Luar Negeri Amerika Serikat Terhadap Indonesia (1945-1966)*, Makassar: FEIS UNM (2005) and H. Warshawsky, op. cit.

¹⁰⁰ There are three broad categories of foreign policy history: general studies, thematic studies and memoirs. The most influential general studies are Anak Agung Gde Agung, *Twenty Years of Indonesian Foreign Policy, 1945-1965*, The Hague: Mouton & Co., (1973), Hasnia, *Pelaksanaan Politik Luar Negeri Indonesia Pada Masa Demokrasi Terpimpin*, Ujung Pandang FPIPS IKIP (1995), Sulfachriadi, *Politik Luar Negeri Indonesia Pada Masa Pemerintahan Soekarno (1949-1966)*, Makassar: Fakultas Ilmu Sosial, Universitas Makassar (2015) and Leifer, op. cit. Examples of other general studies include Eduard Quiko, “The Role of Foreign Minister Subandrio in Indonesian Politics: An Analysis of Selected Indonesian Foreign Policies, 1957-1965”, PhD thesis, Southern Illinois University (1970) and Suryadinata, op. cit., which includes some discussion on the pre-Suharto years. Thematic studies are too numerous to list here, but examples are David Mazingo, *Chinese Policy Toward Indonesia 1949-1967*, Singapore: Equinox (2007[1976]), Hong Liu, *China and the Shaping of Indonesia, 1949-1965*, Singapore: NUS Press (2011), Larisa M. Efimova, *Stalin and Indonesia: Soviet Policy towards Indonesia, 1945-1953*, Moscow State Institute of International Relations (2004), Rizal Sukma, *Islam in Indonesian Foreign Policy*, London: RoutledgeCurzon (2003), Bradley R. Simpson, *Economists with Guns: Authoritarian Development and US-Indonesian Relations 1960-1968*, Stanford University Press (2008), Paul F. Gardner, *Shared Hopes, Separate Fears: Fifty Years of U.S.-Indonesia Relations*, Boulder, Col: Westview Press (1997) and Efantino, F. dan Arifin SN, *Ganyang Malaysia*, Yogyakarta: Bio Pustaka (2009). Several influential memoirs have been written by former US ambassadors Howard Jones, *Indonesia: The Possible Dream*, New York: Harcourt Brace Jovanovich (1971), John M. Allison, *Ambassador from the Prairie; or, Allison Wonderland*, Boston: Houghton Mifflin (1973), and Marshall Green, *Indonesia: Crisis and Transformation 1965-1968*, Washington DC: Compass Press (1990). Some retired Indonesian diplomats have contributed to the stock of memoirs, although by and large these tend to be narrow and somewhat self-serving accounts. See Ganis Harsono, *Recollections of an Indonesian Diplomat in the Sukarno Era*, Brisbane: University of Queensland Press (1985), Hatta, Mohammad, *Demokrasi Kita, Bebas Aktif, Ekonomi Masa Depan*. Jakarta: Penerbit Universitas Indonesia (1992), Adam Malik, *In the Service of the Republic*, Jakarta: Gunung Agung (1980) and J.B.P. Maramis, *A Journey Into Diplomacy: Memoirs of an Indonesian Diplomat*, Jakarta: Pustaka Sinar Harapan (1995).

course of this research, it has become apparent that some standard historical accounts need to be reassessed, including the commonly accepted understanding of the origins of the *bebas-aktif* policy itself. Several other key historical episodes have either escaped the notice of previous writers or have been misinterpreted because of the absence of sufficient evidence at the time.

Research Design

Defining Cooperation: Alignment and Alliance

In the broadest sense, this thesis aims to explain Indonesian foreign policy in the first two decades after it declared independence. The term foreign policy is used here to describe the full range of diplomatic, economic, cultural and military tools a state uses to pursue its national interests.¹⁰¹ But the specific behavior being analysed relates only to those aspects of foreign policy that implicate alignment. The focus on alignment, in turn, brings in a dimension of foreign policy referred to as “grand strategy”, or the actions a state takes so that “it can ‘cause’ security for itself”.¹⁰² It follows that particular weight is usually placed on military power in any discussion of alignment. The use or the threat of the use of force in international relations or “how the instruments of force influence relations between states” is also the realm of strategy or strategic studies.¹⁰³ When the term foreign policy is used here it relates to the application of all the tools of state or the widest level of interaction between states; references to strategy or the strategic dimension of foreign policy relate to the use of military power, perhaps in conjunction with other

¹⁰¹ A more technical definition is that it is the “sum of official external relations conducted by an independent actor (usually a state) in international relations”. Christopher Hill, *The Changing Politics of Foreign Policy*, Basingstoke, UK: Palgrave Macmillan (2003), p. 3.

¹⁰² Walt, *Origins of Alliances*, p. 2.

¹⁰³ Craig A. Snyder, “Contemporary Security and Strategy”, in Craig A. Snyder (ed.), *Contemporary Security and Strategy*, Basingstoke, UK: Palgrave Macmillan (1999), p. 3.

tools, to allow states to “gain their political objectives”.¹⁰⁴ A reference to an event or geography as “strategic” is a reference to its significance in the narrow military sense.

But this common emphasis on the role military power in creating security means that alliances rather than alignments have tended to be the topic of most interest to writers in the field. One of the shortcomings of a focus on alliance is that it fails to capture the full array of state behaviors aimed at enhancing security. Given the centrality of the terms alliance and alignment to this study, it is important to provide clear definitions of what they mean. Alliances are agreements between states primarily designed to enhance mutual security. They are “formalised by an explicit agreement, usually in the form of a treaty”.¹⁰⁵ Among the features of alliances is that they contain a “degree of specificity, legal and moral obligation and reciprocity”.¹⁰⁶ The sense of obligation that comes with an alliance is underscored by two qualities – first, they are legal documents that often undergo some process of ratification, which can involve parliaments and the public, and, second, they also usually are invested with considerable ceremony and the imprimatur of leaders.¹⁰⁷ This does not mean alliances cannot be disavowed or abrogated. But it offers a degree of surety to the parties.

Alignments lack this precision. One important distinction is that they shift the focus of analysis away from the purely instrumental to the behavioral. Alignments are not characterised by formal treaties, “but [are] delineated by a variety of behavioral actions”.¹⁰⁸ In consequence, there are “degrees of alignments in political, economic, military and cultural spheres” that lead to a “multifaceted sculpture of national and supranational postures”.¹⁰⁹ Alliances, therefore, are “simply one of the *behavioral* means to create or strengthen alignments.”¹¹⁰ The behavioral dimension is captured by the general

¹⁰⁴ Ibid. For example, Indonesia’s use of Confrontation in the 1960s could be termed a strategic policy because it employed military, diplomatic and economic tools in concert.

¹⁰⁵ Snyder, *Alliance Politics*, p. 8.

¹⁰⁶ Ibid.

¹⁰⁷ Ibid., pp. 8-9.

¹⁰⁸ Michael D. Ward, *Research Gaps in Alliance Dynamics*, University of Denver (1982), p. 7.

¹⁰⁹ Ibid.

¹¹⁰ Snyder, *Alliance Politics*, p. 8. Emphasis added.

definition, repeated here, that alignment can be “*defined as expectations of states about whether they will be supported or opposed by other states in future interactions*”.¹¹¹

Previous attempts to develop a taxonomy of “alignment archetypes” have classified them instrumentally – alliance, coalition, security community, strategic partnership, and sundry others.¹¹² But an analytical emphasis on instruments fails to capture the full range of behaviors that represent alignment. Nonalignment, for example, is a conscious decision that represents an alignment choice too. More generally, this thesis has noted a range of smart strategies in the alignment literature that meet the conditions of a behavioral definition of alignment, but not necessarily an instrumental definition.

Theory in the main has failed to describe the conditions under which alignment behavior shifts beyond suggesting power or threat induce states to do one of two things – bandwagon with the state or states of relevance or balance against them. As described above, balance of risk is an attempt to provide an explanation for the wider range of behaviors observed in the Indonesian case. Seeing alignment as a behavioral rather than an instrumental phenomenon is central to the accommodation of a much wider range of alignment policies and outcomes. From the perspective of a work on Indonesia’s patterns of cooperation or non-cooperation with the great powers, a focus on alliance as opposed to alignment would be too narrow. Indonesia eschewed formal security pacts. But, as will be argued, it did not eschew the manipulation of international relationships, or alignments, to enhance its security.

Methodological Issues:

The use of a narrative case study lends itself to the technique Alexander George termed “process tracing”.¹¹³ It is an approach “closely analogous to traditional historical

¹¹¹ Ibid., p. 6. Emphasis added.

¹¹² Wilkins, “‘*Alignment*’, not ‘*alliance*’”, pp. 59-72.

¹¹³ Alexander L. George, “Case Studies and Theory Development: The Method of Structured, Focused Comparison”, in Paul Gordon Lauren (ed.) *Diplomacy: New Approaches in History, Theory and Policy*, New York: Free Press, (1979), pp. 43-68.

methods” and to “methods of developing and testing explanations of individual cases”.¹¹⁴ It marries analytical concepts of political science with empirical study of history, seeking to link observed political and social phenomena to their presumed causes via historical description.

Process tracing draws attention to the underlying mechanisms at work in producing political outcomes. As a result, it requires historical accounts that are detailed, selective and episodic. In the words of David Collier, process tracing “focuses on the unfolding of events or situations *over time*” but needs to be able to “adequately describe an event or situation *at one point in time*”. This requires “taking good snapshots at a series of specific moments”.¹¹⁵ Charles Tilly and Sidney Tarrow argue longer streams of events can be chopped up “into segments for the purposes of systematic observation, comparison, and explanation”.¹¹⁶

It does not mean process tracing is limited to occasions where decision making can be minutely described by reference to contemporary records. George and Bennett argue process tracing can support an account “at a higher level of generality and abstraction”. This allows it to be applied to “the explanation of macro-phenomena” as well as the “individual decision-making level of analysis”.¹¹⁷ The ability to apply process tracing to the development of both macro and micro accounts is one of its strengths. It provides a consistent way to examine the mechanisms at work in individual episodes of crisis or routine decision-making and in the pattern of state behavior over time.

Still, data requirements for effective process tracing can be onerous. Bennett and George emphasise that its effectiveness in providing causal inference depends on establishing “an uninterrupted causal path linking the putative causes to the observed effects”.¹¹⁸ This is particularly difficult in the case of Indonesia. Contemporary

¹¹⁴ Andrew Bennett and Colin Elman, “Case Study Methods”, in Reus-Smit and Snidal eds., *The Oxford Handbook of International Relations*, Oxford University Press, (2008), p. 504.

¹¹⁵ David Collier, “Understanding Process Tracing”, *Political Science and Politics*, Vol. 44, No. 4 (2011), p. 824.

¹¹⁶ Charles Tilly and Sidney Tarrow, *Contentious Politics*, Boulder, CO: Paradigm Publishers (2007), p. 27.

¹¹⁷ Alexander L. George and Andrew Bennett, *Case Studies and Theory Development in the Social Sciences*, Cambridge, Mass: MIT Press (2005), pp. 211-212.

¹¹⁸ *Ibid.*, p. 222.

documentary sources are scarce and notoriously unreliable. Reading the historical record necessarily calls on a degree of judgment built on familiarity with the subject. But poverty of data can limit the strength of conclusions and this has to be borne in mind when conducting research in Indonesia, especially on a topic where many important decisions were necessarily discussed and made in confidence.

For this reason, it is necessary to draw on as wide a range of sources as possible, placing particular emphasis on primary source material or accounts derived from it. This includes official archives and records, policy documents, speeches, and accounts by insiders or contemporary observers in articles and memoirs. In many instances, archival records and confidential accounts of meetings are available. The most abundant source of this material comes from US sources. Some valuable Soviet and Chinese foreign policy documents have become available through independent research projects in Moscow and Beijing. The large volume of material that has been declassified in recent years has been especially valuable. These records make up for the paucity of Indonesian records by conveying the private views Indonesian policymakers expressed at the time to their foreign counterparts. The historical time frame means preference has been given to interviews carried out closer to the time of events as part of oral history projects. The events are too long passed and the surviving senior policymakers too few to make contemporary interviews of value.

There are several limitations and difficulties to the approach adopted here. There are restrictions on the extent to which generalisations can be drawn from a single case study. The best that can be suggested of conclusions is that they represent a special or contingent case. But a single case does somewhat compensate by allowing for much greater detail.¹¹⁹ It also remains difficult to measure variation in alignment. Because alignments are not always accompanied by written agreements it is necessary to draw

¹¹⁹ Stephen Van Evera argues the tests of predictions in a single case are often strong because of the greater detail permitted by in depth case documentation and the unique circumstances to which they apply. ¹¹⁹ Stephen Van Evera, *Guide to Methods for Students of Political Science*, Ithaca, NY: Cornell University Press (1997), p. 54. Harry Eckstein, single case studies are most useful when it comes to testing theories of “macro political phenomena” or “units of political study of considerable magnitude or complexity such as nation states and subjects virtually coterminous with them (party systems or political cultures)”. See, *Regarding Politics: Essays on Political Theory, Stability and Change*, Berkeley, CA: University of California Press (1992), pp. 119-120.

judgments from the sum of interactions rather than a specific instrument. This requires a careful reading of the public and private evidence of the intentions of policymakers. It is harder still to separate individual factors bearing on alignment decisions when multiple intersecting influences might be at work. The depth of detail permitted by the use of single case can help distinguish the preponderance of influences, but it will still leave room for debate. Wendt argues the problem of accounting for numerous, unobservable mechanisms can be addressed by asking whether it is “*reasonable* to infer the existence” of a phenomenon. This requires the researcher to make an “inference to the best explanation”.¹²⁰ Still, any conclusions arising from the Indonesia case need to be seen as contingent on its particular circumstances.

Chapter Outline:

This study consists of two parts. The first part covers the period of constitutional democracy in Indonesia and the second part the period of Guided Democracy.

Part One of the theses starts with an overview in Chapter Two of the international and domestic context in which foreign policy was set under constitutional democracy. Chapter Three covers the revolutionary years and the foundations of Indonesian foreign policy; Chapter Four the early constitutional democracy period; Chapter Five the late constitutional democracy period and US-sponsored regional rebellions against Jakarta.

Part Two of the thesis will start with an overview of the international and domestic context of the Guided Democracy period in Chapter Six, which includes the US entry into the Vietnam war and the growth in rivalry between the great powers. Chapter Seven covers the early Guided Democracy up until the start of Confrontation; Chapter Eight the Indonesian campaign to wrest control of West New Guinea; Chapter Nine the Confrontation against Malaysia, Sukarno’s downfall, and the start of the transition to Suharto’s New Order. Each of the case study chapters will conclude with an analysis of Indonesia’s patterns of alignment and an assessment of the main drivers of alignment.

¹²⁰ Alexander Wendt, *Social Theory of International Politics*, Cambridge, UK: Cambridge University Press (1999): 62.

The two main periods of the case study reflect a division between the types of government – an early experiment in democracy and the later adoption of an authoritarian system. But the two periods also reflect a change in the orientation of alignments and the way decisions about alignments were made.

Chapter Ten will draw the conclusions of the study and assess the causes of Indonesian alignment and the persistence of the *bebas-aktif* policy. It will analyse the efficacy of the proposed balance of risk model against balance of power and balance of threat. It will then present the potential relevance of these findings for understanding patterns in Indonesian foreign relations, particularly with the great powers, and for future scholarship on its foreign policy.

PART ONE

**THE FOREIGN POLICY OF THE REVOLUTION
AND CONSTITUTIONAL DEMOCRACY**

CHAPTER TWO

Revolution and Democracy: The International and Domestic Context of Foreign Policy 1945-1958

The end of the Second World War created the conditions for Indonesia to escape three-and-a-half centuries of foreign occupation. But it would require a four-year revolution that cost tens of thousands of Indonesian lives and thousands of Dutch lives before Indonesia could secure its independence.¹ While the revolution and subsequent attempts to establish an independent state bound Indonesians in a shared mission, they also exposed domestic fault lines. Disputes over the system of government and ideological complexion of the state would have enormous ramifications for foreign policy. Perhaps a more profound influence on foreign policy was an equally divisive international environment. The descent into Cold War, dividing the world into US-led capitalist and Soviet-led communist blocs, set the outlines of a foreign policy dilemma. Even before they had won independence, Indonesians would have to make a fateful decision on whether to take sides. The choice would require the leaders of the fledgling Republic of Indonesia to balance domestic sensitivities with the reality that they would need international support to first prevent the reimposition of Dutch colonial rule and second establish a viable successor state.

This chapter describes the general international and domestic conditions Indonesia faced in the years from 1945 until 1958. It will cover the years of revolution, the founding of the state as a constitutional democracy, and events leading to the shift to Guided Democracy. It will provide the necessary context for understanding the pressures politicians faced on both levels as they attempted to chart a course for foreign policy and manage the perils of alignment.

¹ The loss of life during the revolution, especially on the Indonesian side, is difficult to estimate. As many as 100,000 combatants might have been killed. The civilian toll is believed to have reached between 25,000 and 100,000. The number of Dutch military dead is more accurately put at 5000. See, Anthony Reid, *The Indonesian National Revolution, 1945-1950*, Melbourne.: Longman (1974), p. 58 and pp. 119-120.

Enter the Cold War

The Opening Phases, 1945-1949

In a speech on 6 March 1946 in the small Missouri town of Fulton, wartime British prime minister Winston Churchill, then out of office, warned of an “Iron Curtain” descending across Central Europe dividing the continent into communist and non-communist blocs.² Several events in the ensuing three years – the christening of the emerging conflict as the Cold War in April 1947, the Soviet blockade of Berlin in June 1948, the formation of the North Atlantic Treaty Organisation (NATO) in April 1949, and the detonation of the first Soviet nuclear weapon in August 1949 – would make that description prophetic.³

Although the main arena for conflict was Europe, East Asia too quickly became of increasing importance to the global struggle. The Second World War had shattered the image of invincibility that had shrouded the European colonial powers, breathing new life into old nationalist ambitions. The Germans had overrun the metropolitan centres of the French, Dutch and Belgian empires in Europe; the Japanese had defeated and imprisoned the colonial overseers of the British, French, Dutch and even Americans in Asia. The inexorable process of decolonisation unleashed by the war’s end, as former subject peoples resisted the reimposition of the pre-war order, was bound to draw in the USA and Soviet Union, the main Cold War protagonists. The superiority of power that European colonial powers still exercised in comparison to the ill-equipped forces of revolution, even after the devastation of the war, meant nationalists would look to one or both of the dominant global powers for relief. In the flush of allied victory, the USA and the Soviet Union still espoused ideologies of liberation and anti-imperialism.

High-minded ideology was one thing; the power calculus of the Cold War was another. While the USA and Soviet Union rejected imperialism rhetorically, neither wanted to see liberation from colonialism come at the cost of ceding a relative advantage to the opposing side. The US diplomat, George Kennan, in a famous “Long Telegram” sent from Moscow in February 1946, foresaw the coming struggle for influence in the colonial world. He warned Washington:

² Roy Jenkins, *Churchill: A Biography*, New York: Plume (2001), pp. 810-813.

³ For a comprehensive account of the Cold War’s origins from a US perspective, see John Lewis Gaddis, *The United States and the Origins of the Cold War*, New York: Columbia University Press (1972).

On [an] unofficial plane particularly violent efforts will be made to weaken [the] power and influence of Western Powers [on] colonial backward, or dependent peoples. On this level, no holds will be barred. Mistakes and weaknesses of western colonial administration will be mercilessly exposed and exploited. Liberal opinion in Western countries will be mobilized to weaken colonial policies. Resentment among dependent peoples will be stimulated. And while [the] latter are being encouraged to seek independence of Western Powers, Soviet dominated puppet political machines will be undergoing preparation to take over domestic power in respective colonial areas when independence is achieved.⁴

The broad thrust of Kennan's analysis – that a winner-take-all contest was brewing with the Soviet Union and needed to be challenged on multiple fronts – proved enormously influential in determining US Cold War policy. Less well known is the Soviet reply to Kennan – both Joseph Stalin, general secretary of the Communist Party of the Soviet Union (CPSU) and Vyacheslav Molotov, the Soviet foreign minister, were among the readers of the supposedly top-secret Kennan telegram. An assessment of US strategic ambitions sent in September 1946 by the Soviet ambassador to Washington, Nicolai Novikov, argued a strategy of dividing East Asia between the USA and Britain was already evident in Indonesia where “the United States facilitated this British imperialist policy, handing over American weapons and equipment to the English and Dutch troops in Indonesia” and helping the deployment back to Indonesia of Dutch naval personnel from the United States.⁵

Fears that colonised and decolonising countries would become early battlegrounds in the Cold War grew out of a mix of great power policy and of events on the ground. In early 1946, the Netherlands had taken advantage of the cover of British occupation to return troops to Indonesia. The French followed suit with the official outbreak of the first Indochina War in December against the Viet Minh (the League for the Independence of Vietnam). British, French and Dutch attempts to resume authority over pre-war colonies in Southeast Asia lost to the Japanese presented the USA with a dilemma. It contradicted America's publicly-stated principles. In March 1947, in response to the Greek civil war and Britain's withdrawal from

⁴ The Chargé in the Soviet Union (Kennan) to the Secretary of State, *FRUS, Vol. VI, 1946*, document 475.

⁵ The full text of the Novikov telegram is printed in Kenneth M. Jensen (Ed.), *Origins of the Cold War: Novikov, Kennan, and Roberts Long Telegrams of 1946*, Washington: United States of Institute of Peace Press (1993).

that theatre, President Harry S. Truman had pledged a new doctrine to “support free people who are resisting attempted subjugation by armed minorities or outside pressures”.⁶ But the re-occupation of colonial possessions increasingly became seen as a necessary bulwark against communist takeover and an indispensable foundation for responsible (pro-Western) statehood.

The launch of the Truman Doctrine had followed the grant of independence to America’s Pacific colony, the Philippines, in July 1946. Yet, elsewhere in Asia, as Secretary of State, George Marshall, admitted, the USA was “in the same boat” as the European colonial powers. In a telegram to several Asian ambassadors, he wrote:

Following [the] relaxation [of] European controls, internal racial, religious, and national differences could plunge new nations into violent discord, or already apparent anti-Western Pan-Asiatic tendencies could become [the] dominant political force, or communists could capture control. We consider as best safeguard against these eventualities a continued close association between newly autonomous peoples and powers which have long been responsible [for] their welfare.⁷

These were prescient, but fraught observations. US fears of the regional encroachment of communism would grow in tandem with the success of communist movements in Vietnam and China. At the end of a bitter civil war, the Chinese Communist Party (CCP) would seize power in October 1949. The idea that China had been “lost” to the USA would haunt American policymakers for decades to come.

Elsewhere in the developing world, the Soviet Union perceived an opportunity to force the USA to choose between its European allies and the movements for decolonisation. This was manifest in the official Soviet policy of dividing the world into “two camps” – a progressive one headed by the Soviet Union and an imperialist one headed by the USA. The influential CPSU secretary for ideological affairs, A.A. Zhdanov, in enunciating this policy in Poland on 22 September 1947 specifically mentioned Indonesia and Vietnam. One consequence of the two-camp doctrine was to relegate for a time the idea of creating united fronts against imperialism embracing national bourgeoisie, workers and the peasantry in the

⁶ Special Message to the Congress on Greece and Turkey: The Truman Doctrine, 12 March 1947, *The American Presidency Project*, University of California Santa Barbara, accessed at <http://www.presidency.ucsb.edu/ws/?pid=12846>.

⁷ Telegram George Marshall, 13 May 1947, *Pentagon Papers, Justification of the War, The Truman Administration Book I, 1945-1949*, Washington DC: NARA. p. 100.

decolonising states.⁸ Instead, national communists and left-wing sympathisers were directed to take charge of liberation movements. Another consequence was to encourage the resort to violence. The targets were not just the colonial powers, but ‘bourgeois’ nationalists who were leading independence revolutions.

Containment in Action in Southeast Asia, 1950-1958

By the start of the new decade, as the lines of hostility hardened across Europe, Asia became the feared battleground for the Cold War rivalry. In June 1950, North Korea invaded South Korea. In November, communist Chinese forces entered the conflict on the side of the North. On the orders of Stalin, Soviet pilots secretly started flying combat sorties under Chinese and North Korean markings.⁹ US-led forces of the United Nations, fighting to defend South Korea, would face the first serious armed test against the communist powers. Elsewhere in Asia, the atmosphere of crisis grew as the remnants of the nationalist Kuomintang forces fled communist-controlled China to Taiwan and to northern Burma, from where they conducted periodic incursions back into the mainland. Indigenous communist movements rose across Southeast Asia, especially in Indochina, stoking fears that communism was on the march in the region.

But even before the Cold War took on the menacing complexion of the 1950s, the USA was envisaging strategies to confront the global challenge posed by its new post-war enemy. In 1947, Kennan, writing anonymously in the journal *Foreign Affairs*, christened a policy that would become the cornerstone of American efforts to defend the “free world” from feared communist expansion. “Containment”, or the “adroit and vigilant application of counter-force at a series of constantly shifting geographical and political points, corresponding to shifts and manoeuvres of Soviet policy”, would endure for decades, but at a price.¹⁰ It would cast US policy in Manichean terms, evoking deep suspicion of regimes that appeared to vacillate in the face of Washington’s absolutism.

⁸ R.A. Longmire, *Soviet Relations with South-East Asia*, London: Kegan Paul International (1989), pp. 32-33.

⁹ Zhang Xiaoming, “China, the Soviet Union and the Korean War: From an Abortive Air War Plan to a Wartime Relationship”, *The Journal of Conflict Studies*, Vol. 22, No. 1 (2002), accessed at <https://journals.lib.unb.ca/index.php/JCS/article/view/368/583>.

¹⁰ “X” (George F. Kennan), “The Sources of Soviet Conduct”, *Foreign Affairs*, Vol. 25, No. 4 (1947), p. 576. For Kennan’s so-called “Long Telegram” see, Telegram from the Charge in the Soviet Union (Kennan) to the Secretary of State, 22 February 1946, *FRUS*, Vol. VI, 1946, pp. 696-709.

Containment began to take shape as official policy in the late 1940s and early 1950s in a steady stream of memoranda, studies and presidential directives, which circulated inside the national security establishment. Typical of the thinking in Washington was NSC-68, sent to Truman in April 1950 just weeks before the outbreak of the Korean War. Portraying the Soviet Union as a “despotic oligarchy” bent on the “complete subversion or forcible destruction” of government and society in the non-communist world, it endorsed a policy of containment with four dimensions: block further expansion of Soviet power; expose the falseness of Soviet doctrines; induce a retraction of the control and influence of the Kremlin; and “foster the seeds of destruction within the Soviet system”.¹¹ The aim to achieve this by “all means short of war” created the conditions for a long era of security-centred aid programs and covert intelligence interventions in third states that would lead the USA into numerous tactical disasters in the field and into moral ambiguities.¹²

As Asia was then populated by new states, weak states and states in the grip of anti-colonial struggle, it was viewed as particularly vulnerable to communist influence. NSC 48/1, which apprised the President of the US position in Asia, warned nationalist tumult and revolution made the dangers of communist expansion and Soviet influence there especially acute.¹³ Containment took on increasing urgency as the war in Korea headed for stalemate and armistice in July 1953. Any sacrifice of territory to communism was viewed as unacceptable because of the principle at stake, the material losses entailed, and the risks that the fall of any one state could precipitate the fall of a succession of others. The next front in this campaign of ideological attrition would be Southeast Asia.

In December 1946, a communist Viet Minh army had launched a rebellion against colonial French Union forces in Tonkin, one of three French-ruled protectorates making up modern Vietnam. Within four years, insurgency escalated into conventional war. Despite no appetite for committing troops, the USA did a great deal to bolster the French position.¹⁴ In the process, American aid to France sacrificed one principle to promote another. For the USA, this first Indochina war was about resisting communism; for the French, it was about rescuing

¹¹ A Report to the National Security Council by the Executive Secretary (Lay), NSC-68, United States Objectives and Programs for National Security, 14 April 1950, *FRUS, Vol. I*, 1950, pp. 234-306.

¹² *Ibid.*, p. 241.

¹³ NSC 48/1, “The Position of the United States with Respect to Asia”, 23 December 1949, *Pentagon Papers, Book I 1945-1949*, “Justification of the War – Internal Commitments, The Truman Administration 1945-1952”, Washington DC: NARA, pp. 225-272.

¹⁴ NSC 124/2 “United States Objectives and Courses of Action with Respect to Southeast Asia”, *Pentagon Papers, Book II*, “Justification of the War – Internal Commitments, The Truman Administration 1945-1952”, pp. 530-531.

a crumbling colonial empire, something inimical to US post-war idealism. The higher priority placed on fighting communism was not lost on newly-decolonised or decolonising states.

Although Indonesia was distant from the conflict, the NSC feared “relatively swift submission or an alignment with communism” there, as elsewhere in Southeast Asia, should Vietnam fall to the Viet Minh.¹⁵ The loss of British-ruled Malaya and Indonesia to communism would deny the West “the principle source of natural rubber and tin, and a producer of petroleum and other strategically important commodities”.¹⁶ Reverberations would spread. First, economic and political pressure in Japan would make it hard for Tokyo to avoid an accommodation to communism. Second, America’s primary defensive line along the offshore Pacific island chain would be rendered precarious. But the policies the administration crafted to stem this feared wave of communist takeover carried the risk of losing the people the USA was trying to save. They included strengthening propaganda and cultural activities, supplying aid and technical assistance to support non-communist regimes, engaging in covert operations, encouraging overseas Chinese communities to “organise and activate anti-communist” fronts, and bolstering a “spirit of resistance” among regional governments.¹⁷ They would have direct consequences for Indonesia throughout the Sukarno years.

Despite the massive flow of US funding, materiel and technical assistance, the French position in Tonkin proved untenable. Accords signed in Geneva in July 1954 temporarily demarcated Vietnam along the 17th parallel and allowed France to exit. But the peace required the unpalatable acceptance for the USA of communist control of the north and sowed the seeds for future US intervention. As the inevitable French defeat loomed in Vietnam, Dwight D. Eisenhower, elected to the presidency in 1952, drew a fateful line on the map. In a seminal public comment on the American strategic rationale in East Asia, Eisenhower warned a press conference on 7 April 1954 that further losses to communism in Indochina would create a “falling domino”.¹⁸ To Winston Churchill, three days earlier, he wrote: “It is difficult to see

¹⁵ Ibid., p. 522.

¹⁶ Ibid., p. 523. The fears of communism sweeping across Southeast Asia were compounded by the rise of a communist insurgency in Malaya. The Malayan Emergency was waged between mid 1948 and 1960. See, R.W. Komer, “The Malayan Emergency in Retrospect: Organisation of a Successful Counterinsurgency Effort”, Advanced Research Projects Agency, R-957, Santa Monica, CA: Rand (1972).

¹⁷ NSC 124/2, “United States Objectives”, op. cit., pp. 526-527.

¹⁸ *Pentagon Papers*, “Justification of the War – Public Statements, Eisenhower Administration”, p. 24.

how Thailand, Burma and Indonesia could be kept out of Communist hands” if Indochina were lost.¹⁹

The perceived gravity of the situation led the USA to contemplate measures that had previously been considered too hard or undesirable, including the creation of a collective security arrangement in Southeast Asia and the commitment of substantial ground forces in the region’s defence. It invested considerable energy in negotiating the Southeast Asia Collective Defence Treaty, which eight states signed in Manila on 8 September 1954.²⁰ Yet the founders of the Southeast Asia Treaty Organisation (SEATO) included only two Southeast Asian states – the Philippines and Thailand. Burma and Indonesia, the other sovereign states in the region, clung to neutralism and branded SEATO neo-colonialist. It underscored the American dilemma as it tried to resist communism. The establishment of independent, democratic governments was seen as a vital component of resistance. But the USA supposed it needed the support of the fading colonial powers in SEATO to avoid communist China sweeping into Vietnam and onwards through Southeast Asia.

The irony of American anxiety over communism in Southeast Asia was that the region was not a great priority for the Soviet Union until at least the second half of the 1950s, and China lacked the offensive power to act as anything more than an ideological beacon for indigenous communist movements. Certainly, neither the Soviet Union nor China valued the conquest of communism in the region enough to risk provoking war, contrary to US fears.²¹

If Southeast Asia as a whole was a low priority for the Soviet Union, Indonesia in its early independence period barely registered. “During my many years of interaction with Stalin, I don’t remember a single conversation about Indonesia, not even one reference to it,” Soviet Premier Nikita Khrushchev recalled in his memoirs.²² Under Stalin, the strategy originally had been to “provoke communist uprisings” in the Third World.²³ But several failures, including the collapse of a communist rebellion in Indonesia in 1948, prompted a reassessment of the viability of violent confrontation. When Khrushchev assumed the leadership after the death of

¹⁹ Peter Boyle, *The Churchill Eisenhower Correspondence, 1953-1955*, University of North Carolina Press (1990), p. 136.

²⁰ The parties to the Manila Pact included the USA, Great Britain, France, Australia, New Zealand, the Philippines, Thailand and Pakistan.

²¹ “Discussion between N.S. Khrushchev and Mao Zedong”, 2 October 1959, Wilson Center Digital Archive, accessed at <http://digitalarchive.wilsoncenter.org/document/112088>. See also, Leszek Buszynski, *Soviet Foreign Policy and Southeast Asia*, London: Croom Helm (1986), p. 1.

²² Sergei Khrushchev (ed.), *Memoirs of Nikita Khrushchev, Vol. 3, Statesman, 1953-1964*, Pennsylvania University State Press (2007), p. 785. Khrushchev’s official titles were First Secretary of the Communist Party of the Soviet Union and Chairman of the Council of Ministers.

²³ Buszynski, *Soviet Foreign Policy*, p. 9.

Stalin in 1953, he confirmed a trend already in motion to a less doctrinaire interpretation of the two-camp thesis. Khrushchev recalled it was not until 1955 that Indonesia was first discussed at the level of the Central Committee Presidium.²⁴ This coincided with a conference of Asian and African states in the West Java mountain city of Bandung.²⁵

Soon after, a rift emerged between the Soviet Union and China over Khrushchev's conduct of the CPSU's twentieth party congress in 1956. In his official report to the party, Khrushchev proclaimed a desire for "cooperation" with Western social-democrats and "friendship" with the USA in the interests of preventing war.²⁶ Then, in secret session, Khrushchev launched an extraordinary attack on the "cult" of personality that had enveloped Stalin's leadership, branded his predecessor as "capricious, irritable and brutal", and denigrated his record in the war against Germany.²⁷ The first of these declarations challenged, without consultation, Beijing's ideas over foreign policy and the state of the world; the second was an affront to Mao Zedong, whose own highly-personalised leadership style made him the subject of great "official adulation".²⁸

In the years following this turning point, the acrimony and competition between the two biggest communist powers became more intense.²⁹ Moscow decided to court Jakarta, and the nationalist leaderships of some other neutral Asian states, as much to blunt Chinese as American influence. Indeed, the desire for stronger relations with Indonesia coincided with a broader shift in Soviet foreign policy strategy, which reflected a redefinition of Moscow's international purposes under Khrushchev. There were three notable features to this strategy: First, Moscow chose to relax tensions with the USA in East Asia and avoid being dragged into a war; second, it entered more directly into competition with China for friends and allies among Asian and Third World countries as the Sino-Soviet split deepened; and third, it cultivated non-

²⁴ Khrushchev, *Memoirs*, p. 785.

²⁵ The Asia Africa conference of 30 leaders in Bandung between 18-24 April was the precursor to the nonaligned movement.

²⁶ N.S. Khrushchev, *Report of the Central Committee of the Communist Party of the Soviet Union to the 20th Party Congress*, Foreign Languages Publishing House, Moscow (1956), p. 24 and pp. 30-38.

²⁷ N.S. Khrushchev, "Speech to the 20th Congress of the Communist Party of the Soviet Union", 24-25 February 1956.

²⁸ R.A. Longmire, *Soviet Relations with South-East Asia*, London: Kegan Paul International (1989), pp. 60-61.

²⁹ The origins of the Sino-Soviet split are commonly attributed to the 20th Congress of the Communist Party of the Soviet Union in 1956. But the causes of the split between Moscow and Beijing involved a complex array of factors, including the state of Mao's leadership, ideology, and economics. These were to become more pronounced over time. For a thorough analysis, see Lorenz M. Lüthi, *The Sino-Soviet Split, Communism in the Cold War World*, Princeton University Press (2008).

communist nationalist forces that espoused neutralism in their foreign policies as a counterweight to Western influence.

In the first half of the 1950s, China took a keener interest than the Soviet Union in exercising influence in Indonesia. Policymakers and practitioners in China believed Southeast Asia was ripe to emulate their own revolution. As the largest state in Southeast Asia, Indonesia “was accorded the highest priority” in the region.³⁰ Beijing’s motives for activism in Southeast Asia were two-fold: first, communist Chinese foreign policy was imbued with a deep anti-imperialism, in which communism was seen as the natural antidote and the states of Asia and Africa as the primary battleground; and second, China wanted to negate the threat of encirclement by the USA and, as time wore on, increasingly the Soviet Union.³¹ The second motive took on greater significance with the military stalemate in Korea, resulting from the failure of Chinese forces to dislodge the American-led coalition from the peninsula, and growing bitterness between Beijing and Moscow from the mid-1950s.³²

But the strategic tools Beijing had at its disposal were limited. At the end of the civil war with the Kuomintang, the Chinese communist party commanded a weak economy and a military with insufficient technological sophistication or firepower to compete with either the USA or Soviet Union. China could only hope ideological affinity or shared opposition to colonialism would allow it to form alliances that compensated for the greater material power of its rivals. In the countries of Southeast Asia, it could try to appeal to three domestic constituencies – nationalists with shared anti-imperialist convictions, communists or leftists, and ethnic Chinese, many mainland-born, but sympathetic to the Kuomintang. This would pit clever diplomacy and propaganda against the brute strength of China’s rivals in the manoeuvring for allegiance.

The great power rivalry of the opening decades of the Cold War created the essential international framework for Indonesia’s foreign policy and the orientation of its alignment. The juggling act inherent in neutrality was harder to maintain in practice than to conceive. The support Indonesia sought for its development could not be obtained without compromise with international partners of which the most able to contribute lay in the West. The political goals

³⁰ Hong Liu, *China and the Shaping of Indonesia, 1949-1965*, Singapore: NUS Press (2011), p. 186.

³¹ David Mozingo, *Chinese Policy Toward Indonesia, 1949-1967*, Jakarta: Equinox (2007[1976]), pp. 54-55.

³² The Sino-Soviet split was evident in the acrimony that erupted between delegations headed by Khrushchev and Mao at their meeting in Beijing on 2 October 1959. See, “Discussion between N.S. Khrushchev and Mao Zedong”, 2 October 1959, Wilson Center Digital Archive, accessed at <http://digitalarchive.wilsoncenter.org/document/112088>.

Indonesia set itself, even the fulfilment of its own definitions of what it meant to be independent, called for the acquiescence or active support of the big powers. Moreover, foreign policy was framed in the midst of volatile and intense domestic political competition in which positions adopted by the state in the international sphere stood to advantage one or another faction or aspirant to power.

The Cold War Comes Home

From Revolution to Statehood, 1945-1949

Indonesians had aspired to independence and organised for its attainment since the first decade of the 20th Century. Western-educated secular nationalists formed organisations that set the goal of a state built on a “shared experience” of colonialism rather than on the solidarity of race, religion or geography.³³ Islamists founded their own organisations that cast the anti-colonialist struggle in terms of religious solidarity and pan-Islamism.³⁴ The different pathways to national identity formation contributed to different conceptions of the future state. Western education in the Netherlands and secular education within Indonesia produced Marxist-Leninists and social democrats; Islamic education in Indonesia and the Middle East and the experience of the haj pilgrimage encouraged a vision for a state with a strong non-secular foundation. But importantly these strands of thought contributed to the idea of a shared Indonesian identity regardless of conflicting conceptions over the content of the state.

The pluralism that would later become evident in the practice of national politics existed too in the ethnic and religious mix of the Netherlands East Indies. Although predominantly Muslim, there were large pockets of Catholics and Protestants, particularly in the east of the archipelago. The island of Bali was largely Hindu. More than 300 different indigenous ethnic groups lay within the borders of the Indies. Chinese Indonesians, divided between *totok* (Chinese born or speaking) and *peranakan* (locally assimilated), were important because of their economic power, although they represented less than three per cent of the population.³⁵ Forging the spirit of nationalism among such a diverse population was the first great achievement of pre-war leaders.

³³ R.E. Elson, *The Idea of Indonesia: A History*, Cambridge University Press (2008), p. 15.

³⁴ *Ibid.*, pp. 11-13.

³⁵ Leo Suryadinata, *Pribumi Indonesians, the Chinese Minority and China: A Study of Perceptions and Policies*, Singapore: Marshall Cavandish (2005), pp. 1-3. Suryadinata estimated the Chinese population

But the pre-war independence movement lacked a clear or unified strategy for inducing an end to Dutch rule. Rebellion, in the case of the Indonesian Communist Party (*Partai Komunis Indonesia*, PKI) in 1926, ended disastrously. It awaited the three-year Japanese military occupation of Indonesia during the Second World War to provide a “catalytic” effect to Indonesian demands for independence.³⁶ Under the Japanese, Indonesian nationalists obtained two significant opportunities denied by Dutch rule. They were able to organise politically and they were trained in military tactics. Moreover, the Japanese wartime administration nurtured hopes of independence among nationalist elites and established mechanisms for Indonesians to debate the future of the state, notably the Investigating Committee for Indonesian Independence (*Badan Penyelidik Persiapan Kemerdekaan*) in March 1945.

By the time Japan surrendered, nationalist leaders believed the spirit of liberation that prevailed across Asia with the war's end might enable a peaceful transition to nationhood. But if this were not possible they were trained and armed for revolution. An estimated 62,000 Indonesians had undergone military training with the two Japanese militias and tens of thousands of others had been given a rudimentary introduction to martial skills.³⁷ On 17 August 1945, two days after the surrender was announced in Tokyo, nationalist leaders Sukarno and Mohammad Hatta, under pressure from impatient youth leaders, issued a declaration of independence. Sukarno was named President and Hatta vice president of the Republic of Indonesia.

The initial hopes of a peaceful transition were shattered by the policies of the allied forces that started to arrive in Indonesia in October to disarm and repatriate the Japanese and free POWs and civilian internees. Due to a last-minute change at the Potsdam conference of allied leaders, the task of demobilising the Japanese in Indonesia switched from US forces to the British Far East Forces under Lord Louis Mountbatten.³⁸ The Netherlands used the cover of British Commonwealth deployment to reassert its claim as the legitimate governing power.

to be 2.8 per cent by the 1970s, despite a substantial outflow of Chinese in the late 1950s and early 1960s. The estimate on the range of ethnic groups comes from the 2010 census.

See Badan Pusat Statistik, “Population by Region and Religion”, Sensus Penduduk 2010, accessed at <http://sp2010.bps.go.id/index.php/site/tabel?tid=321&wid=0> on 4 August 2014. The majority of Indonesians – 58% – identify as Javanese or Sundanese from West Java.

³⁶ Feith, *Decline of Constitutional Democracy*, p. 6.

³⁷ *Ibid.*, p. 7.

³⁸ Combined Chiefs of Staff Minutes (Potsdam), 24 July 1945, *FRUS, Vol. II, 1945*, XXXX. See also Richard McMillan, *The British Occupation of Indonesia 1945-1956: Britain, The Netherlands and the Indonesian Revolution*, London: Routledge (2005).

The consequence was to set the newly proclaimed Republic of Indonesia and the returning Dutch administration on course for a violent confrontation.

If the new republic was to survive, it had to overcome several challenges. It needed to secure itself against Dutch military force. It had to demonstrate skills of negotiation and diplomacy in managing relations with the Dutch and in winning foreign allies. And it had to prove it could govern its own affairs. The need to wage an armed revolution provided a unifying force for the republic. But the essential plurality of Indonesian society was manifest in its internal politics. After the establishment of a 135-member Central National Committee (*Komite Nasional Indonesia Pusat*, KNIP) to advise Sukarno and Hatta, a younger generation of democrats soon asserted themselves. They applied pressure through the KNIP for the presidential system to be changed into a parliamentary system of government. In October, the KNIP was converted, with the assent of Sukarno and Hatta, into a legislature and a prime ministerial cabinet was appointed to replace the presidential cabinet. Sutan Sjahrir, one of the leaders of the underground resistance to Japanese occupation, was appointed the first prime minister. A multi-party system soon followed. A permanent representative council to replace the KNIP was to be inaugurated once elections could be held. This put an end to a brief period in which the pre-war Indonesian National Party (*Partai Nasional Indonesia*, PNI) occupied the role of sole state party.³⁹

The emergence of democratic, multi-party politics, although an obvious way of managing the immense diversity of Indonesia, would be a double-edged sword for the Republic. It projected a favorable image to the West of a new state committed to democratic pluralism – a move which would help blunt concerns among observers like George Marshall that the new state would be destabilised by internal discord. But it also would open up the domestic political scene to intense competition. Democratic and secular nationalist parties would vie for ascendancy with leftist parties, especially a resurgent PKI, and religious parties, most importantly the Muslim party Masyumi. Robert Elson captured the prevailing milieu: “[S]ecular and inclusivist concepts of Indonesia rubbed against emerging Islamist ones; egalitarian and broadly democratic impulses endured alongside elitist/conservative and

³⁹ For an overview of this period see, George McTurnan Kahin, *Nationalism and Revolution in Indonesia* and Benedict Anderson, *Java in a Time of Revolution: Occupation and Resistance, 1944-1946*, Ithaca, NY: Cornell University Press (1972), pp. 147-164.

pseudo-fascist ones; and modernist understanding of what it meant to be Indonesian jostled, mostly gently, with nativist/traditionalist ones”⁴⁰.

The Republic’s foreign policy would bring those internal contradictions to the surface. For the political parties, particularly those whose ideological settings were borrowed directly from, or significantly influenced by, one of the two power blocs of the Cold War, foreign policy would be a vital battleground even before Indonesia had won its independence. The principles the Republic set for its foreign policy and the allies it sought to cultivate were likely to have a partisan impact on the course of the domestic political contest. Thus, navigating the perils of foreign policy would be a crucial test for the Republic’s leaders – one which would play a determining role in the success of the revolution.

The Politics of Constitutional Democracy, 1950-1958

If the revolution brought competition over the ideological basis of the state into the open and institutionalised it, the task of nation building entrenched it as a feature of daily politics. The governing model adopted by the leaders of the independence movement reflected the Western education and democratic liberal biases of several of the most influential among their number. But their vision of a state mixing Western modernity with the political, social and cultural heritage of the archipelago could not be universally embraced. The 1950 provisional constitution allowed for cabinet government, headed by a prime minister, and formed by the parties in the parliament. The president was placed in a “figurehead position”.⁴¹ The choice of a parliamentary system, with the promise of free elections in due course, was a practical way of accommodating the assortment of Indonesian political and social interests. But it also sowed the seeds of governmental instability – shifting allegiances and a string of policy crises resulted in seven cabinets in the little more than seven years between December 1949 and March 1957.

The conduct of foreign policy was implicated in that contention, in many ways shaped by it, and then complicated by it. There were three broad themes around which domestic political conflict coalesced and pushed and pulled at foreign policy. The first was ideology. Political parties covered a spectrum from the Islamic, usually referred to as the right of national

⁴⁰ R. E. Elson, “Problems of Identity and Legitimacy for Indonesia’s Place in the World”, in Anthony Reid (ed.), *Indonesia Rising: The Re-positioning of Asia’s Third Giant*, Singapore: ISEAS Publishing (2012), p. 179.

⁴¹ Herbert Feith, *Decline of Constitutional Democracy*, p. 97.

politics, to secular nationalist and to communist. The Islamic parties and nationalist parties, despite sharing a mercantilist or socialist orientation towards managing the economy, were generally well disposed to the West and tolerant of markets. The PKI naturally favored alliances with the Soviet Union, the People's Republic of China and other communist states. Among other ideological divides to affect foreign policy was the question of whether the state should have a separate Islamic identity. One of the biggest ideological debates in foreign policy was whether Indonesia should become a status quo state that operated within established global, or Western, rules and institutions or a revisionist state that brought the values of its own revolution into foreign policy. Protagonists on either side of this disagreement could not be grouped neatly by party affiliation, although PKI cadres certainly belonged to the revolutionary mindset.

The second theme was the matter of how state resources and foreign transfers should be allocated. This conflict played out in various struggles in which geography, political party and elite affiliations divided proponents. At its heart lay the question of how Indonesia should integrate economically with the world and the role Indonesians should secure for themselves in national economic life. A key demand was for "Indonesianisation" of the economy.⁴² The aim was as much to secure opportunities for elite patronage as to reduce the dominant role of national Chinese, Dutch and other Western business interests in the economy. The orientation of foreign economic policy would determine winners and losers too. The commodity producing centres off Java stood to gain from access to global markets and had a vested interest in retaining open trade relationships and taxation arrangements that ensured they were fairly rewarded. The industrial and services centres on populous Java, with their need to soak up job seekers, benefited from wealth transfers from the outer islands to pay for imports, and desired state intervention to ensure expanding industrial production. Disputes over wealth transfers from the outer islands to the centre were to become a source of growing political unrest.⁴³

The third theme was national status or prestige. After the humiliation of colonial rule, Indonesians were eager to claim and assert the attributes of sovereignty and a sense of national dignity. The form this took varied according to the character of the administration. But there was general agreement among all parties that the failure of negotiations on the final terms of

⁴² Howard Dick, "Formation of the Nation State, 1930s-1966", in *The Emergence of a National Economy: An Economic History of Indonesia, 1800-2000*, Howard Dick, Vincent J.H. Houben, J. Thomas Lindblad and Thee Kian Wie, Allen & Unwin; Sydney (2002), p. 183

⁴³ *Ibid.*, pp. 179-182.

independence to incorporate West New Guinea in the territory of Indonesia had left an incomplete sense of sovereignty.⁴⁴

Despite these ideological and policy disputes that dragged in foreign policy, the governments of the constitutional democracy period overwhelmingly had a domestic preoccupation. The main political parties – the PNI, the Muslim-oriented parties Nahdatul Ulama (NU) and Masyumi, the small but influential Indonesian Socialist Party (*Partai Sosialis Indonesia*, PSI) and the PKI – all tended to see foreign policy as an element of their internal political contest rather than as an end in itself. The appeal of the parties was either one of the head or of the heart: they sought legitimacy from either their administrative competence or their command of the symbols of nationalism and revolution. But the failure of the parties to fulfil the popular expectations of the revolution, particularly to create new economic opportunities, and their increasing indulgence in the politics of patronage and cronyism caused constitutional democracy to falter.⁴⁵ The divisiveness of politics was evident in the outcome of the national parliamentary elections of 1955. The political map drawn by the elections revealed an electorate split along ideological, ethnic and geographic lines.⁴⁶

At this point, Sukarno enjoyed “unquestioned prestige” with the people, as Hatta privately acknowledged.⁴⁷ The combination of Sukarno’s stature as a revolutionary leader and his command of the symbols of statehood accorded him enormous latitude in his political and personal life, such that he “remained a source of legitimacy in himself”.⁴⁸ The President, who had started out in 1950 in an inferior position of power to Hatta, saw his personal writ in political life grow in tandem with the decline of constitutional democracy.⁴⁹ In the wake of the 1955 elections, sensing widespread disenchantment with Western-style democracy, Sukarno methodically accrued power by the concoction of stratagems to manipulate political difference

⁴⁴ West New Guinea was the term commonly used outside Indonesia at the time to describe the western half of the island of New Guinea, then under Dutch rule. Indonesians named the area West Irian and later Irian Jaya. In 2003, Indonesia divided the area into the provinces of Papua and West Papua. To avoid confusion, the term West New Guinea will be used for the period of colonial rule. Thereafter, the area will be referred to collectively as Papua.

⁴⁵ For an analysis of the factors involved in the decline of constitutional democracy see Feith, *Decline of Constitutional Democracy*, pp. 556-608.

⁴⁶ Kevin Raymond Evans, *The History of Political Parties and General Elections in Indonesia*, Arise Consultancies: Jakarta (2003), pp. 13-15.

⁴⁷ Telegram from the Embassy in Indonesia (Cumming) to the Department of State, *FRUS, Vol. XXII, 1955-1957*, document 212.

⁴⁸ J.D. Legge, *Sukarno: A Political Biography*, Singapore: Archipelago Press (2003), p. 349.

⁴⁹ On the relative power of Sukarno and Hatta at the time see Feith, *Decline of Constitutional Democracy*, p. 51.

and exploit chance opportunities.⁵⁰ He started work on a new *Konsepsi* for the system of government that aimed to create a more consensus-driven politics and reduce feuding between the parties.

Unveiled in late February 1957, it was the first step along a path to authoritarianism. This was the start of a transition to what Sukarno termed *Demokrasi Terpimpin* or Guided Democracy and the end of constitutional democracy.⁵¹ The shift in the political basis of the state coincided with the re-emergence of the PKI as a powerful political party – organisationally the most powerful – and Sukarno’s advances towards the Soviet Union and China. The combination of these developments was to have a profound impact on perceptions of Indonesia in the USA and largely shape the course of Indonesia’s foreign relations into the following decade.

Conclusion

The ideological conflict that divided the international politics of the late 1940s and 1950s had a profound effect on Indonesia’s birth as a nation and how it would develop in its first years of independent rule. Even before Indonesians had completed their revolution, they would see their aspirations for statehood embroiled in the contest between the US-led capitalist and Soviet-led communist blocs. At the international level, the politics of the emerging Cold War ensured the moral justifications for decolonisation were clouded by *Realpolitik*. As European powers sought to resume their empires in Southeast Asia, the critical question for Washington and Moscow was how would the outcome of various independence struggles affect the global balance of power. At the domestic level, the global conflict found its reflection in sometimes-bloody contention over state ideology and foreign policy. The two became entwined as vehicles for seeking domestic political advantage. The consequence was to contribute to often confused and seemingly contradictory foreign policy stances.

The demands on Indonesian policymakers could be reduced to a central contradiction. The revolution had been fought to allow Indonesians to take charge of their own destiny. The implied payoff was that Indonesians would supplant foreigners, which to many included ethnic Chinese regardless of their national status, in the nation’s economic life and public administration. When Indonesians could command the wealth of the nation, there would be

⁵⁰ For a description of Sukarno’s methods see Legge, op. cit., pp. 347-348.

⁵¹ Feith, *Decline of Constitutional Democracy*, p. 548.

greater prosperity for all. There was a symbolic meaning to independence too. Indonesians would be treated as equals. Their second-rate status as colonial subjects would be cast off and they would take their rightful place in the international community. Both these beliefs – greater prosperity and status – turned out to be illusory. Independence did not mean an end to dependency.⁵² In economics and international politics, Indonesians found it difficult to assert autonomy. Access to foreign aid, capital and markets were essential requirements for development that came with strings attached. Many of the great business enterprises and estates remained in foreign hands after the transfer of sovereignty. National weakness left Indonesia susceptible to foreign pressure.

As will be seen in the following chapters, the direction of foreign policy and alignment in the early years Indonesian statehood would be shaped by multiple conflicts between aspirations for independence and the reality of dependency; between domestic political forces that for reasons of their own advancement advocated for one of the Cold War camps; and between the great powers themselves seeking to impose their own strategic interests on the new state. Balancing these contradictory forces would be the great test for the first generation of Indonesian leaders.

⁵² This is the central theme explored by Weinstein in *Indonesian Foreign Policy and the Dilemma of Dependence: From Sukarno to Suharto*.

CHAPTER THREE

The Origins of Nonalignment

The period between 1945 and 1949 marks the birth of Indonesia as a state. Indonesian nationalists proclaimed the Republic of Indonesia immediately following the Japanese surrender in the Second World War before allied forces could land on Java and Sumatra. From then until December 1949, the Republic was locked in a military, political-diplomatic struggle against the attempt by the Netherlands to reimpose colonial rule. A major factor in the success of the revolution was the ability of the Republic's leaders to convince other countries, especially the permanent members of the newly-formed United Nations, of the validity of their claims. The conduct of foreign policy was therefore critical to the foundation of the Indonesian state.

During the course of the revolution, and the months leading up to the declaration of independence, the future basis of the Indonesian state was set in a series of critical political decisions. Nationalist leaders determined the geographic boundaries of the state, crafted a state ideology, framed a constitution, decided on a system of government and made a commitment to political, social and religious pluralism. Despite significant interruptions, partisan interpretations and, at times, violent disagreement, belief in the state code established at that time proved remarkably enduring. A vital part of that body of ideas about the appropriate conduct of the state was the *bebas-aktif* foreign policy and the simultaneous decision to stay out of the Cold War.

This chapter maps the origins of Indonesian foreign policy from the ideational milieu that existed prior to the declaration of independence, its evolution through the travails of revolution and its eventual manifestation in neutrality and the *bebas-aktif* policy. In doing so, it provides a more expansive account of the purposes of that policy than contained in previous works, incorporating previously neglected or unavailable historical detail.

The chapter concludes by showing that the decision to adopt the *bebas-aktif* foreign policy and Cold War neutrality cannot be understood without reference to the pressures the republican government faced at both the international and domestic levels of analysis. Neither an international nor a domestic account alone suffices to explain the critical alignment decisions. The chapter finds that alignment decisions in the revolutionary period are generally better understood as an exercise in balancing risk rather than threat. The critical decision to adopt neutrality was made to avoid fracturing support for the Republic among countries at the UN and within Indonesia itself. Other options would have entailed unacceptable risk. Nonetheless, the chapter highlights the conceptual difficulties in assessing the risk calculations of leaders who face multiple policy choices in a multi-layered risk environment.

An Independent and Active Foreign Policy

Intellectual Foundations of Foreign Policy: An Emerging World View

The conception Indonesia's founders held of their place in the world rested largely on a set of imported and irreconcilable beliefs. Although the campaign for independence was almost entirely indigenous, receiving mostly moral rather than material help from abroad, it was profoundly shaped by ideas of foreign origin. Elites educated in European languages, history, culture and politics in Indonesia and Europe under Dutch colonial rule could not fail to be drawn to great debates in Western societies during the first half of the twentieth century. The backdrop to Indonesia's own struggle for nationhood was the intense and at times explosively violent battle in the Western world over the proper ideological basis of the state. In the years between the First and Second World Wars, free market and mercantilist capitalists, social democrats and democratic socialists, communists and fascists jostled for intellectual and political ascendancy.¹ Europe was the amphitheatre of this contest. Indonesians educated there during those years, many of them future nationalist leaders, and those educated under the Dutch system in Indonesia were aware, and to varying degrees disciples, of the opposing ideological camps.

Running parallel to, and at times intersecting with, the Western debates was an older and deeper preoccupation with the place of Islam in political and social life. For devout Muslims, the purpose of the nationalist struggle was "national freedom on the basis of Islam".² Imbued with a growing spirit of global religious fraternity, Indonesia's Muslim leaders saw themselves as "a local manifestation of a broader pan-Islamic international movement".³ National independence was a necessary pre-condition for according Islam its true place in Indonesian political and social life. Islam would then provide the glue for nationalist unity and the principles for a future state.

The Islamic current of thought overlapped and at times conflicted with other historic beliefs. Indonesians adopted several other foreign faiths - Christianity, Hinduism, Buddhism and Confucianism. And religious conviction of all types blended with older indigenous animist traditions in singular syncretic mixes. In the 20th century, religion increasingly competed with modern social ideas and philosophies by virtue of the exposure to the mostly European, ideological debates.

Thus, despite being united in the common purpose of overthrowing colonial rule, the Indonesian nationalist movement was weakened by the lack of shared ideological conviction. Unlike other revolutions that Indonesian nationalist elites might take lessons from, theirs did not benefit from shared liberal democratic, communist or theocratic

¹ Eric Hobsbawm, *The Age of Extremes: 1914-1991*, London: Abacus (1994), p. 6.

² This is the objective set by *Partai Sarekat Islam* at its 1927 congress, cited in Elson, *Idea of Indonesia*, p. 81.

³ *Ibid.*, p. 81.

principles to rally the nation.⁴ Moreover, the divisions between secular nationalist democrats, communists and Muslims were further complicated by other profound differences based on ethnicity, geography and economic interest.⁵ The diversity of beliefs and allegiances posed challenges to the unity of the independence movement during the struggle to prevent the reimposition of Dutch rule between 1945 and 1949 and to the cohesion of a future state. The conflicting visions for the kind of state and society an independent Indonesia should become weighed heavily on the policies it adopted to the outside world over many decades. It served to define from the very beginning the nature of the threats and opportunities posed in the arena of foreign relations. Because foreign policy could be employed as an instrument to advantage one ideological faction or another it was inevitably contested ground in domestic politics. Yet it also meant the first priority for nationalist leaders in foreign policy would be to find a formula that could unite the diverse Indonesian population.

This is not to deny the existence of “indigenous and particularistic rather than modern, rational criteria” in framing Indonesian foreign relations.⁶ Unique experiences of history and culture played important roles too. Various Indonesian leaders mythologised the per-colonial empires and their geographic reach to justify territorial claims. Most strikingly, early Indonesian leaders, divided by positive ideology, were joined in the shared negative of the humiliation of colonial subjugation. A mission to rid the world of colonialism, to assert independence in foreign relations as much as in domestic affairs, and suspicion over the motives of great powers were all legacies of colonial history. The consequence was that Indonesian leaders, like those of many new nations, were in greater agreement on what they stood against than what they stood for.

Founding the State: The “New Science” of Geopolitics

In a historic 1 June 1945 speech setting out the principles of Indonesia’s future state ideology, the *Pancasila*, nationalist leader and later first president, Sukarno, spoke approvingly of a “new science called geopolitics”, which he utilised to give credence to the idea of a unitary state of Indonesia. The term added a modern, Europeanised, authenticity to the debates about the shape of the state that nationalist leaders were aspiring to build. As Sukarno cast his eye at the map, the “science” of geopolitics gave

⁴ Communists obviously had a template for revolution in the October revolution of 1917 in Russia and leaders like Sukarno and Hatta made occasional references to the lessons of the French and American revolutions. Muslims could look to the emergence of religiously homogenous independent states in the Middle East. But at that time there were few examples of successful nationalist revolutions against a colonial power to follow. The main exceptions being the American revolution and the South American revolutions against Spanish rule, which were not indigenous in character.

⁵ Good overviews of this phenomena can be found in Elson, op. cit., Merle Ricklefs, *A History of Modern Indonesia Since c. 1300*, 2nd Ed, London: Macmillan, (1993), Mortimer, op. cit., Anthony Reid, *To Nation by Revolution: Indonesia in the 20th Century*, Singapore: NUS Press (2011), and Bahtiar Effendy, *Islam and the State in Indonesia*, Singapore: ISEAS Publishing (2003).

⁶ Ann Ruth Willner, “The Neotraditional Accommodation to Political Independence: The Case of Indonesia”, in Lucian Pye (ed.), *Cases in Comparative Politics*, Boston: Little Brown and Co. (1970), p. 242.

an objective and undeniable quality to the idea of an Indonesian state built on colonial borders.

Even a child if he looks at a map of the world can point out the Indonesian archipelago forms one unity. On the map, there can be shown a unity of the group of islands between two great oceans, the Pacific Ocean and Indies Ocean, and between two continents, the continent of Asia and the continent of Australia... And so, what is it that is called out native land, our country? According to geopolitics, Indonesia is our country. Indonesia as a whole, neither Java alone, nor Ambon alone, nor Sumatra alone, nor Borneo alone, but the whole archipelago ordained by God Almighty to be a single unity between two continents and two oceans – that is our country.⁷

One of the founders of the state, and drafters of the 1945 Constitution, Muhammad Yamin, also employed the term geopolitics during preparatory meetings leading to the creation of the Republic of Indonesia to justify an even grander notion: a “Greater Indonesia”, which incorporated lands outside the colonial borders of the Netherlands East Indies.⁸ Rather than maps, Yamin drew on history. Sukarno’s friend and adviser proposed an Indonesian state built on what he claimed were the borders of the Majapahit Empire. The land included the “colonies of England, Portugal and Australia”, meaning the Malay peninsula, Borneo, East Timor and the entire island of Papua New Guinea.⁹ Yamin displayed a strong awareness of the strategic realities of geography. He was particularly concerned Indonesia should possess the Malay Peninsula because of its strategic significance, warning that it “serves as a bridge for any power in Indo-China to proceed toward Indonesia” and he was worried about the existence of any foreign “enclaves” in the archipelago, including East Timor and northern Borneo.¹⁰ The Investigating Committee for Indonesian Independence, a Japanese-sponsored body, approved the idea of this Greater Indonesia by a two-thirds majority, with some dissent over the precise borders. The idea died because it was rejected by the Japanese military command.¹¹

If maps and history confirmed a sense of Indonesian destiny, they also shaped perceptions of the dangers and opportunities facing the state. The geography that Sukarno saw as naturally forming a state could be a blessing and a curse. From the moment the state was born, the view that Indonesia occupies a crossroads, or *posisi-silang*, between the Indian and the Pacific oceans and the Asian and the Australian

⁷ Sukarno, “The Birth of Pantja Sila”, *Toward Freedom and the Dignity of Man: A Collection of Five Speeches by President Sukarno*, Jakarta: Department of Foreign Affairs (1961), p. 11.

⁸ Muhammad Yamin, “Unity of Our Country and Our People”, in Herbert Feith and Lance Castles (eds.), *Indonesian Political Thinking 1945-1965*, Ithaca, NY: Cornell University Press, (1970), p. 440.

⁹ Bakri Siregar, “Muhammad Yamin Sang Pujangga”, in Yanto Bashri and Retno Suffatni (eds.), *Sejarah Tokoh Bangsa*, Yogyakarta: Pustaka Tokoh Bangsa (2005), p. 440. The territorial reach of Majapahit is disputed. Jon M. Reinhardt maps the borders of the Sriwijaya and Majapahit empires according to several historical accounts, see Reinhardt, *op. cit.*, p. 17.

¹⁰ Yamin, “Unity of Our Country”, p. 440.

¹¹ Reinhardt, *op. cit.*, pp. 30 and 128-131.

continents became a central feature of the risk calculations of its policy elite. The vast exposed coastline and the constant traffic through the archipelago left Indonesia “open and ‘porous’, which makes it relatively easy for foreign subversion and the intrusion of smugglers, drug dealers, pirates, poachers and terrorists, which may also upset Indonesian domestic stability”.¹² The notion of lying at a crossroads, of being susceptible to impulsion from abroad, was concisely expressed in a 1953 article by Mohammad Hatta:

When one considers that the territory of Indonesia extends for more than 3000 miles and is composed of thousands of islands, large and small, the magnitude of the problem of maintaining the security of the country is apparent; so extensive an area cannot be defended purely by military strength.¹³

Hatta was conscious of Indonesia being “bounded by the British Navy and the American Navy, which control the Indian and Pacific Oceans”.¹⁴ The idea that Indonesia was at a crossroads, occupying a strategically important though vulnerable position, had “the most significant imprint on the mental map of Indonesian policymakers”.¹⁵ While ideas grounded in geopolitics were key to arguments about the formation of the state, they continued to be prominent in understandings about the defence of the state as it matured.

Another fundamental influence of geography is the role it has played in raising concerns over the state’s internal cohesion, and hence its vulnerability to centrifugal forces or to unwelcome outside intrusion. The combination of vast scale, scattered populations and ethnic and linguistic diversity has long been a source of anxiety in Jakarta over the risks of national disintegration. Fears of separatism or societal conflict have been exacerbated by differences over identity, particularly religious, ethnic and ideological beliefs. Fragmented geography made it harder to contain those forces and easier for separatist movements to sustain a claim and for foreign powers to intervene in internal affairs if they were inclined to do so.

Sukarno labored this point when he advocated the *Pancasila* as the basis of the state in his famous 1 June speech. The very essence of the *Pancasila* was a desire to forge unity among the diverse population that occupied the archipelago. But the idea of the national unity Sukarno espoused was not unity of the population alone, but unity between “men and place”. This meant any single defection by a constituent part was a challenge to the viability of the whole. The difficulty of maintaining cohesion among

¹² Hasjim Djalal, “Indonesia’s maritime challenges and priorities”, in Joshua H. Ho and Sam Bateman, *Maritime Challenges and Priorities in Asia: Implications for regional security*, Abingdon, Oxon: Routledge (2012), p. 69.

¹³ Hatta, “Indonesia’s Foreign Policy”, p. 450. Later, the government’s five-year state policy guidelines would cast the crossroads position as a basic asset, or *modal dasar*, of the nation, listed second after independence and sovereignty. This observation was contained in four successive versions of the guidelines. See, MPR, “Decree of the People’s Consultative Assembly of the Republic of Indonesia, No. II/MPR/1983 on the Guidelines of State Policy”, Jakarta: Department of Information (1983).

¹⁴ *Ibid.*, pp. 450 and 445.

¹⁵ *Ibid.*, p. 101.

Indonesia's diverse population contributed to the development of a concept of security that was "inward looking".¹⁶ Fears of foreign intervention that exploited internal division were evident even before the course of events was to give Indonesian elites sound reasons for such anxiety. Sutan Sjahrir cautioned his countrymen against attacks on foreign property and people, which had broken out with the Japanese surrender. "[M]any of our people are acting and behaving as though they were inviting foreign intervention," he wrote.¹⁷ Importantly for the future of foreign relations the fears of Balkanization served to create an imperative of policies that would serve the goal of national unity, if not always actively, at least by avoiding unnecessary domestic political disharmony.

The United Nations and the Opening Salvos of Revolution

Soon after declaring independence, Indonesia's leaders were faced with a harsh reminder of the vulnerability of the state they were trying to create. The British Far East Command was inclined to leave the resolution of the nationalist question to the Dutch and Indonesians to resolve themselves. It did not stand in the way of Dutch attempts to reoccupy the country. Its formal instructions were to ensure law and order until the "lawful government" – presumably the Netherlands – could restore administration. This edict betrayed a complete lack of understanding of the situation on the ground. In the months following the Japanese surrender, and before the arrival of allied forces, the Republic had either established or assumed control of an extensive apparatus of government. It might not have been recognised as a state by most foreign powers, but it exhibited many of the attributes of one. It had determined putative borders and asserted a state identity, it had a cabinet, headed by Sjahrir as prime minister, it had a prototype parliament in the advisory KNIP pending planned elections, and it had a military built out of former Japanese and Dutch militia units that gave the Republic control of a coercive power.¹⁸ The allies were surprised to find "civil administration was operating at a level of efficiency that quite amazed the Allied forces".¹⁹

Although the implication that there was no functioning administration already in place proved false, the allied powers, including the USA, appeared ambivalent about the Republic's fate. In late 1945, Dutch troops started to arrive in small numbers and proceeded to engage in highly provocative actions. The disappointment of nationalists at the attitude of the allies soon resulted in outbreaks of bitter fighting across Java and

¹⁶ This was former president Suharto's description, quoted in Leifer, *Indonesian Foreign Policy*, p. 161.

¹⁷ Sutan Sjahrir, *Our Struggle*, (Translated with an Introduction by Benedict R. O'G. Anderson), Ithaca, New York: Cornell Modern Indonesia Project (1968).

¹⁸ The Japanese had established the Volunteer Army of the Defenders of the Fatherland (*Soekarela Tentara Pembela Tanah Air*, or Peta) and the Dutch had established the Royal Netherlands Indies Army (*Koninklijke Nederlandsche Indische Leger*, or KNIL). These militias provide a nucleus for the Indonesian army. See, Kahin, *Nationalism and Revolution in Indonesia*, p. 109 and p. 145.

¹⁹ Kahin, *Nationalism and Revolution in Indonesia*, p. 142.

Sumatra.²⁰ The chagrin of the Republic was compounded by the British use of Japanese troops to quell mounting unrest.²¹

The severity of the fighting, which peaked with the Battle of Surabaya in November, awoke the British and the wider world to the determination of Indonesia's nationalists.²² Recognising the need for international support, the Republic made a number of appeals to foreign governments, including the Soviet Union, for diplomatic intervention.²³ This resulted in the airing of Indonesia's grievances in the UN Security Council in January 1946. In what would be the first of many UN debates on Indonesia during the course of the revolution, Ukraine, acting on instructions from Moscow, condemned events in Indonesia as a threat to peace and security. The Western powers blocked a resolution calling for a UN delegation to investigate the situation in Indonesia. But Soviet motives were far from pure. Moscow used the British occupation of Indonesia to fend off attacks over its occupation of northern Iran.²⁴ The Soviet-orchestrated intervention was a fillip to the anti-colonial movement, and not just in Indonesia. Although it won kudos for the Soviet Union, it showed the UN to be an ineffective forum for adjudicating the Indonesian conflict.

This must have been a great disappointment to the nationalists. From the outset of the revolution, Sukarno and other leaders had invested hope in the new world organisation and the sincerity of its founders, especially the USA. The initial contact the Republican leadership had with the USA after the war was with the Office of Strategic Services (OSS), the wartime forerunner of the Central Intelligence Agency. The first meeting occurred in late September where OSS officers raised the sensitive question of wartime collaboration with the Japanese. The Dutch had used Sukarno's record of collaboration to undermine the credibility of the Republic. In reply, Republican leaders demonstrated their pragmatism by declaring they were willing to work with any country that supported Indonesian independence.²⁵ At a second meeting in October, Sukarno told OSS officers that he hoped the British would act on Indonesia's behalf in raising concerns at the UN over Dutch attempts to reimpose colonial rule.²⁶ The OSS, there to gather information, could provide no comfort. US policy on Indonesia remained ambiguous. At the end of 1945, official policy cast the USA as a concerned bystander.

²⁰ Ibid., p. 143.

²¹ Ibid., p. 144.

²² For a comprehensive study of the Battle of Surabaya see, Francis Palmos, "Surabaya 1945: Sacred Territory, Revolutionary Surabaya as the Birthplace of Indonesian Independence", PhD thesis, University of Western Australia (2011)

²³ The Republic sent a telegram to the Soviet Union on 13 November, in the midst of the Battle of Surabaya asking for diplomatic intervention to help end British and Dutch military action against nationalists. See, L.M. Efimova, "Towards the Establishment of Diplomatic Relations Between the USSR and the Republic of Indonesia, 1947-1948", *Indonesia and the Malay World* (2007), p.185.

²⁴ For a discussion of Soviet diplomacy on this issue see, L.M. Efimova, "New Evidence on the Establishment of Soviet-Indonesian Diplomatic Relations, 1949-1953", *Indonesia and the Malay World*, Vol. 25, No. 85 (2001), pp. 219-220.

²⁵ William J. Rust, "Transitioning into CIA: The Strategic Service Unit in Indonesia", *Studies in Intelligence*, Vol. 60, No. 1, Washington: Central Intelligence Agency (2016), p. 10. The OSS briefly transitioned into the Strategic Service Unit of the War Department before transforming into the CIA.

²⁶ Ibid., p. 8.

There were three main elements to US policy: the Netherlands should have “primary responsibility” for arriving at an agreement with the Republic; the mandate of allied forces should be limited to demobbing the Japanese and repatriating military and civilian prisoners; and any solution of the conflict should be in accord with the principles of the UN Charter.²⁷ This fell far short of an endorsement of Indonesian independence.

The strength of armed resistance to the return of the Dutch administration provided what diplomacy alone lacked. The British fearing a conflict they could not resource, over a claim of no material benefit to them, pressured the Dutch to negotiate a settlement with the Republic. This resulted in the so-called Linggadjati agreement of November 1946, in which the Netherlands recognised the Republic as de facto authority on Java and Sumatra.²⁸ It agreed to grant independence within a Netherlands-Indonesia Union by January 1949, with the Dutch Queen serving as head of the union. Although the agreement provided a pretext for British forces to withdraw from Indonesia, its circumstances ensured the Dutch had only a superficial commitment to its terms.

Negotiations over the creation of what was to be called the Republic of the United States of Indonesia (RUSI) – a federation of the Republic on Java and Sumatra, a state of Borneo and the Great Eastern State – finally broke down in July 1947 over differing interpretations of the Linggajati agreement. Sutan Sjahrir resigned as prime minister, after failing to obtain support from his own cabinet for a series of concessions to forestall the threat of Dutch military action. His successor, Amir Sjarifuddin, belonged to the same party as Sjahrir – the small Socialist Party (*Partai Socialis*). But the pair came from different factions. Sjahrir was a moderate with some free market inclinations; Sjarifuddin’s convictions were strongly left-wing. Yet in dealing with the Dutch, Sjarifuddin proved even more conciliatory than Sjahrir. The change of leadership and the continued efforts at appeasement left little impression on the Dutch, who appeared to have a predisposition to resolve the challenge from the Republic by force.

On 20 July, the Netherlands launched a military offensive. Notwithstanding the use of tanks and aircraft, the invasion of Republican territory was euphemistically referred to as a “police action” in an attempt to portray it as a purely domestic affair. By then, the Republic was not so internationally friendless. Australia and India quickly brought the issue to the UN Security Council. Australia, claiming a breach of the peace, on 30 July submitted a resolution calling for an end to hostilities and third-party arbitration based on the terms on the Linggadjati agreement.²⁹ From an Indonesian perspective, the lasting significance of the debate within the UN was to reinforce an unfavourable impression of the USA. In response to the Australian resolution, the USA simply offered the parties its “good offices”. The weak US response fed an impression

²⁷ Memorandum Prepared in the Department of State, Disputes or Situations – The Netherlands East Indies, 26 December 1945, *FRUS, Vol. VIII, 1946*, document 580.

²⁸ The Linggadjati agreement came into effect on 25 March 1946. For the contents of the agreement see Kahin, *Nationalism and Revolution in Indonesia*, pp. 196-197.

²⁹ The Australian resolution took precedence over the Indian because it was brought using article 39 of the UN Charter, which was stronger than the article 34 resolution brought by India. For a comprehensive account of the UN debates on Indonesia see, Alastair M. Taylor, *Indonesian Independence and the United Nations*, Ithaca: Cornell University Press (1960).

that had grown since the first months of the revolution that it was more sympathetic to the Dutch.³⁰

This perception was probably compounded by the unfortunate choice of Walter Foote as US consul general in Batavia, as Jakarta was then known. Foote, a garrulous Texan, who liked to be called “Uncle Billy”, had mellow recollections about colonial life in the Netherlands East Indies, where he had lived before the war.³¹ His telegrams to Washington, sprinkled with patronising references to docile and happy natives, argued strenuously against a Republican leadership he characterised as an ill-disciplined rabble. Following the Dutch offensive, he claimed 95 per cent of Indonesians were “sick of [the] Republic and its terrorising tactics”.³² Harnessing this misleading reporting, he urged the USA to avoid any attempt to embroil itself in the conflict by offering good offices, which would “surely result [in] burned fingers” for the USA. Washington eventually adopted a policy, with presidential approval, that was in large part designed to “guide the tone of UN discussion and lessen the attack on the Netherlands”.³³

In contrast to the equivocation in Washington, the Soviet Union saw the UN debates as an opportunity to promote its credentials as the true great power advocate of decolonisation and self-determination. The Security Council debate coincided with the development of the two-camp doctrine in Soviet foreign policy, which had the central purpose of establishing a Soviet-led coalition of Asian and African countries in opposition to the capitalist West. At the UN, the Soviets backed the Australian initiative. But in the face of opposition from the USA and the Netherlands’ West European allies the Security Council on 1 August adopted a compromise calling for the cessation of hostilities and a settlement by arbitration or other peaceful means. A Soviet amendment calling on the parties to retreat to the military starting line was defeated.

As would be demonstrated often in the coming years, the Soviet Union could embarrass the USA by forcing it to choose between its rhetorical commitment to self-determination and its defence of colonial regimes whose only virtue in American eyes was ardent anti-communism. In the UN debates over the Dutch military offensive, the USA, not for the last time, would find itself on the wrong side of historical currents in Indonesia. The spectre of America’s UN representative trying to soften pressure on the Netherlands for the sake of preserving the anti-communist front in Europe would not be easily forgotten by embattled Indonesian nationalists. It would fuel suspicions that the old industrialised West acted as an elite club that served the mutual interests of its members at the expense of the aspiring new states of Asia and Africa.

Beyond contributing to a perception of international politics as a crude transactional activity, the contrast between the positions of the USA and Soviet Union would reverberate in domestic politics. The broad front of left-wing political parties, led

³⁰ Kahin, *Nationalism and Revolution in Indonesia*, p. 215.

³¹ Rust., *op. cit.*, p. 13.

³² The Consul General at Batavia (Foote) to the Secretary of State, 1 August 1947, *FRUS, Vol. VI, 1947*, document 806.

³³ Memorandum by the Deputy Director of the Office of Near Eastern and African Affairs (Villard) to the Counselor (Bohlen), 29 July 1947, *ibid.*, document 795.

by the People's Democratic Front (*Front Demokrasi Rakyat* or FDR), of which the PKI was then a part, could enhance its legitimacy against political opponents on the right. Although Indonesia's democratic nationalists could not be said to be pro-American or pro-Western, they certainly were opposed to doctrinaire communism. The confluence of international and domestic politics would have profound repercussions for the future of the Republic and the future basis of Indonesian foreign policy.

The Madiun Rebellion and the Ideological Basis of Foreign Policy

During the opening phase of the Cold War, Indonesia was geographically far removed from what was then the crucible of great power conflict in Europe. But the manoeuvres within the Security Council over the Republic's attempts to lead Indonesia to independence ensured the Cold War did intrude on the struggle in a complex interplay between international and domestic events. Under siege on Java and Sumatra, the Republic desperately needed the recognition of other states to establish its legitimacy, and to obtain relief from the political, economic and military degradations imposed by the Dutch.³⁴ At the same time, the Cold War would play out in miniature between communists and democratic nationalists in the Republic's domestic affairs, amplified by the starkly different levels of support offered for the cause by the USA and Soviet Union. It was of no small significance to the domestic power struggle over the ideological basis of a future independent Indonesian state that communist countries offered the Republic generous support in contrast to the parsimony of the US-led West. The differing approaches were amplified by the refusal of the Security Council to accept the Soviet resolution calling for the withdrawal of forces to positions occupied before the 20 July offensive.

With increasing vigor from late 1947, the left-wing FDR-PKI alliance would push "the necessity of the Republic's alignment with the Soviet bloc".³⁵ Indonesian communists were cognisant of the implications of the two-camp doctrine and the deepening of the Cold War. Others of less ideological conviction would simply calculate that one great power was supporting the Dutch, leaving the Republic "no alternative but to ties themselves more closely to the other great power".³⁶ Non-communists worried not only about what communist policies would mean for the character of domestic politics, but whether overt alignment with the Soviet Union would eliminate what remaining prospects there were of obtaining the support of the USA. The USA was still regarded as the key to favorable Security Council decisions and to maximising pressure on the Dutch.

³⁴ The importance of this recognition is underscored by a legal opinion prepared by the State Department, which concluded that for the Republic to be recognised as a "state" it needed to "capacity to enter into relations with the outside world." This was a Catch 22: it could only do so if given sufficient space by the Dutch. "Memorandum by Mr. Ben Hill Brown, Jr., of the Office of the Legal Adviser, to the Director of the Office of Special Political Affairs (Rusk), 15 August 1947, *ibid.*, document 831.

³⁵ Ruth T. McVey, *The Soviet View of the Indonesian Revolution: A Study in the Russian Attitude Towards Asian Nationalism*, Jakarta: Equinox (1957[2009]), p. 61.

³⁶ Kahin, *op. cit.*, p. 256.

In these circumstances, it became “impossible to say where the domestic power struggle ended and the international one began”.³⁷

After the equivocal stance of the Security Council in August towards the Dutch military offensive, the international diplomacy stumbled through a series of unsatisfactory compromises over the following months that would exacerbate these trends. A US proposal for the establishment of a Good Offices Committee to facilitate negotiations was accepted.³⁸ In the analysis of its own chairman, American educator Frank Graham, the GOC was a flawed entity that lacked the power to produce a durable settlement.³⁹ Still, it did succeed in forging an expedient agreement on 19 January 1948 between Dutch and Indonesian negotiators aboard the troop ship *USS Renville* anchored off Batavia to replace the failed Linggadjati agreement. The Renville agreement produced a respite from hostilities, although the Dutch continued to “mop up” pockets of Republican troops behind the new frontline established by the July offensive. The agreement itself was unpalatable for the Republic, reflecting its precarious position following Dutch military advances. Its two principle features were recognition of Dutch sovereignty throughout Indonesia pending the creation of the RUSI in 1949 and agreement to a series of plebiscites to determine the area the Republic would occupy within the federal system of the RUSI.

The compromises required of the Republic to conclude the Renville agreement made it deeply unpopular. It exacerbated the ideological splits in government, with the Muslim and nationalist parties deserting Amir Sjarifuddin, who could count only on the support of the FDR, PKI and his own left-wing Socialist Party faction. Five days after the Renville agreement was signed, Sjarifuddin resigned as prime minister. A presidential cabinet was appointed under Hatta as vice president and prime minister. The Republic had its third prime minister in as many years in what would become a familiar pattern in the years ahead.

The fractious, ideologically-riven party politics, the antagonistic interactions with the Dutch over the implementation of the Renville agreement and the competition between the USA and Soviet Union to control the course of events in Indonesia would all intersect in the task of framing the Republic’s foreign policy. This would be a fraught, high-risk exercise that might not only jeopardise the stability of government, but even threaten the success of the revolution. Republican leaders started to conclude the only safe course was, in a sense, to make no policy decision at all – in other words, do their utmost to stay out of the Cold War. The idea that Indonesia might avoid entanglement on the side of either the USA or the Soviet Union started to take shape in late 1947. In a speech to the Indian World Affairs Council in New Delhi on 25 November, Sjahrir, then several months out of the prime minister’s office, refused to accept that the exigencies of

³⁷ McVey, op. cit., p. 62.

³⁸ The GOC had three members selected from concerned states. One member was chosen by each of the parties to the dispute and the two nominated members chose a third state representative as impartial chair. The Netherlands chose Belgium, the Republic chose Australia and together those states chose the USA.

³⁹ Kahin, op. cit., pp. 222-223.

international politics required the Republic to be corralled into one of the camps in the rivalry that had been christened as the Cold War only a few months earlier.

The world seems to force us to make a choice between the existing antagonistic powers: between the American bloc and the Soviet Russian bloc. But we rightly refuse to be forced. We are seeking international coexistence, which is in harmony with our internal life and we don't wish to be captured in systems that do not fit us and certainly not into systems that are hostile to our cause.⁴⁰

Sjahrir's host in New Delhi, Jawaharlal Nehru, who had become India's first prime minister when it gained independence three months earlier, had for decades been an advocate of a foreign policy for newly independent states that emphasised the capacity to "stand on our own feet" and the avoidance of power blocs.⁴¹ Nehru was an influence on both Sjahrir and Hatta. Sjahrir was a repeated houseguest of Nehru after Sjahrir had attended the first Asian Relations Conference in New Delhi in March 1947. Sjahrir had been feted at the conference as one of the leaders of a new wave of nationalism. Hatta knew Nehru from the 1920s after meeting in Europe.⁴²

Sjahrir returned from India convinced of the necessity of Cold War neutrality and acutely conscious of the implications of his views for the conduct of domestic politics. In December, he wrote a letter to demand Sjarifuddin, then still prime minister, decide whether he was first a nationalist or first a Communist.⁴³ The challenge was on two levels. Sjahrir disagreed that classic Marxist analysis, focused on the class divide, could be translated from Europe to the Indonesian case. He also believed Indonesian foreign policy should follow an independent course based on the country's own interests determined by the international situation at any given time.⁴⁴ This latter position represented something of a departure from Sjahrir's thoughts when he assumed the prime ministership in late 1945. In an important pamphlet entitled, *Our Struggle*, Sjahrir argued Indonesia might position itself "in harmony with the political ambitions of the Giant of the Pacific, the United States" as a means of securing independence.⁴⁵ He also had advocated Indonesia fell within "the sphere of influence of Anglo-Saxon capitalism and imperialism" because of its geography and must accommodate that reality.⁴⁶

Whether coincidence or the consequence of earlier debates, the sentiment that the Republic should strike its own direction in foreign policy was shared far afield. Soedjatmoko, one of the Republic's observers to the UN at Lake Success, New York,

⁴⁰ Rudolf Mrázek, *Sjahrir: Politics and Exile in Indonesia*, Ithaca, NY: Cornell Southeast Asia Program (1994), pp. 359-360.

⁴¹ Sardar Swaran Singh, "Nehru and Nonalignment". Presented at UNESCO conference on 100th anniversary of Jawaharlal Nehru's birth, Paris, France (1989). This resonated in the Indonesian term *berdikari*.

⁴² Agung, op. cit., p. 23

⁴³ Sjarifuddin later revealed he had been a secret member of the PKI since 1935.

⁴⁴ Kahin, op. cit., p. 258. The differences between Sjahrir and Sjarifuddin came to a head over the Renville agreement and the Socialist Party split. Sjahrir took his faction into a new Indonesian Socialist Party (*Partai Socialis Indonesia*).

⁴⁵ Sjahrir, *Our Struggle*, p. 25. In Indonesian, *Perjuangan Kita*.

⁴⁶ Ibid.

sent a letter to a colleague in the Republic's capital, Yogyakarta, on 16 December 1947 in which he argued "we should avoid very carefully any possibility of our being dragged into the middle of the American-Soviet conflict".⁴⁷ His prescient solution to this dilemma was to suggest "cooperative action among the Southeast Asian countries" to coordinate an end to colonial rule and "provide the possibility for a global policy keeping ourselves out of the growing American-Soviet antagonism".

It would be almost a year before this thinking found its way into a formal declaration of foreign policy. The seminal statement of foreign policy principles is commonly attributed to then prime minister Hatta in a speech on 2 September 1948 to the working group of the KNIP. On this occasion, Hatta laid down the guiding philosophy of foreign policy, a construct that was to survive, at least in name, until the present day. In one of the most frequently quoted passages, he said:

Should we the people of Indonesia, who fought for the independence of the nation and our state, simply have to choose between being pro-Russian or pro-American? Is there no other position that we should take in pursuit of our ideals? The government holds the opinion that Indonesia should not become an object in the international political contest, but rather we permanently have to become a subject with the right to determine our own attitude, the right to struggle for our own goals – that is, a completely independent Indonesia.⁴⁸

Subsequent interpretations of Hatta's speech have found three main strands to the concept of foreign policy he unveiled. First, it should be practiced in an independent (*bebas*) manner, which was interpreted as the freedom of Indonesian governments to choose policies in the interests of the state.⁴⁹ Secondly, it should be active (*aktif*), meaning Indonesia should promote decolonisation, social justice and peaceful interstate relations. Thirdly, Indonesia should avoid joining either of the two Cold War ideological blocs. Hatta famously described this last point as akin to the perils of "rowing between two reefs" (*mendayung antara dua karang*), the title given to his 2 September speech. In fact, Hatta did not explicitly use the term *bebas* and there is some dispute over whether he used the term *aktif*. He did not refer to non-alignment, as his speech pre-dated the coining of this latter term by Indian diplomat V.K Krishna Menon in 1953.⁵⁰ He did not specifically reject the idea that Indonesia might join any military alliances. He also did

⁴⁷ Mrázek, op. cit., p. 360, n. 556.

⁴⁸ Mohammad Hatta, *Mendajung Antara Dua Karang*, Jakarta: Ministry of Information (1951), p. 9. The full speech can be accessed at <http://thepenguinus.blogdetik.com/download/>. There is some disagreement over the precise language Hatta used. In a 1953 article, Hatta claimed to have said Indonesia should not be a "passive party" in international affairs, but an "active agent". This wording more directly links the speech to the subsequent use of the terms *bebas* and *aktif*. But it is likely the Ministry of Information version of the speech, published two years earlier, is more faithful. As noted, it records him saying Indonesia should be a "subject" and not an "object" in international affairs. See Hatta, "Indonesia's Foreign Policy", p. 446.

⁴⁹ The word *bebas* is usually translated as "free" or "unimpeded", but most scholars and practitioners, including Hatta, translated it, in this context, as "independent".

⁵⁰ For an account of the origins of the term non-alignment see Michael Brecher, *India and World Politics: Krishna Menon's View of the World*, Oxford University Press (1968).

not mention the acceptability of foreign military bases in Indonesia's immediate region. These would be later embellishments to the *bebas-aktif* policy.

In fact, Hatta's appeal was for a pragmatic foreign policy that adapted to the circumstances. Subsequent accounts of his speech have overlooked this other dimension. He told the KNIP that the Soviet Union's practice of foreign policy provided useful instruction. The key lesson was that "international politics cannot be faced with mere sentiment, but with reality and with rational logic".⁵¹ He praised Soviet tactics in signing a non-aggression treaty with Germany before the Second World War, which bought time for Stalin to build Soviet military strength. "A rational weighing (of the facts) forced Soviet Russia to enter an agreement with its enemy," Hatta said. "And if politics are only based on sentiment, such a thing of course is impossible."⁵² He appealed to Indonesians to put their own struggle for independence, and their country's own interests, ahead of all else, including ideological differences. "Our struggle should be fought on the basis of our old motto: to believe in ourselves and struggle with our own capabilities," he said. "This does not mean that we will not take advantage of upheaval in international politics. Certainly, in order to achieve a position of state strength politics makes use of existing international contradictions to achieve national purposes."⁵³

Despite Hatta's appeal for realism and flexibility in foreign policy to take advantage of international conditions, his advocacy of Cold War neutrality and self-reliance in the fight for independence were the two messages that endured. Shorn of the subtleties, those messages became the basis of the *bebas-aktif* foreign policy and Hatta was crowned its author. Sjahrir's earlier contributions go unrecorded or are dismissed.⁵⁴ Hatta certainly assigned himself credit. In his 1953 *Foreign Affairs* article, he cited this as the founding statement of Indonesian foreign policy principle. It was at least the first statement on the topic by a serving official and, if for that alone, was due recognition as the moment the *bebas-aktif* policy was formalised.

By the time Hatta addressed the KNIP, almost a year after Sjahrir's New Delhi speech, the question of a suitable foreign policy had attracted greater urgency because of a combination of international and domestic pressures. In early 1948, Suripno Wirjokarto, a special envoy of the Republic sent to Prague, had approached the Soviet Chargé d'Affaires in the city to propose the establishment of diplomatic relations and a mutual assistance agreement. He carried a letter from Sukarno and acting foreign minister Tamzil authorising him to "negotiate and sign agreements" for friendly relations

⁵¹ Hatta, *Mendajung Antara Dua Karang*, p. 10.

⁵² *Ibid.*, p. 10.

⁵³ *Ibid.*, p. 9.

⁵⁴ See Roeslan Abdulgani, "The Origins of the Concept 'Free and Active' in Indonesian Foreign Policy", *The Indonesian Quarterly*, Vol. 4, No. 1 (1975), pp. 3-13. Abdulgani's analysis is flawed in several respects. He neglects Sjahrir's Indian World Affairs Council speech and the debate with the Socialist Party between Sjahrir and Sjarifuddin. In asserting the *bebas-aktif* policy was a response to the Cold War, he also wrongly claims the Cold War started in late 1947 with the term being coined by Winston Churchill. It was in fact coined on 16 April 1947 in a speech by Bernard Baruch, a financier who advised Franklin D. Roosevelt and Harry S. Truman. See also Sukma, "Indonesia's *Bebas-Aktif* Foreign Policy", p. 232.

with the Soviet Union and eastern bloc countries.⁵⁵ The letter had been issued while Sjarifuddin, then a secret member of the PKI, was prime minister. It became an unpopular initiative after Hatta, who if not pro-Western was certainly anti-communist, replaced Sjarifuddin at the end of January 1948. But by the time Hatta became aware of Wirjokarto's activities the terms of a consular agreement to secure diplomatic recognition had already been negotiated. Hatta's attitude was to ignore the agreement and withhold an exchange of representatives. His chagrin increased when Moscow unilaterally ratified the agreement on 22 May, putting his government in "an extremely embarrassing position".⁵⁶ The disclosure of the agreement after Soviet ratification provoked concern in the US State Department over whether the republican government was deliberately tilting towards the Soviets and in the process adopting Moscow's hard line over a negotiated settlement with the Dutch.⁵⁷

The consular agreement controversy coincided with rising tensions between the republican government and forces allied to the left wing over reform of the revolutionary army. Plans hatched by Hatta and several army leaders for rationalisation and demobilisation of the vast, ill-disciplined and loosely organised military, comprised of regular and irregular units and localised militias, conflated with ideological divisions between communists and non-communists, and with communal tensions in Java. The army was roiled throughout 1948 by kidnappings, murders and firefights, pitting units loyal to the Republic against units opposed to organisational reform. Resistance to rationalisation was particularly strong in Central and East Java among forces associated with the FDR and PKI.

Another element of uncertainty was injected into this volatile environment when the exiled PKI leader, Musso, unexpectedly returned to Indonesia with a plan for reorganising the Republic government into a united front.⁵⁸ His goal was to ensure communists took over the leadership of the revolution. Musso's reappearance from his refuge in Moscow on 11 August heightened the domestic political competition and refocused attention on a simmering question about the international allies Indonesia should seek to enlist in its on-going struggle to oust the Dutch. Musso had quietly re-entered Indonesia on the same aircraft as Suripno Wirjokarto, who had been recalled from Prague.

This confluence of events contributed to the eruption on 18 September of a full-scale rebellion centred on the city of Madiun in Central Java, which drew in the FDR-PKI

⁵⁵ Ann Swift, *The Road to Madiun: The Indonesian Communist Uprising of 1948*, Singapore: Equinox Publishing (1989 [2010]), p. 65 and Efimova, "Towards the Establishment of Diplomatic Relations, 190. See also Frances Gouda (with Thijs Brocades Zaalberg), *American Visions of the Netherlands East Indies/Indonesia: US Foreign Policy and Indonesian Nationalism, 1920-1949*, Amsterdam University Press (2002), pp. 257-258.

⁵⁶ Swift, op. cit., p. 68.

⁵⁷ Telegram, Secretary of State to Consul General in Batavia, 28 May 1948, *FRUS, Vol. VI, 1948*, document 144, p. 191. The USA feared the consular agreement signalled that the Republic was siding with the USSR and abandoning a peace agreement negotiated aboard the *USS Renville* in Batavia harbor on 17-19 January 1948.

⁵⁸ Swift, op. cit., pp. 93-95.

leadership and became popularly branded as a communist uprising.⁵⁹ The Madiun rebellion was quickly and brutally suppressed by army units that remained loyal to the Republic and local Islamic militias exacting revenge on communists. The political and military leadership of the rebellion was decimated, some killed in fighting and others executed after capture.⁶⁰ Among those killed were Sjarifuddin and Musso.⁶¹ Surviving communist leaders were forced into hiding or fled abroad. The rebellion forever would stigmatise the PKI in the eyes of many Indonesians. It “marked the beginning of an enduring legacy of army hostility toward communism”, which would add to the ferocity of later anti-communist purges.⁶² The Madiun bloodshed also engaged religious and communal differences, sharpening future hostility between Muslims and communists.⁶³

At the time of the Madiun revolt, the diplomatic strategy of the Republic’s leaders heavily rested on American goodwill. Hatta had invested considerable “faith in the possibility of using US support to gain the Republic’s independence”.⁶⁴ The quick suppression of the Madiun uprising bolstered that ambition, proving the Republic’s anti-communist credentials to Washington. The USA long feared a leftist or communist takeover in Indonesia. To officials in Washington, Hatta was a sentinel against communism; his fall would “almost certainly result in a left wing government”.⁶⁵ Hence, even before Madiun brought conflict between Hatta’s government and the FDR-PKI to a head, the USA began pressing the Netherlands to reach a settlement for the establishment of a “free, sovereign and independent United States of Indonesia” with equal status in a union with the Netherlands and in the United Nations.⁶⁶ Simultaneously, US Secretary of State, George C. Marshall, authorised US diplomats in Batavia to inform Hatta that the USA would offer all practical assistance to help him “successfully resist communist tyranny”.⁶⁷

The action of the rebels at Madiun hardened US resolve. Hatta was left in no doubt the USA welcomed the emergence of a “cleavage” between “genuine nationalists”

⁵⁹ For accounts of the Madiun Affair see Swift op. cit. and Joseph H. Daves, *The Indonesian Army from Revolusi to Reformasi: Volume 1*, Author (2013), pp. 148-178. The official version of the *Peristiwa Madiun* (which persisted through the Suharto era) was that it was a communist inspired coup against the republican government. This version whitewashes the contention surrounding the rationalisation and demobilisation plan, which angered a number of troops who did not have real left-wing sympathies. This probably drew troops to the FDR-PKI banner for reasons that were more material than ideological. See David Charles Anderson, “The Military Aspects of the Madiun Affair”, *Indonesia*, No. 21 (1976), pp. 1-63.

⁶⁰ Ibid., p. 48.

⁶¹ Daves, op. cit., pp. 172-172. Musso was captured on 31 October and allegedly shot while trying to escape. Amir Sjarifuddin was captured along with Suripno Wirjokarto and 300 rebel troops on 1 December. Sjarifuddin and Wirjokarto were executed immediately after the Dutch launched a military offensive on 19 December, along with 11 other Madiun conspirators. There were numerous other executions, some believed to have been approved by Hatta.

⁶² Daves, op. cit., p. 176. Lt. Col. Suharto, later President, was the Yogyakarta military commander at the time and was an emissary from the Republic to the communists.

⁶³ Ricklefs, op. cit., p. 229.

⁶⁴ Swift, op. cit., p. 70.

⁶⁵ Memorandum, James W. Barco, Division of United Nations Political Affairs, to director of Office of United Nations Affairs (Rusk), 3 September 1948, *FRUS, Vol. VI, 1948*, document 239.

⁶⁶ Memorandum Prepared for the Acting Secretary of State, 23 September 1948, *ibid.*, document 278.

⁶⁷ Telegram, Secretary of State George C. Marshall to Consul General at Batavia, 9 September 1948, *ibid.*, document 245.

and the FDR-PKI. Moreover, Washington was happy for Hatta to be made aware that he would receive generous support if the communist threat was “isolated and disposed of”, but that this support would be jeopardised if the Republic’s government considered “temporizing” over the matter.⁶⁸ In the event, the message sent ten days after the launch of the rebellion might not have been passed on because of the speed with which republican forces disposed of the communist leadership. This would have confirmed to Americans the assessment that “the overwhelming sentiment within the Republic is pro-Western and pro-American”.⁶⁹

All this raises the question, why did Hatta not simply seek to align the prospective independent state of Indonesia with the USA and the West?

On 2 September, when Hatta outlined his approach to foreign policy, it appears the immediate concern was to avoid fractures in the revolutionary forces and stave off a concerted push for the Republic to side with the Soviet Union by accepting diplomatic recognition. Moscow had been forthright in support of the republican cause, probably with the aim of either driving a wedge between Washington and The Hague or hiving Indonesia away from the West – a disruptive and low-cost tactic that would be repeated in later years. Hatta told the KNIP that alignment with the Soviet Union would entail the subjugation of the independence aspirations of Indonesians to the greater global communist cause. He warned the view from Moscow was that “in the interest of strengthening Soviet Russia’s position any other interests except those of the Soviet Union will be sacrificed”. Hatta’s policy alternative was not to align with the West, but to appeal to the spirit of revolutionary independence by projecting an international stance in which Indonesians demonstrated “confidence in ourselves” and the competence to “struggle on our own strengths and abilities”. The unqualified aim of foreign policy was to serve the goal of attaining independence in the “shortest possible time”, which took “all-out precedence”.⁷⁰

Thus the middle way that Hatta fashioned is best defined by what was commonly known at the time as “neutralism” – “disassociation from the Cold War”.⁷¹ As Hatta was to later express it, the policy “plays no favorites between the two opposed blocs and follows its own path through various international problems”.⁷² In the ideal, this meant Indonesia would be “free from the influence of the United States bloc or the Communist bloc, whether the influence be of capital or of ideology”.⁷³ The ideal would remain

⁶⁸ Telegram, Acting Secretary of State (Lovett) to Consul General at Batavia, 27 September 1948, *ibid.*, document 291.

⁶⁹ Memorandum, James W. Barco, Division of United Nations Political Affairs, to director of Office of United Nations Affairs (Rusk), 3 September 1948, *FRUS, Vol. VI, 1948*, document 239.

⁷⁰ Hatta, *Mendajung Antara Dua Karang*, p. 10.

⁷¹ Peter Hazelip Lyon, “Neutralism: Its Meaning and Significance in Contemporary International Politics”, PhD thesis, the London School of Economics and Political Science (1961), p. 9. Lyon uses this definition to cover a variety of policies including, “non-alignment”, “active and peaceful co-existence”, “active policy for peace”, “independent policy”, “positive neutrality” and “positive neutralism”.

⁷² Hatta, “Indonesia’s Foreign Policy”, p. 444.

⁷³ Mohammad Hatta, “Indonesia Between the Power Blocs”, *Foreign Affairs*, Vol. 36 (1958), p. 485.

beyond Indonesia's grasp. But this was a message for its times; a pragmatic response, offering several advantages to overt alignment.

First, it permitted the nascent Republic to remain aloof from the Cold War conflict in the year it was hardened by the Berlin Blockade, although free to adopt a position that favored either the USA or the Soviet Union when it suited Indonesia's own preferences or interests. The Republic was a weak entity in danger of being stillborn. It could ill-afford to antagonise one of the world's two big powers – both permanent members of the UN Security Council – at a time when the UNSC was one of Indonesia's only means of international appeal against aggressive Dutch tactics. In 1948, the USA had become vital to wringing concessions from the Dutch. But at earlier times, it was the USA that appeared ambivalent and it was the Soviet Union that had backed Indonesia in the UNSC. In this climate, Indonesia might have been able to play impartiality to its advantage by allowing foreign powers to compete for its favor and, by deft management, give each side enough to avoid outright antagonism from either.

Second, the middle-way foreign policy avoided a rancorous domestic debate about foreign policy at a time when the energy of the Republic was appropriately devoted to ousting the Dutch from Indonesian soil. From this perspective, a declaration in support of the West was no more tenable than an embrace of the communist bloc. The ambivalence of the USA and West European countries to Indonesian independence after the Second World War had been a deep disappointment for those who believed in the commitment of the victorious powers to self-determination. Hence, alliance with the West was potentially a source of contention for non-communists too. In essence, the policy served the domestic purpose of preventing “rivalry between Washington and Moscow from aggravating acute political differences within the country's political elite” and thus helped to “cultivate national unity”.⁷⁴

Third, Hatta's mid-course captured the spirit of the times, for the Indonesian people were in the midst of a struggle to rid themselves of domination by a foreign power. The expression of foreign policy independence was an attractive aspiration for a people determined to be sovereign, as reflected in Sjahrir's earlier call for “international coexistence” rather than division into ideological blocs. Only three years after the end of the Second World War, they rightly saw themselves as victims of an era of great power politics, which was also closely associated in their minds with imperialism and colonialism.

The Hard Road to Independence

The equivocation evident in the official foreign policy of the Republic aside, the swift destruction of the communist leadership following the Madiun rebellion served to reassure the Americans it could deal with the nationalist government. It was an especially poor time for the Dutch to take advantage of the instability of the Republic to

⁷⁴ Sukma, “Indonesia's *Bebas-Aktif* Foreign Policy”, p. 232.

launch its second and most decisive military offensive. This it did on 19 December. The Dutch excuse – a deadlock in negotiations with the Republic under the Renville agreement over the maintenance of security in republican-controlled areas – won no sympathy in the USA.⁷⁵

Despite Washington's desire to maintain the strength of allied forces in Europe, and the general Euro-centric disposition of the State Department at the time, it became increasingly hard to justify support for the Netherlands in the face of its blatant aggression. The Dutch assault on the republican capital Yogyakarta had led to the capture and detention of Sukarno, Hatta and other prominent independence leaders. American irritation was compounded by the Dutch army's use of US-manufactured equipment, particularly aircraft, to rout the republican army. Global opinion started to turn sharply against the Dutch, fuelled by The Hague's defiance of a resolution of the UN Security Council on 24 December calling for the release of their famous captives, the restoration of the Republican government and resumption of direct negotiations. The anger was mirrored in US congressional and public opinion. One of the obvious points of pressure was the large US aid vote to support post-war reconstruction in the Netherlands. A good part of this money was permitted to flow to the East Indies where it helped secure the continued Dutch presence. Demands built in the US Congress to sanction the Netherlands by cutting off aid.

The larger foreign policy costs of supporting the Dutch also were starting to occur to Washington elites. One senator questioned the benefits of the Atlantic alliance in the event US support for the Dutch forced "a billion Orientals to look elsewhere for friendship and trade".⁷⁶ Dean Acheson, who replaced Marshall as Secretary of State on 21 January, became a forceful advocate for direct negotiations between the Netherlands and the Republic. In a meeting with Dutch foreign minister Dirk Stikker on 2 April, Acheson warned there was "no chance" the Congress would authorise military aid to the Netherlands if there was no settlement with Indonesian nationalists.⁷⁷ The stakes were underlined by Stikker's reply that the Netherlands might in that case reconsider the logic of joining the NATO pact, due to be inaugurated two days later. Although Acheson was the one of the principal architects of NATO, he insisted the USA needed "tangible evidence" the Netherlands would negotiate a settlement and time was running out.⁷⁸

The US intervention had a salutary effect on Dutch policy. Within two weeks, the republican leadership was released and returned to Yogyakarta. A ceasefire was put in place. The Netherlands agreed to initiate direct negotiations with the Republic and the other federal states of the proposed RUSI. What was termed the Round Table Conference opened on 23 August in The Hague. The negotiations over the following weeks would be arduous. Indonesian negotiators would be forced to accept unpalatable compromises. The two hardest to bear were Dutch insistence that the RUSI assume debts

⁷⁵ For accounts of the second Dutch military offensive see...

⁷⁶ Quoted in Gardner, *op. cit.*, p. 87.

⁷⁷ The Secretary of State to the Consulate General at Batavia, 2 April 1949, *FRUS, Vol. VII, 1949*.

⁷⁸ *Ibid.*

incurred by the Netherlands East Indies government and that West New Guinea undergo a separate process of decolonisation after a period of Dutch guardianship. Weeks of hard bargaining over the terms of Indonesian independence resulted in the compromise that the RUSI would adopt USD 1.1 billion in debt, which the Indonesian delegation believed was tantamount to paying for Dutch military actions to suppress independence. The status of West New Guinea was left unresolved. It deserved separate treatment, according to the Dutch, because it was less developed and racially and culturally different from the rest of Indonesia. Its status was to be determined by negotiations within one year. The unsatisfactory compromises of the Round Table Conference left Indonesians with lingering resentment, but the negotiations concluded with an agreement that the RUSI would be founded as an independent, sovereign state on 29 December 1949. The RUSI would have 16 federated states, of which the Republic would be one. Sukarno would be the first president of the RUSI and Hatta its first vice president and prime minister.

President Truman sent his best wishes, complimenting Sukarno, Hatta and other nationalist leaders on the “splendid” settlement of The Hague.⁷⁹ US influence had proved decisive in the ultimate outcome. But the failure of Washington to explicitly support Indonesian independence sooner meant the USA probably did not reap the anticipated diplomatic dividend. Indonesians were left with the impression that US sympathy for a European ally had out-weighed rights to self-determination enshrined in the UN Charter. It was only when Dutch actions stirred widespread outrage that the USA found it could no longer justify the actions of its ally.

Soviet reaction to Indonesian independence was less enthusiastic. After the Madiun rebellion, Moscow became openly hostile to the Republic’s leadership. Terms like “agents” of imperialism and “bourgeois-nationalist traitors” were used to describe the government that had vanquished the communists.⁸⁰ The recommendation from the Southeast Asia Department of the Soviet Foreign Ministry was to ignore requests from the Netherlands and RUSI for recognition of the new state. The RUSI was deemed to be “the result of a bargain struck by Indonesian feudals and Dutch reactionaries with the active cooperation of USA ruling circles”.⁸¹ The Soviets suspected the RUSI was likely to ally with the West in the Cold War because it was “fully dependent” on the USA and the Netherlands.⁸² For reasons that remain a mystery, the preference of Foreign Ministry officials to ignore the creation of the RUSI was overruled by Stalin. There is the possibility Communist China’s paramount leader Mao Zedong, who was visiting Russia at the time, influenced Stalin’s decision.⁸³ In any case, the Soviet Union granted official recognition to the RUSI on 25 January 1950.

In the context of the Cold War, the attainment of Indonesian independence looked like a victory for US foreign policy. Notwithstanding Indonesia’s official neutrality in

⁷⁹ The Secretary of State to the Consulate General at Batavia, 27 December 1949, *ibid.*

⁸⁰ Efimova, “New Evidence on the Establishment of Soviet-Indonesian Diplomatic Relations”, p. 225.

⁸¹ *Ibid.*, p. 222.

⁸² *Ibid.*, p. 223.

⁸³ This is Efimova’s conclusion. See, *ibid.*, pp. 224-226.

the Cold War, the USA was confident that the leaders of the RUSI were strongly anti-communist and “regarded as a dangerous enemy by world communism”.⁸⁴ Within days of the transfer of sovereignty, Truman approved a military aid package aimed at making sure Indonesia stayed out of communist hands. “As the Communist gains on the Asiatic mainland increase, the importance of keeping Indonesia in the anti-Communist camp is of greater and greater importance,” Acheson advised the President. “The loss of Indonesia to the Communists would deprive the United States of an area of the highest political, economic and strategic importance.”⁸⁵ But Indonesian leaders had their own ideas about foreign policy that would ensure the country would not be the unproblematic ally the USA hoped.

Alignment Policy: A Critical Assessment

Balancing Risk in Alignment Behavior

The leaders of the putative Indonesian state received a harsh baptism in the realities of *Realpolitik* at the end of the Second World War. There is no question the threat posed to the Republic by the Dutch was existential. There was no ambiguity about the source of the threat. The Republic was subject to two major military offensives and constant political and economic pressure. The Dutch possessed overwhelming offensive power, including control of the air and sea, physically surrounded the Republic, and could count on a certain level of sympathy, if not active support, from Britain and the USA, the only two great powers with the capability to directly intervene. With the Republic facing a threat to its survival, the assumption of theories focused on the level of threat alone predict the Republic should have sought to offset the danger posed by predominant Dutch power by seeking to align with outside powers.⁸⁶ It did not.

The first hypothesis of a risk-based analysis also predicts that hard policies, including building military strength and forming balancing alliances, would be adopted in the event of a high likelihood of critical losses. Militarily, the Republic did offer firm resistance, but its army was outgunned and outmanned, leaving it “little chance to achieve military victory”.⁸⁷ One of the few ways it could build strength was tactical and strategic innovation, which it strived to do through the guerrilla methods expounded by one of the army’s leading thinkers, A.H. Nasution, in a doctrine of “total people’s resistance”.⁸⁸ On the diplomatic front, the Republic theoretically had the capacity to appeal to foreign powers for their assistance. But in practice it lacked external hard balancing options in part because those states sympathetic to the Republic lacked the

⁸⁴ Memorandum by the Secretary of State to President Truman, 9 January 1950, *FRUS, Vol. VI, 1950*.

⁸⁵ *Ibid.*

⁸⁶ Bandwagoning with the Dutch was out of the question because there was no negotiable outcome that did not involve the Republic sacrificing core interests, indeed, its very existence.

⁸⁷ Daves, *The Indonesian Army from Revolusi to Reformasi*, p. 182.

⁸⁸ *Ibid.*, p. 185.

ability to directly intervene and those with the capacity to intervene were either opposed to the Republic or undecided in their sympathies. Domestic and international conditions combined to limit balancing options. On this basis, it would appear the first hypothesis does not adequately capture the nature of the Republic's response to the Dutch threat. It suggests the necessity of attaching the precondition that hard balancing options need to be available. This is consistent with the second hypothesis that smart strategies or bandwagoning are to be preferred in the absence of hard balancing options.

It will be argued here that to understand the Republic's alignment choices a balance-of-risk analysis, as an elaborate calculation on multiple levels of analysis, offers a superior explanation during the revolutionary period to either a balance of threat or balance of power model. The Republic's military options were limited, but it had raised a sufficiently large army based on earlier Japanese and Dutch militias to put up a credible fight. Still, the decision to offer armed opposition to the Dutch could be viewed as no more than necessity. The alternative for the Republic was to accept the reimposition of Dutch rule and its own annihilation. The aims of the revolution were regarded as too important to abandon despite the overwhelming superiority of Dutch forces. A determined resistance, coupled with an effective negotiating strategy, might have made the price of victory sufficiently high for the Dutch to reach a compromise. It also would buy the Republic time to allow its diplomacy to work.

The diplomacy the Republic undertook was multifaceted. Although it did not seek explicit alignment with any great power, it sought to nurture good ties with both Cold War camps. It cultivated relations with states supportive of its cause, especially India. It appealed to the UN to uphold its newly-proclaimed principles on the rights of people. And it matched its armed resistance of the Dutch with generous concessions at the negotiating table. In this way, its strategy combined hard and soft elements, which minimised the prospect of military capitulation and maximised the prospect of diplomatic salvation.

The key to interpreting the Republic's strategy is recognition of its inherent weakness. Despite an elaborate administration, its claims to statehood were nascent.⁸⁹ The lack of foreign recognition meant openly taking sides in the Cold War might have been seen as no more than a hollow gesture that delivered few tangible benefits. Its military and negotiating strategy with the Dutch did not contemplate the likelihood of settling the issue of independence by force. The best that could be hoped for was that the will of the Netherlands might be sapped by losses in blood and treasure, prompting it to

⁸⁹As noted earlier, the Republic exhibited most of the attributes of a state, even as it lacked widespread diplomatic recognition from other states. This means that, for the purposes of an analysis of alignment, the Republic arguably can be treated as a state entity. The key attributes of statehood, as defined by Max Weber, are: monopoly over the legitimate use of physical force within a given territory; centralisation of the material and ideal means of rule; a hierarchy of command and a rational constitution; a binding administrative and legal order; organised enforcement of the governing order; and regulation of the competition for political office. See, Karl Duzza, "Max Weber's Conception of the State", *International Journal of Politics, Culture and Society*, Vol. 3, No. 1 (1989), pp. 75-76.

give de facto recognition to the Republic's territorial claims and accept a process leading to statehood. This is what in effect happened in the Linggadjati and Renville accords, although in both cases they were breached by the Dutch.

From the perspective of this dissertation, the critical decision the Republic made was the declaration of neutrality between the Cold War antagonists. The international and domestic repercussions of that decision will be examined below.

Internationally, the crux of the problem for the Republic was this: at the time then prime minister Hatta made neutrality official foreign policy, the Republic had little to gain from explicit, unilateral alignment with either the USA or the Soviet Union. To choose one, automatically meant to lose the other. The USA was the state best able to pressure the Dutch to negotiate. It was the biggest power in the Western Pacific and it supplied indispensable economic aid to the reconstruction of the Netherlands. Although repeated attempts by the Republic of Indonesia to convince the USA to offer explicit support to the cause of independence had failed, the USA remained a potential ally at least in the activity of moderating Dutch actions. On the other hand, the Soviet Union had either led or supported pro-republican resolutions at the UN. Its interventions, while not sufficient to prevent Dutch attempts to eliminate the Republic as a political force by military means, were useful in keeping Indonesian aspirations and Dutch actions in the international spotlight. The Soviet Union was critical to ensuring resolutions from other Indonesian supporters, like Australia and India, had some degree of backing in the UN Security Council.

But neutrality was not solely an international policy. Hatta's declaration of neutrality and foreign policy independence was aimed as much, if not more, at a domestic audience. In fact, observed from a domestic angle, it is clear that Hatta only faced two serious options – neutrality or alignment with the West. Alignment with the Soviet Union would have contradicted his political and social values and given an advantage to his opponents on the left. Alignment with the West would have more closely fitted his democratic leanings, but contributed to the growing cleavage between the left and right in the republican movement that already risked fracturing the revolution. A call for neutrality in international politics potentially would act as an appeal for domestic unity.

Ultimately, the strategy of simultaneously managing the international and domestic risks failed. The Madiun rebellion brought the tensions within the Republic to a head and the Dutch launched a second military offensive. But the quick suppression of the communist rebellion by forces loyal to the republican government did by action what could not be done by official statements about alignment policy. The West was given clear evidence that the republican leadership, particularly Sukarno and Hatta, were anti-communist. This garnered increased sympathy for the republican cause and an escalation of pressure on the Dutch to agree to a transition of sovereignty. The outcome was more a matter of good fortune than design.

Indonesia then was able to carry official neutrality into statehood, while obtaining more explicit US backing. Immediately after conclusion of The Hague agreement on the transfer of sovereignty, President Truman launched what would be one of the USA's

most enduring aid programs with a grant of military assistance aimed at strengthening the Republic against further communist attacks. Despite the setback for the communists at Madiun, Stalin overruled his advisers and eventually granted official recognition to the new state in January 1950. The Soviet Union thus decided to stay in contention for Indonesian favor. But Madiun and subsequent US support for independence set the scene for a generally pro-Western neutrality in the early days of the new state. The apparent confirmation that the Republic was led by anti-communists was received in Washington as an early Cold War victory.

American enthusiasm was premature. This period also marks the beginning of the Republic's exploration of smart alignment strategies. The pursuit of neutrality at a time when both the USA and Soviet Union were vying for influence in Indonesia allowed the Republic to play the game of competitive bidding – turning neutrality into a positive by attracting support, or at least nullifying opposition, from both Cold War powers. At the same time, Indonesia could preserve its policy autonomy. This and other smart strategies would become a feature of future diplomacy. The conditions that allowed them to be employed will be explored further in the next chapter.

It is clear from this period that the Republic's alignment behavior cannot be understood purely as an automatic response to external power or threat. The Republic's strategy is better understood as the balancing of risk on multiple levels aimed at forestalling a Dutch military victory, ensuring maximum international support from mutually antagonistic great power blocs for Indonesian independence, and maintaining foreign policy independence to ensure cohesion within an ideologically-riven independence movement.

This then leaves the question of what method of analysis better explains the decision-making process itself – a rational choice or psychological analysis.

From the point of view of risk-taking propensities suggested by prospect theory, the key to an explanation is identification of the point of reference Republican leaders adopted to frame potential gains or losses. At a minimum, the Republic should have valued the status quo (that is, de facto recognition and its continued survival within defined borders) and would have been prepared to postpone, or play for time, in relation to its real goal of a united, independent Indonesia.

Under one scenario, the Republic would have seen the status quo as manifesting a net gain, following the establishment of a separate de facto government on Java and Sumatra. In the domain of gains, its leaders would have been risk averse. Assuming resistance of an enemy bent on one's complete destruction is consistent with risk-aversion or put another way, the prospect of suffering probable loss versus certain loss, the Republic's armed action could be seen in the first instance as directed at no more than preserving the status quo. Indeed, the extent of the concessions the Republic offered to the Dutch speak to its desire to avoid the dispute being decided on the battlefield. The policy of neutrality could then be seen as one further dimension of a cautious approach aimed at not alienating foreign powers or aggravating internal tensions. The neutral

policy was announced just before the Madiun rebellion when republican leaders hoped to avoid a climatic showdown.

But an alternative scenario is that the objective conditions the Republic faced in late 1948 entailed significant losses. The goal of the independence movement had been to forge a single country out of all the territory of the former Netherlands East Indies. It had fallen well short of that ambition. Even before the outbreak of internal rebellion, the Republic faced constant military and economic pressure from the Dutch. Its survival remained in doubt. This scenario suggests there should have been a willingness for risk taking, including the possibility of seeking a hard alignment to balance Dutch power. A unilateral declaration of allegiance to the West might have undercut one of the key Dutch arguments for US and other Western support.

The two separate scenarios illustrate the complexity in applying prospect theory's psychological analysis to decisions entailing political risk. Different interpretations of the reference point of policymakers can produce starkly different predictions or explanations of behavior. It is not possible to know whether the Republic's leaders saw themselves in the domain of gains or of losses – quite likely it was a mix of both. Arguably, for those reasons, a rational choice analysis offers a simpler and more direct explanation in this case.

The record suggests the Republic might have been open to a hard alignment with the USA had it been possible. Sutan Sjahrir had written of Indonesia lying within a US sphere of influence in his manifesto *Our Struggle*, written just as he was about become prime minister. But the international context meant the option of hard alignment was simply not available. There was no state willing or able to deploy coercive force to restrain the Dutch. In the absence of any material support from a great power, and facing internal divisions between supporters of Western and communist values, neutrality was the position least likely to undermine internal solidarity and most likely to preserve existing levels of foreign support. The balance of risk required that it avoid alignment commitments likely to generate either domestic or international opposition, which in turn might undermine the primary objective of attaining independence. Moreover, neutrality could be portrayed as a virtue – a reflection of the values of the independence movement. It was a logical option for policymakers who faced few good choices.

The outcome is consistent with the second hypothesis that when a state has no recourse to hard balancing policies, it should prefer smart alignment strategies or, as a last resort, to bandwagon with a threatening state. The Republic took the only alignment course open to it at the time to ensure its survival.

There is little evidence from this period to provide firm conclusions about the other hypotheses proposed – the roles of aid, transnational penetration and ideology in affecting alignment. Until Indonesia obtained its independence, aid did not figure as a significant feature of the Republic's foreign relations. It is premature to draw conclusions on its influence. The most significant transnational penetration was historic interaction with the Dutch. But it acted as a negative influence. Although many Indonesian elites were educated under the Dutch system, spoke Dutch and had close

personal associations with the Dutch, the experience of colonialism and the intransigent attitude of the Dutch government meant that familiarity gave no advantage to the Netherlands. In fact, the behavior of Dutch administrators and soldiers during the revolution might have tainted images of Westerners in general. Certainly, the hardships of colonialism would leave a lasting impression.

Ideology potentially had more significance in determining alignment. It was certainly relevant for the communists. Communism was seen as an international structure and, therefore, communist dominance of the revolution would have come with automatic international commitments. But there is less evidence that democratic nationalists were attracted to alignment with the West because of their admiration of Western systems of political or economic governance. Indeed, the prevailing view among this group appears to be support for accommodation with the West rather than alignment.

Conclusion

This chapter portrayed the alignment decisions of the Republican government during the revolution as an elaborate exercise in balancing risk. In a state of inherent weakness as it struggled for independence, the Republic was forced into a foreign policy compromise: it needed to simultaneously maintain good relations with the great powers that could help determine the outcome of the revolution and avoid splitting the revolutionary movement. The answer was a policy of Cold War neutrality that later formed the basis of the *bebas-aktif* foreign policy. It was a policy that represented the path of least risk. But neutrality could be cast as a virtue; the Republic could not hope to obtain effective intervention against the Dutch from any of the great powers, so it portrayed neutrality as a manifestation in foreign policy of a principled desire to assert Indonesian independence.

Faced with an existential threat from Dutch forces, the logical impulse should have been to seek a hard alignment that could have given the Republic additional military options and brought direct diplomatic pressure on the Dutch. A valid conclusion is that the Republic's leaders did not adopt this course because they could not. No great power was either willing or able to play that role. Moreover, a decision to side with either the US-led capitalist camp or the Soviet-led communist camp would have ruptured the fragile alliance of domestic revolutionaries. The outcome was consistent with the second hypothesis that a state will adopt smart alignment strategies aimed at maximising its policy autonomy or bandwagon with a threatening party as a last resort. Bandwagoning was no more of an option than a hard-balancing alignment because the Dutch were intent on extinguishing the Republic. This left Indonesia to pursue the strategy of competitive bidding – playing to both great powers to obtain the maximum diplomatic assistance.

CHAPTER FOUR

Foreign Policy Collides with Democracy

In the years after the Netherlands formally relinquished its claims in Indonesia on 27 December 1949, the new state experienced a short-lived period of constitutional democracy. This chapter deals with those first heady years of Indonesia's life as an independent state, when a freewheeling political environment and the economic rollercoaster of Korean war boom and bust served up hope and anxiety for the future of the state in equal measure. It concludes as Indonesia basks in the kudos of its arrival on the international stage as host of the Asia Africa conference.

The chapter traverses a number of historical episodes that reveal the stresses governments faced in building a consensus on policymaking and the division of state resources. This was especially evident in the volatility of foreign policy decisions. Shifting parliamentary allegiances, and frequent changes in prime ministers and cabinets, resulted in poor policy execution and frequent policy reversals. The alignment, and general orientation of foreign policy, changed in tandem with regime as Indonesia grappled with the reality that the international politics of the Cold War presented few choices that could be easily reconciled at home. The events covered in the following sections include negotiations over an American-led peace treaty with Japan, the signing of a security agreement with the USA, the convening of a conference of Asian and African states, and the forging of relations with Communist China. The chapter draws on archival records to provide a more comprehensive picture of the machinations surrounding these events than available in published accounts.

Each episode either caused or exacerbated pre-existing internal strains over the nature and future direction of the state. They produced significant upheaval in relations with the USA and the Soviet Union and the People's Republic of China. These episodes underscore the dominant influence of great power relations in shaping Indonesia's international outlook and their ability to penetrate Indonesian domestic politics for both good and ill. They highlighted the strains and trade-offs implicated in the *bebas-aktif* foreign policy and the consequences for alignment.

The chapter concludes by arguing Indonesia carried the habits of international and domestic risk management into its decisions about foreign policy and alignment during the

early years of statehood under constitutional democracy. The shape of the balancing act followed a similar pattern to the revolution, in which policymakers simultaneously sought to obtain support from foreign powers for national development and remain within the boundaries established by the *bebas-aktif* policy in order to maintain domestic harmony. Reflecting the right-wing leanings of the early cabinets of the 1950s, Indonesia initially adopted an interpretation of neutrality that tended to favor links to the West. This was driven by both a pragmatic assessment of the sources of aid, trade and investment and the anti-communism of Muslim politicians in government. It carried with it some peril because of the sympathy many, including non-communist nationalists, expressed for the anti-imperial stances of the Soviet Union and China.

As Indonesian leaders grew in confidence, foreign policy increasingly became a vehicle for asserting national pride and independence. This reflected a desire to address some of the historical legacies of colonialism, especially the claim to West New Guinea and the influence of foreign capital. Within three years of securing independence, Indonesia started to embrace a stricter form of neutrality between the great powers, which was widely viewed as downgrading ties with the West. It reflected a range of factors, including a genuine belief in the virtues of independent foreign policy, frustration at the lack of Western support over the West New Guinea claim and the slowness in securing national control over the economy.

It is clear the shifts in alignment throughout this period do not correlate with changes in the external balance of power or threat. Instead, alignment patterns are better understood as reflecting policymakers' determination of critical preferences and interests, and how foreign powers could serve those interests, at a time when Indonesia did not feel directly threatened despite significant tensions within its region. Alignment posture changed when policymakers judged the significance of the interests in question outweighed the risks of provoking a hostile reaction both internationally and domestically.

The Limits of Alliance: The *Bebas-Aktif* Foreign Policy on Trial

Warming to the West: the Sukiman Crisis

The first three Cabinets of the constitutional democracy era shared several common traits. They were of an “understated, businesslike” character.¹ Each was committed for the most part to the creation of a modern framework for government, built on viable state institutions and parliamentary democracy. Their democratic orientation made them generally sympathetic to the West, even as they were reluctant to formally ally with the West. They were staunchly anti-communist. And they were all short lived, built on unstable coalitions.

Of the three cabinets of this period – under prime ministers Mohammad Hatta, Mohammad Natsir and Sukiman Wiryoanjoyo² – it was the last that most stridently, and in the consequence for domestic politics, most painfully, demonstrated anti-communism and Western sympathy. Three episodes in the short life of the Sukiman cabinet illustrate its ideological convictions and the boundaries of acceptable foreign policy. The first was a crackdown on political opponents – most of them communists or communist sympathisers – and the activities of the Chinese Embassy; the second, the signing of the US-sponsored peace treaty with Japan; and the third a crisis over an economic and military aid agreement with the USA, which entailed ambiguous commitments to the defence of the “free world”. These three episodes were critical to parliament’s loss of confidence in the Sukiman cabinet and its resignation after 11 months. The third in this series of controversies was the proximate trigger for Sukiman’s downfall. Together they highlight the salience of foreign policy in the domestic debate of the era and the perils of being seen to depart too far from the founding precepts of independence and activism.

The signs of re-emerging tensions with the PKI came before the installation of the Sukiman cabinet on 23 April 1951. Both Sukiman and his predecessor, Natsir, were from Masyumi, known for its antagonism to communism. From late 1950, the government and army began to restrict the activities of the PKI and its affiliated union federation. Labor strikes were banned and communist political rallies were forbidden. Hatta, then Vice President, had accused the PKI of being a tool of the Soviet Union. The tempo of anti-communist policies picked up under the prime ministership of Sukiman, resulting in a cycle of provocation through

¹ Elson, *Idea of Indonesia*, p. 154.

² Hatta served from December 1949 to August 1950, Natsir from September 1950 to March 1951 and Sukiman from April 1951 to February 1952.

the course of 1951. It culminated in Sukiman alleging communists were plotting to overthrow his government. His evidence was weak and circumstantial. It included incidents such as an armed attack by a mob displaying hammer and sickle banners on a police station in the Jakarta port neighborhood of Tanjung Priok on 6 August. But it served as a pretext for Sukiman to launch the first major attempt to suppress the PKI since the Madiun uprising.

Several days after the Tanjung Priok incident, Sukiman, without consulting the army or most of his cabinet, gave orders that led to the arrest of thousands of the government's political opponents. The majority of those detained were members of the PKI or their sympathisers, other leftist activists and ethnic Chinese. The young troika that had taken over the leadership of the PKI in January – Dipa Nusantara Aidit, Muhammad Hatta Lukman and Njoto – were forced into hiding for several months.³ The arrests were to have a chilling effect on leftist politics. The PKI was forced to operate “almost like an underground party for the rest of the period of the Sukiman cabinet”.⁴

As Sukiman was suppressing domestic dissent, his government took action against the Chinese embassy. Already under Natsir there had been tensions because of the adventurism of Wang Renshu, Beijing's first ambassador to Jakarta. Wang had been repeatedly warned about anti-American speeches and contacts with Sino-Indonesians.⁵ An advocate of a united front of overseas Chinese, Wang had led a vigorous effort by the Chinese mission to coax Sino-Indonesians away from the Kuomintang with considerable success. This activism in the Chinese community conflated with a citizenship registration exercise in which approximately 1.5 million Indonesian-born Chinese, out of a total diaspora of 2.1 million, were required to make a declaration if they preferred not to become Indonesian citizens. If they made no declaration, they would automatically become citizens. Indonesian authorities feared the activities of the embassy and its four consulates in promoting allegiance to the People's Republic would test the loyalties of *peranakan* Chinese and encourage them to declare against citizenship.⁶ Sukarno then shared the concerns about the activities of the Chinese communists,

³ An account of the Sukiman crackdown can be found in Donald Hindley, *The Communist Party of Indonesia, 1951-1963*, Berkley: University of California Press (1966), pp. 52-54

⁴ Feith, *Decline of Constitutional Democracy*, p. 191.

⁵ Mozingo, *Chinese Policy*, p. 98.

⁶ Results released by the government in 1953 showed in fact 390,000 Indonesian-born Chinese refused citizenship. This meant 1.1 million out of 2.1 million resident ethnic Chinese were not citizens. See Suryadinata, *Pribumi Indonesians*, pp. 104-105.

complaining privately about their aggression in Indonesia and rumors they were importing gold to fund their propaganda.⁷

The degree of Indonesian displeasure with the perceived Chinese interference in internal affairs was driven home on 22 July, three months after Sukiman took office, when the government refused entry to 16 Chinese consulate officials. Less than a month later, amid the wave of arrests of communists, the Chinese embassy gave refuge to Alimin Prawirodirjo, the former PKI chairman, further straining relations between Jakarta and Beijing. In an effort to calm the situation, the Indonesian-born Wang was recalled to China in late 1951.

The sharpness of the Sukiman government's dealings with domestic and foreign communism had a salutary effect on the PKI. Aidit, who was 28 years old at the time of the August crackdown, emerged from several months in hiding having reached two conclusions: first, the PKI needed to cooperate with other political parties in a united front and, second, it needed to develop its own mass base of support. Aidit's conception of a viable united front was one in which the PKI would, at least temporarily, restrain its leadership ambitions and cooperate with what it viewed as more progressive forces to prevent hard line anti-communists coming to power, mainly any future Masyumi-led coalitions.⁸

The second major controversy to have both domestic and foreign repercussions for the Sukiman government centred on the position Indonesia would adopt on a US-drafted peace treaty with Japan, designed to restore Tokyo's political independence. After months of negotiations over a draft, conducted primarily between the USA and Britain, a conference of allied powers was convened in San Francisco in September 1951 to finalise and sign the treaty. The Soviet Union, although highly critical of the treaty, agreed to attend; neither the People's Republic nor the Kuomintang's Republic of China were invited because the USA claimed the issue of who legitimately ruled China was still ambiguous.

There were two practical questions before the Sukiman cabinet – whether Indonesia should attend the conference and whether it should sign the treaty. Sukiman ruled the first government that was a coalition between the Muslim Masyumi and the secular PNI – a combination many observers regarded as the most inclusive, and therefore stable, to be drawn from the querulous parliament. Debate over the Japan Peace Treaty was to expose irreconcilable divisions in the cabinet and contribute to Sukiman's eventual downfall.

⁷ Telegram, The Ambassador in Indonesia (Cochran) to the Secretary of State, 26 October 1950, *FRUS*, Vol. VI, 1950, p. 1091.

⁸ Hindley, *The Communist Party*, pp. 54-55.

Opponents of either sending a delegation to San Francisco or to signing the treaty objected on the grounds an unshackled Japan might resume an aggressive posture and Indonesian support for the US-led treaty initiative would impugn the *bebas-aktif* policy. The treaty was viewed as instrumental to the hub-and-spokes security network the USA was building with several countries in the Asia-Pacific to contain communism. But with Hatta actively pressuring Masyumi members of the cabinet to support attendance in San Francisco, the argument that the independent policy would be violated lacked a vital source of credibility.⁹ Cabinet decided on 24 August to send a delegation headed by foreign minister Achmad Subardjo. Nevertheless, Subardjo's instructions were clear: he was to report to Jakarta daily on proceedings at the War Memorial Opera House and leave a final decision on whether to sign to cabinet.

Once a decision to attend had been made, the minds of Sukiman and Subardjo turned to what Indonesia could expect to obtain from the treaty. The principle concern was that Indonesia should receive economic benefit. It would seek reparations for the losses sustained during the Japanese occupation from 1942 to 1945 and an agreement to end recent incursions by Japanese fishing vessels into waters claimed by Indonesia. Subardjo enunciated a range of other reservations about the treaty, which related to matters of foreign policy principle. He wanted the treaty to clearly recognise the sovereignty of Japan over its land and waters and to commit signatories to plebiscites of the populations living on islands to be seized from Japan. He also sought the right to open debate and amendment of the treaty at the San Francisco conference and an invitation to communist China "in the interests of lessening tension". Of these demands, the USA accepted only the explicit recognition of Japanese sovereignty.¹⁰

Still, Subardjo conducted himself with "skill and energy" in the negotiations surrounding the treaty. A Dutch-educated lawyer, he successfully pursued the case for reparations and a fishing agreement, extracting promises from Prime Minister Yoshida Shigeru to reach bilateral agreements on both issues. This meant Indonesia achieved its core negotiating priorities. Subardjo's achievement in securing the promise of early reparations and fishing protections should have been lauded at home. Instead, the Sukiman cabinet faced a

⁹ Hatta's activities and the reason for objections to the treaty among politicians are described in several cables to Washington from US Ambassador Merle Cochran based on discussions with the principles. See, Telegram from the Ambassador in Indonesia (Cochran) to the Secretary of State, 24 August 1951, *FRUS, Vol. VI, 1951, Part I*, pp. 1296-1297 and Telegram from the Ambassador in Indonesia (Cochran) to the Secretary of State, 13 August 1951, *ibid.*, pp. 1265-1266.

¹⁰ K.V. Kesavan, "The Attitude of Indonesia Towards the Japanese Peace Treaty", *Asian Studies*, Vol. 10, No. 3 (1972), p. 410.

critical test of its unity over whether the treaty should be signed. This time the debate centred almost entirely on whether Indonesia's signature on the US-inspired treaty would compromise the *bebas-aktif* foreign policy.

When a vote came in the Indonesian cabinet on the evening of 7 September, the two main parties in the coalition split both internally and across party lines. After two days or rancorous internal debate, Masyumi decided to back Sukiman and Subardjo, both Masyumi men. PNI too was split, but decided to vote against signing. The final vote in cabinet was 10 to 6 in favor of signing and Subardjo endorsed the treaty on behalf of Indonesia the next day along with 47 other countries.

In both the Masyumi and PNI camps, the positions taken related as much to rivalries over control of party and government as differences over policy. Nevertheless, PNI argued signing the treaty amounted to a breach of the principle of foreign policy independence. There was briefly the risk parliament might censure the government. But rather than bring Sukiman down after only four months a typically pragmatic compromise was found. Members of Masyumi and PNI absented themselves from the floor of parliament when it came to vote on a minor party motion opposing Indonesian endorsement of the treaty.¹¹ Without a quorum, the resolution was left in limbo. Parliament never ratified the treaty, but the crisis had passed and agreements were reached with Japan on reparations and fisheries paving the way for a bilateral peace treaty in January 1958.

Proponents of signing the peace treaty dismissed the arguments that it was contrary to the policy of independence. But criticisms Indonesia had compromised its standing as a neutral state by signing the Japan Peace Treaty were not without substance. India and Burma, two other neutral states in the Cold War, both refused to send representatives to San Francisco. A US State Department assessment later found: "The Indonesian government's decision to sign the Japan Peace Treaty in San Francisco despite Indian abstention and Soviet opposition is considered the most significant step which the Indonesian government, historically jealous of its policy of 'independence', has taken toward aligning itself with the free world."¹²

Despite the contention generated by the signing of the treaty and the absence of cabinet solidarity over foreign policy directions, Sukiman and Subardjo were prepared to seek closer

¹¹ An account of parliamentary maneuvers can be found in Telegram from the Ambassador in Indonesia (Cochran) to the Secretary of State, 8 September 1951, *FRUS, Vol. VI, Part 1*, 1951, p. 1342-1343.

¹² Telegram from the Office of Philippine and Southeast Asian Affairs to the Embassy in Jakarta, 8 September 1951, *FRUS, Vol. VI, Part 1, 1951*, p. 1343, n. 5. The language has been corrected to remove abbreviations in the original cable.

relations with the USA at the risk of being accused of abandoning the *bebas-aktif* policy. This partly was driven by their anti-communism and partly by a pragmatic assessment of the contribution Western powers could make to national development. The lengths they would go to accommodate the USA would become evident just weeks after the Sukiman cabinet survived the storm over the signing of the Japan Peace Treaty.

The seeds for the third foreign policy crisis were sown when President Truman signed the Mutual Security Act (MSA) into law on 10 October. The goal of the MSA was to bind recipients of US military and economic aid more tightly to the American policy of containing communism. Its enactment meant the supply of US aid would be conditional on states making broad commitments about their international conduct. There were two categories of commitment. States wishing to receive military aid would be required under Section 511 (a) of the Act to concur with a series of innocuous statements such as “promoting international understanding and goodwill” and fulfil “military obligations” under any treaties it had with the USA. More problematically, it required recipients of military aid to make a contribution consistent with its capabilities to the “maintenance of its own defensive strength and the defensive strength of the free world”. For states receiving only economic aid and technical assistance, a less explicit commitment was required under Section 511 (b). In this instance, recipients could satisfy the requirements of the legislation by “furthering international understanding and goodwill” and helping to abolish international tensions.¹³

Indonesia had been lobbying the USA for supplies of military equipment for some months before the enactment of the MSA. It had also received equipment and training for the police from the USA, under an aid deal concluded in August 1950 that both sides were trying to keep secret. The existence of aid to the police alone was deemed sufficient to require the application of 511 (a) commitments. But, surprisingly, given previous evidence of Indonesian sensitivity over the sanctity of foreign policy independence, no US official foresaw Indonesian difficulty with the idea of contributing to the defence of “the free world”.¹⁴ Even more surprisingly, Subardjo did not raise objections to this terminology when he met the US Ambassador to Indonesia, Merle Cochran, on 11 December to receive a note spelling out the terms for future military, economic and technical assistance. Earlier, Cochran had advocated a cessation of all aid because of the prosperity brought by the Korean War boom and Jakarta’s embarrassment at depictions it was reliant on a “great friend”. From Sukarno down, Cochran

¹³ The full text of the MSA conditions can be found in Telegram from the Acting Secretary of State (Webb) to the Embassy in Indonesia, 23 November 1951, *FRUS, Vol. VI, Part 1, 1951*, pp. 732-733.

¹⁴ *Ibid.*, p. 733.

had been advised aid should be kept low key and modest to avoid the USA being seen to “supplant the Netherlands as a colonial power”.¹⁵ Cochran’s advice was not accepted and 511 (a) assurances were sought from Indonesia, albeit with substantial modifications of the original text of the document. The MSA set a deadline of 90 days – 8 January 1952 – for all aid recipients to accept the new assurances.

Not until early January did Indonesian officials express disquiet about signing up to an agreement that would count the country as part of the free world – a widely used euphemism for non-communist. Four days before the deadline was due to expire Sukiman registered his reservations about these words, which he believed would cause trouble with parliament. Indonesian officials now proposed to substitute the phrase “peace-loving world”. The late intervention ruffled Cochran who complained he had discussed the text with Subardjo “many times” over the previous month, most recently on the night of 3 January, without concern being raised over a phrase that the Americans “regarded as vital” to the agreement. He rejected a late change and refused an invitation to speak to Sukiman directly by telephone about the matter.¹⁶

In the face of implacable American opposition to further changes to the wording, Sukiman promptly relented. On 5 January, Foreign Ministry officials told Cochran that Subardjo had signed. A letter from Subardjo arrived at the Embassy two days later in which the Foreign Minister declared his government accepted the US proposal and stated the letter constituted a formal agreement between the two governments.¹⁷ But Sukiman’s wariness over how Indonesia’s agreement might be perceived found justification in the response of US Secretary of State, Dean Acheson. In a message to Cochran, Acheson congratulated the ambassador on overcoming Indonesia’s “acute and continually jealous regard for its policy of independence”. He added: “The Department considers that by your action you have been responsible for persuading the Indonesian Government to take an additional step toward alignment with the West.”¹⁸

The buoyant reception over news Indonesia had been swung closer to the Western camp was soon deflated when the actions of Sukiman and Subardjo leaked out. The pair had done their best to keep the agreement, and its terms, quiet. The State Department had decided against

¹⁵ Telegram from the Ambassador in Jakarta (Cochran) to Secretary of State, 5 December 1951, *FRUS, Vol. VI, Part 1, 1951*, p. 742.

¹⁶ An account of these events is recorded in Telegram from the Ambassador in Indonesia (Cochran) to the Department of State, 7 January 1952, *FRUS, Vol. XII, 1952-1954*, document 179, p. 246.

¹⁷ *Ibid.*, p. 247.

¹⁸ Telegram from the Secretary of State (Acheson) to the Embassy in Indonesia, 8 January 1952, *ibid.*, document 180, p. 248.

releasing details of the agreement unless legally obliged. But it was inevitable Sukiman's political competitors would eventually discover the concessions accepted in exchange for access to US military aid. This happened in early February, although initially only to the rest of the 20-member cabinet. At this point, the demand from cabinet critics was purely for Subardjo's resignation. But the stage was set for a full-blown crisis over the government's mandate on 5 February when the story broke in the newspaper *Abadi*.¹⁹

Problematically, Sukiman had chosen not to air the contents of the agreement earlier to cabinet colleagues. Once the terms of MSA aid had been fixed and become publicly known, the strategies left to Sukiman and Subardjo for placating cabinet, parliament and the political public were limited. In an effort to take pressure off the government, the State Department agreed to provide some wiggle room in the form of an "interpretive note" in which the contentious term "free world" was given to mean "independent, sovereign nations".²⁰ This contrivance was not sufficient to mollify the government's opponents. On 14 February parliament passed a motion that it reserved the right to ratify treaties, in effect reminding the government of Article 11 of the 1945 and interim 1950 constitutions.²¹ On 21 February, Subardjo was forced to resign when cabinet declared its disapproval of how he had handled the MSA negotiations. By this time, the prime minister had also lost the support of his colleagues in Masyumi and of his major coalition partner, PNI. Deserted by the cabinet and political party allies, an inevitable vote of no confidence in the government loomed in a parliamentary interpellation scheduled for 25 February. Rather than face further humiliation, Sukiman resigned two days before the parliamentary debate.

With the demise of this government, an era of overtly anti-communist and pro-Western rule in Indonesia was over. The Hatta and Natsir governments had shared the general tenor of foreign policy of the Sukiman government, although neither of Sukiman's predecessors had been as explicit in their orientation towards the West. As Mozingo noted: "The MSA crisis

¹⁹ Feith, *Decline of Constitutional Democracy*, p. 200.

²⁰ Telegram from the Department of State to the Embassy in Indonesia, 19 February 1952, *FRUS, Vol. XII, 1952-1954*, p. 269, n. 2.

²¹ Whether the MSA agreement could be classified as a treaty and would require parliamentary ratification had been a persistent topic of debate within the government. The 1945 Constitution permitted the President to make treaties "in agreement" with the parliament. As the prime minister and cabinet exercised executive power on behalf of the President, they were free to carry out negotiations with other states. But the 1945 Constitution made no mention of international agreements not classified as treaties.

marked the passing from the scene of the last flagrantly pro-American government Indonesia was to have until the overthrow of Sukarno in 1966.”²²

But the standard accounts of the fall of the Sukiman government, and of the foreign policy of his predecessors, largely overlook the role of Sukarno and many of the ambiguities that beset policymaking during this period. In a revealing interview with Cochran many months before the MSA crisis unfolded, Sukarno confided a different perspective on Indonesia’s neutrality in the Cold War and the independent foreign policy. He told Cochran to convey to the State Department that the “Indonesian Government’s neutrality is one of form while [its] sentiment is on our side”. Sukarno said Indonesia wanted military aid, albeit provided “behind a screen which would not provoke Communist antagonism and allegations that Indonesia’s policy of neutrality is a sham”.²³

Unfortunately, the USA failed to heed the advice to find a suitable screen when it framed the granting of military aid under the MSA. Moreover, the Indonesian desire for the true nature of relations to be obscured from public view was a source of persistent frustration for US diplomats. When Cochran saw Sukarno again in the midst of the MSA crisis on 12 February 1952, he complained he had “never heard one friendly reference in a statement by any official of the Indonesian government towards the USA, which had been so importantly responsible for Indonesia achieving sovereignty and which had been one nation to take leadership in aiding the young sovereign state.”²⁴

Reminding Sukarno that they were meeting on the birthday of Abraham Lincoln, a US President the Indonesian leader professed to admire, Cochran made an entreaty for some positive statement on the relationship. He told Sukarno there had never been an attempt by the USA to ensnare Indonesia in a mutual defence alliance – a somewhat disingenuous comment given the accolades he had received recently from Washington for drawing Indonesia closer to alignment with the West. Cochran himself recorded in a retrospective analysis that he was aware of the risks being taken in attempting to seal an MSA agreement with Indonesia, but he considered the risks worth taking if the outcome was to “draw Indonesia one step nearer to the ‘free world’ and prevent backsliding to the level of Burma”.²⁵

²² Mozingo, *Chinese Policy*, p. 108.

²³ Telegram from the Ambassador in Indonesia (Cochran) to the Secretary of State, 26 October 1950, *FRUS, Vol. VI, 1950*, p. 1091.

²⁴ Telegram, The Ambassador in Indonesia (Cochran) to the Secretary of State, 12 February 1952, *FRUS, Vol. XII, 1952-1954*, document 187, p. 263. The language in the original has been corrected.

²⁵ Telegram from the Ambassador in Indonesia (Cochran) to the Secretary of State, 18 February 1952, *ibid.*, document 190, p. 267. The language in the original has been corrected.

But Indonesia was steadfast in wanting to maintain public perceptions of its neutrality and independence, even as the necessity of obtaining the support of a great friend entailed compromise. Subardjo, a “pragmatic thinker” as well as a sophisticated diplomat, largely avoided discussion of the MSA debacle in his memoirs.²⁶ But in private conversation with Cochran, he justified his actions for meeting US terms for military aid as in the national interest. Indonesia needed the equipment and training the USA provided to overcome domestic insurgency and resist foreign intervention at a time of strategic uncertainty. His real mistake was probably not the acceptance of American military aid, but to do it in a way that publicly challenged popular notions of foreign policy independence and, by extension, notions of nationalism. There is a good argument that Sukiman’s ultimate failing was symbolic – in the eyes of his compatriots, the MSA agreement represented “a formal ideological surrender” to the ideas of the US Congress about the nature of the world struggle.²⁷

Interpreting Independence: From Sukiman to Wilopo

Whatever the nature of Sukiman’s trespass, his misadventures in foreign policy had a sobering effect on his successor Wilopo. Following Wilopo’s ascension as prime minister in April 1952, his first major statement on foreign policy signalled the caution that would characterise his 14-months in office. He was far more explicit than his predecessors in setting the boundaries of Indonesia’s relations with the great powers. Indonesia would neither “align itself to any of the conflicting blocs” nor “become involved in any conflict which is the consequence of the confrontation between the two conflicting blocs”. Speaking to parliament, he noted that the term “independent” had been a source of confusion both abroad and within Indonesia. His interpretation assessed independence in foreign policy by two standards: adherence to the United Nations charter and service to the interests of the state and its people. This latter constituent was taken to mean the government would “safeguard the freedom and sovereignty of the nation”, ensure it is not “endangered or involved in an armed conflict” and “endeavor to enhance the position of the country and to protect its people”.²⁸

²⁶ C. Penders, “Review article: Ahmad Subardjo’s *Kesadaran Nasional: Sebuah Otobiografi*”, *Journal of Southeast Asian Studies*, Vol. 21, No. 1 (1990), p. 176. Ahmad Subardjo Djoadisurjo, *Kesadaran Nasional: Sebuah Otobiografi*, Jakarta: Gunung Agung, (1978).

²⁷ Feith, *Decline of Constitutional Democracy*, p. 202.

²⁸ Hatta, “Dasar Politik”, pp. 20-21, quoted in Agung, *Twenty Years*, p. 180.

Yet foreign policy was to play a minor role in the affairs of the Wilopo government. Indeed, it was “placed last among the points of the cabinet’s program”.²⁹ Wilopo and his foreign minister Mukarto Notowidigdo, both members of the PNI, made halting efforts to renegotiate US aid to replace the MSA section 511 (a) agreement with a section (b) agreement. Although it eventually won US approval for this in January 1953, the Wilopo government avoided all mention of MSA aid because of the fear of antagonising parliament and complicating ratification.³⁰ Mukarto told Dean Acheson he could not agree to any aid provisions that subjected the government to attacks in parliament that it was not neutral or was aligned against Communist powers.³¹

The most significant foreign policy initiative came not from the government but the parliament. A parliamentary motion tabled in February 1953 called for the opening of diplomatic relations with the Soviet Union by the end of the year as a concrete manifestation of Indonesia’s neutrality. Despite mutual recognition in January and February 1950, Indonesia had dissembled in the years since over the matter of exchanging ambassadors.³² Mohammad Roem, foreign minister in the Natsir government, had told Soviet Foreign Minister, Andrey Vyshinsky, in November 1950 the main reason no ambassador had been sent was that Indonesia could not find a suitable candidate.³³ Soon after taking office, Wilopo had declared the time was still not right. Regardless, the parliamentary motion passed on 9 April 1953 with the support of four government parties, including Wilopo’s PNI. Masyumi, another member of the governing coalition, warned a Soviet Embassy in Jakarta might act as a Trojan Horse and threatened to withdraw its four ministers if ambassadors were exchanged. An embassy was not finally established in Moscow until after Wilopo’s departure in March 1954.³⁴

But the Wilopo era was significant for a domestic political development that would have long-term implications for foreign policy. The crackdown launched by Sukiman against

²⁹ Feith, *Decline of Constitutional Democracy*, p. 231.

³⁰ Telegram from the Secretary of State (Acheson) to Embassy in Indonesia, 12 September 1952, *FRUS, Vol. XII, 1952-1954*, document 215, p. 314; Telegram from the Ambassador in Indonesia (Cochran) to the Secretary of State, 6 October 1952, *ibid.*, document 222, pp. 324-326; Telegram from the Secretary of State (Acheson) to Embassy in Indonesia, 7 January 1953, *ibid.*, document 239, pp. 348-349.

³¹ Memorandum of Conversation, Acheson and Ambassador Mukarto, New York, 31 October 1952, *ibid.*, document 233, p. 339.

³² There was debate inside the Soviet Foreign Ministry if simple recognition and discussion of exchanging ambassadors constituted the opening of diplomatic relations. See L.M. Efimova, “New Evidence on the Establishment of Soviet-Indonesian Diplomatic Relations (1949-1953)”, *Indonesia and the Malay World*, Vol. 29, No. 85, (2001), pp. 221-231.

³³ *Ibid.*, p. 229

³⁴ Feith, *Decline of Constitutional Democracy*, pp. 291-292; also see, Leifer, *Indonesian Foreign Policy*, 35-36.

leftists and communists had induced a new moderation in the PKI leadership. It was under Wilopo that this new PKI thinking became manifest. The opposition the party expressed to the Hatta, Natsir and Sukiman governments was dropped in favor of conditional support for Wilopo. Thus the period of the Wilopo government is rightly considered a political “turning point” for Indonesia, particularly in relation to foreign policy.³⁵ Despite Wilopo’s modest accomplishments in foreign policy, his government marked the transition from “the anti-communist, Western-oriented foreign policies that had been dominant since 1950 to a greater degree of autonomy in foreign affairs”.³⁶ The moderation of the PKI leadership – an attempt to recast the party’s image after the alleged betrayal of Madiun – contributed to a steady improvement in relations between Indonesia and the Communist states.

A New Balanced and Activist Foreign Policy

In the trajectory of foreign policy, 1953 was an inflection point for Indonesia. It marked the coming to power of the most activist prime minister of the constitutional democracy period. In July that year, Ali Sastroamidjojo, a PNI leader and former ambassador to Washington, formed the first government to seek to give Indonesia a regional and global presence. Other governments, including Sukiman’s, had actively pursued certain issues. But no government was as consistent, confident or ambitious in its embrace of a foreign policy mission for the state. At ease in the world of diplomacy, Ali grasped the significance of Indonesia’s history, size and strategic role and proved more capable than his predecessors in fashioning a foreign policy to suit the times and the nation’s values.³⁷ The formulation of foreign policy to give Indonesia a distinct voice resulted in a more balanced posture between the Western and communist blocs. In the zero-sum calculations of the Cold War, this equated for many observers in both Washington and the Communist capitals as a downgrading of relations with the West.

The common analysis of the politics of Indonesia under the Ali government is that it “veered to the left”.³⁸ This was certainly the view from Washington. The Ali government was

³⁵ Herbert Feith, *The Wilopo Cabinet 1952-1953: A Turning Point in Post-Revolutionary Indonesia*, Singapore: Equinox (2009[1958]).

³⁶ Mozingo, *Chinese Policy*, p. 108.

³⁷ Ali had been ambassador to the USA since independence. He describes in his memoirs the importance of these national attributes for the status of Indonesia in international relations. See Ali Sastroamidjojo, *Milestones on My Journey: The Memoirs of Ali Sastroamidjojo Indonesian Patriot and Political Leader*, ed. C.L.M. Penders, St. Lucia: University of Queensland Press (1979), p. 255.

³⁸ Agung, *Twenty Years*, p. 99. See also Mozingo, *Chinese Policy*, p. 113.

the first to exclude the anti-communist Masyumi and, as a consequence of the alignments in parliament, was perceived to be reliant on the support of the PKI for a legislative majority.³⁹ US diplomats in Jakarta concluded the government would be “strongly leftist in both domestic and foreign policy and probably hostile to US interests”.⁴⁰ A subsequent analysis for the NSC estimated eight of the 20 members of the cabinet were either Communist sympathisers or susceptible to PKI influence.⁴¹ CIA director Allen Dulles, brother of Secretary of State John Foster Dulles, told President Eisenhower that the Ali government as a “Popular Front”.⁴²

In Moscow and Beijing, similar conclusions were being drawn, encouraged by the PKI’s pledge to support the government.⁴³ Indonesia’s new cordiality towards Communist states was evident in steps to normalise relations, which were readily reciprocated. A Soviet embassy was finally opened in Jakarta in April 1954. The following September, Subandrio, a diplomat, medical doctor and Sukarno favorite, became the first Indonesian ambassador to Moscow. Within days of the Ali government being sworn in, Indonesia also sent its first ambassador to Beijing, Arnold Mononutu, a distinguished PNI figure who had been Minister for Information in the Hatta, Sukiman and Wilopo cabinets. A year later, China took the opportunity to heal some of the wounds inflicted during Sukiman’s crackdown on leftists and the activities of the Chinese embassy by sending a respected revolutionary leader to Jakarta. Huang Zhen was a Long March veteran, senior general in the People’s Liberation Army and former ambassador to Hungary.⁴⁴ His revolutionary credentials made him a good choice to

³⁹ Feith suggests the degree of reliance on the PKI might have been somewhat overstated given the size of the parliamentary vote to confirm Ali’s mandate – 182 to 34 with 26 abstentions. See, Feith, *Decline of Constitutional Democracy*, p. 344.

⁴⁰ Memorandum from the Deputy Assistant Secretary of State for Far Eastern Affairs (Johnson) to the Secretary of State (Dulles), 1 August 1953, *FRUS, Vol. XII, 1952-1954*, document 248, p. 367, n.1.

⁴¹ Notably, the Minister for Defence, Iwa Kusumasumantri, of the Progressive Party, was considered a closet communist and the Minister for Foreign Affairs, Sunario, of the PNI, was suspected of being in favor of at least some aspects of the PKI program. Iwa had spent 1926 in Moscow. He was part of a leftist group that had fought for independence and voted with the PKI on most issues in the parliament. Memorandum by the Secretary of State (Dulles) and Acting Secretary of Defense (Anderson) to the Executive Secretary of the National Security Council (Lay), 27 August 1953, *ibid.*, document 251, p. 375.

⁴² Memorandum of Discussion at 171st Meeting of the National Security Council, 19 November 1953, *ibid.*, document 254, p. 389.

⁴³ The PKI enthusiastically welcomed the appointment of the Ali government with a statement headed “Glorious Victory of Democracy over Fascism”. See, Feith, *Decline of Constitutional Democracy*, p. 344.

⁴⁴ A talented artist who produced sketches of the Long March, Huang was a refreshing contrast to the abrasive Wang Renshu. See, Bernard M. Patenaude, *A Wealth of Ideas: Revelations from the Hoover Archives*, Stanford University Press: Stanford, Cal. (2006), p. 78. See also News of the Communist Party of China, “Huang: The First Person to Open the Door of Sino-US [Relations]”, accessed at <http://dangshi.people.com.cn/BIG5/8649679.html> on 28 April 2015.

implement in Indonesia the new goodwill policy China had adopted towards its non-Communist Asian neighbors.

Despite the diplomatic opening to Communist states, and anxiety in Washington that Indonesia had made a sharp turn to the left, it was inaccurate to depict Indonesia as suddenly adopting an anti-Western posture. Ali, who had served in Washington from the formal transfer of sovereignty until his appointment as prime minister, was not anti-American or unwelcoming of engagement with the USA where he felt it benefited Indonesian interests. He had been an advocate of the signing of the Japan Peace Treaty and of obtaining US military aid.⁴⁵ On 1 April 1953, shortly before becoming prime minister, Ali approached the State Department “personally and informally” over the possibility of sending a US military training mission to Indonesia.⁴⁶

The Indonesian request was received with quiet enthusiasm in Washington. The State Department immediately set to work on drafting a proposal to send about 200 American military advisers to Indonesia.⁴⁷ Although memories of the MSA debacle were fresh in the minds of policymakers, the ill-conceived nostrum that American aid might draw Indonesia closer to formal or informal alliance proved dangerously hard to kill. The assessment of the State Department was that the establishment of a US military mission in Indonesia would be “widely interpreted as evidence that Indonesia considered its ‘independence’ required alignment with the United States”. Moreover, an American presence was seen as likely to have a “bracing psychological effect” on other countries in Southeast Asia.⁴⁸ But the idea foundered after Ali came to power. The nationalist complexion of his government and his desire to retain Communist votes precluded such an open collaboration with the USA, although the USA remained the preferred partner for military training.⁴⁹

⁴⁵ For Ali’s support for signing the San Francisco Treaty see Ali, *Milestones*, pp. 243-244.

⁴⁶ Letter from the Under Secretary of State (Smith) to the Secretary of Defence (Wilson), 23 June 1953, *FRUS, Vol. XII, 1952-1954*, document 247, p. 363.

⁴⁷ Before approaching the USA, Indonesia had sounded out several other non-communist countries to provide military training. But only Australia had the capacity to meet Indonesia’s requirement for training in all three military services. Australia declined because of a shortage of military personnel at home. *Ibid.* p. 364.

⁴⁸ *Ibid.*, p. 364.

⁴⁹ Ali privately told US Ambassador Hugh Cumming “we are not Communists but they [the PKI] have the votes we need”, see Telegram from The Ambassador in Indonesia (Cumming) to the Department of State, 24 November 1953, *FRUS 1954-54, XII*, document 256, p. 401 n. 1. Elsewhere, Ali has claimed that his government’s program was not dependent on PKI support, see *Milestones* p. 256. In another meeting, Defence Minister Iwa told Cumming that Indonesia had abandoned the idea of a military mission, but he acknowledged the government viewed American training as more desirable than that offered by other countries, see Letter from the Acting Secretary of State (Smith) to Secretary of Defence (Wilson), 12 March 1954, *FRUS, Vol. XII, 1954-54*, *ibid.*, document 264, p. 415.

While the Ali government was not prepared to risk the criticism that was likely to arise from a display of affinity with the USA, there were frequent private reassurances to US officials from national leaders. The 1950 constitution vested the executive power of the state in the prime minister and his cabinet. Sukarno was constrained and bridled at the limitations imposed on him. But he used his prestige and popularity to shape both government decisions behind the scenes and the temper of national politics in public. On several occasions, Sukarno directly and indirectly conveyed to the Americans that he was on their side. The chief of the president's secretariat, A.K. Pringgogidgo, pulled Cumming aside at the Dutch National Day reception in April 1954 to say Sukarno was "leaning more and more towards the US, partly because of a real liking for Americans and American ways and partly because of distrust of PKI activities".⁵⁰ The purpose of Pringgogidgo's approach was to sound the ambassador out over the possibility of Sukarno making a visit to the USA before the 1955 parliamentary elections. But US diplomats were frustrated at Sukarno's refusal to say publicly what he was telling them in private.⁵¹ His stature with the public meant his endorsement of relations with the US would have been a significant fillip for both the bilateral relationship and non-communist political parties in Indonesia.

The Ali government and Sukarno had a variety of international and domestic reasons for wanting to avoid an explicit expression of partiality towards the USA. Internationally, there were rewards to be had from consolidating the nascent opening to the Communist states, including access to new markets for Indonesian commodities. This reflected the underlying pragmatism, summed up by Sukarno in his autobiography with the comment that "[a] nation engaged in surviving must take help from all sides, accept whatever is useful and throw away the rest".⁵²

In any case, within weeks of the approach to Cumming, Sukarno had cooled on the idea of a visit to Washington. The reason for caution was justified by Dulles' own assessment that the visit would indicate a "basic preference for free world countries over the Communist bloc".⁵³ On 10 June, Pringgogidgo conveyed the message that Sukarno now felt he could only visit the USA after the elections and, then, only if there was a "good result" – meaning a victory

⁵⁰ Telegram from the Ambassador in Indonesia (Cumming) to the Department of State, 1 May 1954, *ibid.*, document 269, pp. 424-425.

⁵¹ *Ibid.*

⁵² Sukarno, *Sukarno: An Autobiography* (as told to Cindy Adams), Hong Kong: Gunung Agung (1965), p. 294.

⁵³ Telegram from the Secretary of State (Dulles) to the Embassy in Indonesia, 12 May 1954, *FRUS, Vol. XII, 1952-1954*, document 270, p. 426.

by the PNI and leftist parties.⁵⁴ Pringgodigdo noted Sukarno had increasingly isolated himself from parties other than the PNI and its leftist associates and had steadily softened his views of the Communists over the previous 18 months. By exercising restraint and refraining from personal attacks on Sukarno, the PKI had “somewhat weakened the President’s mental defences against the communist infiltrators”.⁵⁵ Domestically, Sukarno was confident that he had the PKI under control and, internationally, he did not perceive communism to be quite as menacing to Indonesian security as the USA claimed. Sukarno did tell Cumming in one exchange at the Presidential Palace after the signing of the Geneva Accords that Indochina was “now lost”.⁵⁶ But, as he saw it, the direct danger was to Southeast Asia in general, and especially Thailand, rather than Indonesia.

What did cause Indonesian leaders immediate disquiet was the failure of the USA to support Indonesian claims over West New Guinea. The USA had adopted a position of neutrality between Jakarta’s demand to incorporate West New Guinea in the new Indonesian state and the refusal of The Hague to relinquish the last Dutch outpost in the old Netherlands East Indies. In the years before the ascension of the Ali government, Indonesia had persevered with fitful and inconclusive negotiations with the Dutch. The goal was to implement the part of the Round Table agreements that required “within one year after the date of the transfer of sovereignty” the settlement of the political status of West New Guinea through negotiations between the parties.⁵⁷

The Ali government took a more assertive attitude towards West New Guinea than its predecessors. In Ali, Sukarno found a prime minister who shared his views on the need to back diplomacy with actions to demonstrate Indonesia’s resolve. On advice from Sukarno, the government launched limited military incursions on the fringes of West New Guinea in 1954 and broadened the diplomatic campaign by taking the dispute to the United Nations General Assembly.⁵⁸ At the UN, Indonesia dropped its resolution in the committee stage when it was obvious it would not win the two-thirds majority necessary to have the issue inscribed on the general assembly agenda. Simultaneously, government leaders took every opportunity to point out to US officials that the lack of progress on West New Guinea was providing the PKI with

⁵⁴ Telegram from the Ambassador in Indonesia (Cumming) to the Department of State, 11 June 1954, *ibid.*, document 271, p. 427.

⁵⁵ *Ibid.*, pp. 429-430.

⁵⁶ Telegram from the Ambassador in Indonesia (Cumming) to the Department of State, 28 July 1954, *ibid.*, document 287, p. 456.

⁵⁷ Quoted in C.L.M. Penders, *The West New Guinea Debacle, Dutch Decolonisation and Indonesia 1945-1962*, Leiden: KITLV Press (2002), p. 84.

⁵⁸ Legge, *Sukarno*, p. 278.

an opportunity to exploit nationalist sentiment and portray itself as the party of anti-imperialism.

Despite the entreaties, the USA was not prepared to risk relations with Cold War allies. Europe was still seen as the primary theatre of Cold War conflict and the Netherlands was a key link in the chain of NATO alliances. In the Asia-Pacific, Australia, allied with the USA under the 1951 ANZUS treaty, objected to Indonesian occupation of West New Guinea out of a fear that Indonesia might in due course turn Communist and under either nationalist or Communist rule seek to annex the Australian-administered territory of Papua New Guinea. As US officials repeatedly reminded their Indonesian counterparts, they faced an invidious choice between the positions of a friend in Indonesia and allies in the Netherlands and Australia. Neutrality was a vexed compromise. None of the parties were happy with Washington's equivocation. But if the USA were to have succumbed to pressure to take sides, the result would not have been a happy one for Indonesia. Dulles took the view that the inhabitants of West New Guinea would be more assured of political self-determination under Dutch rule.⁵⁹ Dulles also was more sympathetic to Australian strategic concerns than he was to Indonesian claims to natural ownership of the disputed territory. He reassured Australian Prime Minister Robert Menzies at a meeting in Washington in March 1955 that in the event of a showdown over West New Guinea "right or wrong" the USA would back Australia.⁶⁰

But the Eisenhower administration failed to fully appreciate the visceral nature of Indonesian feeling over the incorporation of West New Guinea. Indonesia's claims were cast as irredentist and were not simply a matter of coolly calculated national policy. They reflected a psychological need for a society newly freed from the bonds of colonialism to see the last vestiges of that reviled national servitude expunged. The depth of Indonesian feeling was expressed by Sukarno when he referred to West New Guinea "as part of our body", and asked, "would anybody allow one of his limbs to be amputated without putting up a fight?"⁶¹

⁵⁹ Memorandum of Conversation between the Secretary of State (Dulles) and Netherlands Ambassador (Jan Herman van Roijen), Washington, 10 November 1954, *FRUS, Vol. XII, 1952-1954*, document 298, p. 475.

⁶⁰ Memorandum of Conversation between Secretary of State (Dulles) and Australian Prime Minister (Menzies), Washington, 15 March 1955, *FRUS, Vol. XXII, 1955-1957*, document 90 p. 144.

⁶¹ Sukarno, *Sukarno*, p. 287.

The Road to Nonalignment: Convening the Nations of Asia and Africa

It was against the domestic backdrop of frustrated ambitions over West New Guinea and disappointment over the willingness of the West to respond to the interests of a poor, newly decolonised state that the Ali government launched the signature foreign policy initiative of the period. It would ultimately lead to Indonesia formalising its status as a non-aligned state.

At a meeting of leaders from Burma, Ceylon, India and Pakistan in the Ceylonese capital Colombo at the end of April 1954, Ali launched the idea of convening a conference of heads of government from Africa and Asia, including the Middle East. He hoped that by uniting this geographically arbitrary collection of the disdained and the downtrodden in international affairs a voice could be given to the interests of the silent majority of peoples then living outside the superpowers and their allies and satellites. Still, the plan was ambitious and its rationale not obvious. Beyond shared objections to imperialism, albeit not all of the potential attendees were former colonies, and fears of being embroiled in Cold War conflict not of their making, there were few obvious commonalities of interests between the states to be invited to Ali's proposed Asia-Africa conference.

The meeting of the smaller and more cohesive Colombo powers demonstrated the hurdles to achieving common identification. Individual interests, such as the competing claims of India and Pakistan to Kashmir, were as salient as collective interests. Fortuitously for the Colombo Five, their meeting coincided with the Geneva conference on the fate of Indochina, allowing them to express a view on a regional problem of global significance. This became the main focus of the gathering, with the leaders agreeing to a set of proposals from Nehru for a ceasefire, the handover of complete sovereignty in Vietnam to an unspecified, and problematically determined, national entity and the withdrawal of the great powers from the area to enable the Vietnamese to get on with deciding what that entity might be. The fact that a ceasefire was eventually agreed in Geneva produced an exaggerated sense of the influence of the Colombo meeting, which was to feed into later assessments of the potential of the smaller powers of the post-colonial world to influence global events.

But initially Ali encountered a tepid response from his counterparts in Colombo to his proposal for a conference of African and Asian leaders. Nehru, whose opinion was crucial because of his personal stature and India's size, worried that bringing such a disparate group together risked their collective purpose becoming lost in parochial disputes. Ali records the reaction of his Colombo partners was unenthusiastic, although they agreed in their joint

communiqué to allow him to “explore the possibility” of convening a conference.⁶² One consolation was that the Colombo Five delivered a strong statement of support to Indonesia’s claim to incorporate West New Guinea – a significant domestic motivation for the decision to seek an Asia-Africa conference.⁶³

The idea of such a conference was very much Ali’s own initiative. More than any Indonesian prime minister, Ali had a restless desire to give Indonesia relevance and status in international affairs. “The Republic of Indonesia did not want to be regarded as of no significance in the world,” Ali later recorded, pointing to the size of its territory and population, its abundance of resources and its strategic location.⁶⁴ To him, the attainment of national independence and these great natural endowments impelled Indonesia’s leaders to ensure the terms of the state’s international engagement were not dictated by the same foreign powers that had been responsible for the iniquity of colonialism. The pride instilled by international recognition would serve as recompense for the humiliation of colonisation and swell the morale required for nation building. But the lack of material power required Indonesia to pursue its aspirations for international stature through diplomatic innovation, harnessing the ideological power of states with similar histories, interests and circumstances.

Despite the initially ambivalent response from Ali’s Colombo partners, international events turned in favor of convening the Asia-Africa conference. Nehru’s reluctance was overcome by several international developments following the Colombo meeting. These included the First Taiwan Strait crisis – Communist China’s shelling of the Nationalist-held island groups of Kinmen and Matsu in 1954-55 – fears of US intervention in support of the embattled French in Vietnam, the founding of a US-led collective defence arrangement in Southeast Asia, and the signing of an agreement between India and China on peaceful coexistence, the so-called Five Principles or *Panch Shila*.⁶⁵ The last two of these developments had a critical bearing on Nehru’s attitude to the desirability of convening a conference of Asian and African states, with one viewed as a threat and the other as an opportunity.

The Southeast Asia defence arrangement grew out of the French troubles in Vietnam. The fall of Den Bien Phu on 7 May 1954 spelled the end of the French effort to militarily defeat

⁶² Ali, *Milestones*, p. 278.

⁶³ Ali noted this had been “the first opportunity” for Indonesia to push the dispute over West New Guinea at the international level. *Ibid.*, p. 266.

⁶⁴ *Ibid.*, p. 255.

⁶⁵ See Michael Brecher, *Nehru: A Political Biography*, London: Oxford University Press (1959), p. 555 and p. 588. Also, Jamie Mackie, *Bandung 1955: Non-Alignment and Afro-Asian Solidarity*, Singapore: Editions Didier Millet (2005), pp. 34-35.

the Viet Minh. Viewing the advance of France's communist enemy with alarm, John Foster Dulles called for "united action" to prevent all of Indochina falling into communist hands.⁶⁶ British Prime Minister Anthony Eden, who had no desire to extend his country's already excessive obligations in Southeast Asia, rejected Dulles call to arms. But to appease the Americans, Eden proposed the formation of a collective security arrangement binding the USA and its regional allies with Britain and some members of its Commonwealth. Negotiations over this arrangement were finalised in Manila in September, creating the Southeast Asia Treaty Organisation (SEATO) as the military arm of the regional security group.⁶⁷

Efforts to convince other regional countries to join SEATO failed, with Indonesia, India and Burma refusing to compromise their neutral status. In response to a letter from Eden on 20 July formally inviting Indonesia to sign up to SEATO, Ali insisted "any one-sided defence arrangement in the South West Pacific should be avoided, since it would add a new element to the causes of tension in that area, which eventually could lead to war".⁶⁸ In Ali's view, SEATO jeopardised the progress made on Indochina at Geneva and reawakened the idea of great power "spheres of influence" in the region. Moreover, it was "an instrument for United States and United Kingdom domination in the Southeast Asian region".⁶⁹

Just as the USA and its allies set out to institutionalise the containment of communism in the region, India and China reached their historic *détente*. The *Panch Shila* served to ease fears over the intentions of Communist China, nurturing the image foreign minister Zhou Enlai had started to craft as a conciliator at the Geneva conference. Following agreement on the principles of peaceful coexistence, Nehru sought opportunities to bring China into the mainstream of international affairs. In the face of strong American resistance, he particularly wanted China to join the United Nations and assume the Chinese seat on the Security Council.

Suddenly, the idea of a conference of Asian and African states offered new appeal. It could be a venue to assert regional independence from Cold War divisions, thus countering the perceived destabilisation caused by SEATO, and it could provide a platform to introduce the idea of a moderate Communist China to the world. An organising committee comprising the Colombo Five met on 28 and 29 December to draw up a list of 30 states to be invited, including

⁶⁶ Mackie, *Bandung 1955*, p. 47.

⁶⁷ Its members included the USA, Britain, Australia, New Zealand, The Philippines, Thailand and Pakistan.

⁶⁸ Ali, *Milestones*, p. 280.

⁶⁹ *Ibid.*, p. 280.

China and North and South Vietnam. They agreed Indonesia would chair the conference and host it at a location of its choosing in April 1955. Ali chose Bandung.⁷⁰

For the organisers, the overriding goal of the Bandung conference was to demonstrate unity on common global concerns, among which the risk of war between the great powers and the persistence of colonialism were regarded as paramount. There was a well-founded fear that in the event of great power war states on the ‘periphery’ would become theatres of conflict, regardless of how remote they were from the main belligerents. The insight Ali and Nehru shared was that the lack of material power among the Asian and African states to attend Bandung could be offset by the power of ideas and the moral suasion of former colonies whose conviction in the justice of their cause had helped overcome superior European power. Moreover, the 29 states that accepted invitations to attend the conference had a combined population of 1.45 billion, then more than half the world.

These themes were evident when the Asia Africa conference opened on 18 April 1955. Speaking in slow but clear English, Sukarno told delegates in his opening address:

The peoples of Asia Africa wield little physical power. Even their economic strength is dispersed and light. We cannot indulge in power politics. Diplomacy for us is not a matter of the big stick. Our statesmen, by and large, are not backed up with serried ranks of jet bombers. What can we do? We can do much! We can inject the voice of reason into world affairs. We can mobilise all the spiritual, all the moral, all the political strength of Asia and Africa on the side of peace.⁷¹

Having issued a call for what he termed “the moral violence of nations in favor of peace”, Sukarno retired to his residence at Bogor, leaving the conference to be run by Ali, as conference chairman, and Roeslan Abdulgani, the secretary general of the Foreign Ministry who was placed in charge of the conference secretariat. The limited role played by Sukarno both before and during the conference is interesting in view of the way he later became strongly associated with the ethos and accomplishments of the conference – what has been referred to over the years as the “Bandung spirit”. Still, by all accounts, Sukarno’s rousing speech at the opening helped to set the tone for the conference.

But the problem the organisers faced from the outset was that there was no unanimity among the leaders on the Bandung guest list as to the correct position to adopt in the Cold War.

⁷⁰ Feith, *Decline of Constitutional Democracy*, p. 392; Ali, *Milestones*, pp. 283-284

⁷¹ Feith and Castles, *Indonesian Political Thinking*, p. 459.

There were allies of the Soviet Union, allies of the USA and advocates of nonalignment. The issue of alliance status was set to be one of the dominant themes of the Bandung conference, one that threatened to divide the meeting and render it a failure. The issue arose indirectly early in the conference in debates about colonialism. Several delegates from countries with close ties to the USA were not prepared to accept colonialism was purely a Western evil. They depicted the Soviet Union's control over the states of Central and Eastern Europe as a modern form of imperialism. The contribution to this debate that caused most controversy came from the Prime Minister of Ceylon, Sir John Kotelawala, who referred to the colonialism evident in "those satellite states under Communist domination in Central and Eastern Europe", equating it with the colonialism historically experienced in Asia and Africa.⁷²

The differences over alliance politics could not be easily resolved. They remained central to debates in the conference's political committee. The fundamental disagreement was between those states, in particular SEATO members, who believed their preservation depended on collective security, and those who believed that if the region of nonaligned states were larger the risk of war would be lower. The most vocal proponent of this latter position was Nehru. He warned that security pacts had only "brought insecurity and not security to the countries which have entered into them".⁷³ Indonesia too voiced the suspicion of European models of security. Foreign minister Sunario argued the idea of a balance of power underlay the Cold War, which might soon become an actual war.⁷⁴ Abdulgani, who played a key role in the conference by keeping track of the various drafts and smoothing conflicts, found the issue of alliance status to be the toughest in reaching an agreement on a final statement from the political committee.⁷⁵ Members of SEATO and the 1955 Baghdad Pact, later named the Central Treaty Organisation (CENTO), favored acknowledgement of the right of collective self-defence. There were anxious hours on the last day of the conference in which Ali feared his great diplomatic initiative was on the verge of collapse.⁷⁶

Ultimately unity was preserved at the expense of intelligibility. On the issue of alliances, the final communiqué was internally contradictory. The so-called *dasasila*, or ten principles of Bandung, attached to the final communiqué respected "the right of each nation to

⁷² Mackie, *Bandung 1955*, p. 87.

⁷³ Ibid, p. 99

⁷⁴ Ibid, pp. 97-98

⁷⁵ Roeslan Abdulgani, *The Bandung Connection: The Asia Africa Conference in Bandung in 1955*, Jakarta: Gunung Agung, (1981), p. 33.

⁷⁶ An account of the difficulties faced in finalizing the communiqué can be found in Ali, *Milestones*, pp. 297-298.

defend itself singly or collectively, in conformity with the Charter of the United Nations”. But it simultaneously called on states to abstain from collective defence arrangements that served “the particular interests of any of the big powers”, even as the big powers formed the core of these arrangements. Cracks in conference unity over colonialism were also papered over with a declaration that it was evil “in all its manifestations” and should be brought to a quick end.⁷⁷

Despite the awkward compromises, the Asia Africa conference ended with a unanimous call for peaceful co-existence. In an ideologically polarised world, the solidarity exhibited by the Asia Africa conference in seeking restraint from interstate aggression, negotiation to resolve disputes, recognition of equality among peoples, and respect for global norms and the integrity of states, struck a chord, even among great power adversaries. Khrushchev recorded that the Soviet leadership found the Bandung principles to be “impressive”, especially the call for peaceful co-existence, in view of the prevailing world situation.⁷⁸ Even Dulles, ever vigilant for signs of communist subterfuge, told a meeting of the Eisenhower cabinet the final communiqué “was a document which we ourselves could subscribe to”.⁷⁹

Yet both sides had tried to influence the course of the conference. Dulles, fearing its non-communist allies would be drawn into common purpose with the Communist bloc, had initially opposed the convening of a conference. Eventually, the USA urged partners such as the Philippines, Thailand and Turkey to send their ablest people and take opportunities to frustrate Communist propaganda.⁸⁰ For its part, the Soviet Union saw some tactical advantage to be gained in its relations with Jakarta by openly supporting the conference while heightening fears in Indonesia over the purpose of SEATO. On 24 March, in the lead up to the conference, the Soviet ambassador D.A. Zhukov met foreign minister Sunario and warned him a meeting called in Bangkok in February to formally establish SEATO had intended to drive a “wedge” between conference participants by sending a message of support to the “free countries” attending.⁸¹

⁷⁷ Panitia Penulisan Sejarah Diplomasi Republik Indonesia, “Sejarah Konperensi Asia-Afrika”, Jakarta: Kementerian Luar Negeri (2011): 139-148. The “Final Communiqué of the Asian-African Conference of Bandung, 24 April 1955” is reproduced in full.

⁷⁸ Khrushchev, *Memoirs*, p. 465

⁷⁹ Minutes of a Cabinet Meeting, White House, 29 April 1955, *FRUS, Vol. XXI, 1955-1957*, document 48, p. 91.

⁸⁰ An account of US tactics can be found in Circular Telegram from the Department of State to Certain Diplomatic Missions, 25 January 1955, *ibid.*, document No. 8, p. 23.

⁸¹ “Journal Entry of Ambassador D.A. Zhukov: Breakfast with Huang Zhen”, 12 April 1955, Wilson Center Digital Archive, accessed at <http://digitalarchive.wilsoncenter.org/document/110271>.

The intrigues aside, the conference succeeded in providing a reminder that the interests and opinion of the Asian and African states, and their huge populations, could not be ignored by the great powers. In doing so, the Asia Africa conference left a number of legacies, of which the most significant was its role in laying the foundations for a new stream of international politics. It was the direct instrumental progenitor of the Non-Aligned Movement (NAM). Although this organisation did not formally come into existence until the Belgrade meeting of 1961, Bandung bestowed legitimacy and respectability on the idea of neutrality. The conference also served to bring Communist China to the forefront of regional politics at a time when it was still unable to take up a seat in the UN because of objections from the USA. After Bandung, China appeared less threatening to the region and US depictions of an inherently aggressive China appeared less plausible.

The legacies of Bandung for Indonesian foreign policy were just as important. Five years after the formal transfer of sovereignty, the Asia Africa conference put Indonesia on the map. This is evident in the recollection of Khrushchev that the Asia Africa conference resulted in Indonesia being talked about in the politburo for the first time. “At that time, the whole world’s attention was riveted on Indonesia, and the name of its President, Sukarno, began to appear regularly in the Soviet press,” Khrushchev recalled.⁸²

The conference proved Indonesia was capable of staging a major world event and influencing the course of big foreign policy debates. It served to validate the key themes of foreign policy. It legitimised the *bebas-aktif* formula in an international forum after years of US efforts to disparage Indonesian neutrality as evidence of a lack of conviction and to corral it either formally or informally in the “free world” alliance system. It promoted the cause against colonialism, another staple theme of Indonesian foreign policy, and it anticipated future North-South debates on race, poverty and economic development. In a specific win for Ali, it agreed to insert a clause in the communiqué calling on the Dutch to reopen negotiations on West New Guinea.

The tragedy of Bandung was that peaceful coexistence was a chimera. It survived only in theory for many of its participants. Within several years of Bandung, several conflicts erupted between Asia-Africa states. Most strikingly, given their place in the Bandung story, India and China clashed on their border in the Himalayas. And Indonesia was to have its own troubles with China as contradictions emerged between domestic and international priorities.

⁸² Khrushchev, *Memoirs*, p. 785.

The China Factor

The Asia Africa conference was the setting for a remarkable blossoming of the Sino-Indonesian relationship after the mutual displays of hostility of the early 1950s. It represented a “turning point” in diplomatic relations between the two biggest countries in East Asia by geography and population size.⁸³ Zhou arrived in Indonesia with the explicit intention of placating the Southeast Asian states, and particularly the conference host. It was a pragmatic gesture from a state still excluded from the institutions of the new global order and possessed of few reliable friends. Aside from the moderation exhibited in Bandung and the pledges of peaceful coexistence, Zhou offered a concrete demonstration of China’s benign intent towards the region. He did this by agreeing to a formula to solve the so-called Dual Nationality problem.⁸⁴

China’s citizenship policy was then based on the idea that any person of Chinese ethnicity was entitled to the same rights as a person born in China, the principle of *jus sanguinis*. Given the large Chinese diaspora in Southeast Asia, this caused considerable anxiety to governments in the region that clung to a range of old suspicions and stereotypes about their Chinese minorities. One of the most enduring of these was a belief that the Chinese were not committed to their adopted land or, in the case of the *peranakan* Chinese, land of their forebears. In the crudest sense, they represented a potential fifth column. During his visit to Indonesia, Zhou addressed the deeply ingrained diffidence about Chinese intentions with surprising candor. He was conscious of the potential liability the diaspora could become for stable relations between China and the new states of the region. He acknowledged this in a later speech in Beijing:

The new China has stood up, but also become increasingly stronger as a major power in Asia. People are afraid of dual nationality, and we have come to realise this after visiting countries such as India and Burma.⁸⁵

In a deal negotiated between Beijing and Jakarta over many months leading up to the Asia Africa conference, China agreed to drop the principle of *jus sanguinis* and embrace a formula in which dual national Chinese in Indonesia would have two years in which to choose

⁸³ Liu, op. cit., p. 177.

⁸⁴ A good account can be found in Mozingo, *Chinese Policy*, pp. 114-120

⁸⁵ Liu, op. cit., p. 178.

either Chinese or Indonesian citizenship. The Dual Nationality Treaty, announced during the Asia Africa conference on 22 April, contained several undertakings that were just as important to the resolution of the 'Chinese problem' as the mechanism of national determination itself. In a statement noted by all the Southeast Asian delegations at Bandung, China called on Chinese resident in Indonesia to refrain from participating in political activities and to abide by the laws and customs of Indonesia. This was taken as a signal that China would not seek to meddle in the internal affairs of regional states by utilising the Chinese minority. In return, Indonesia pledged to protect the rights and interests of its Chinese residents.

The Dual Nationality Treaty solved another problem for Indonesia. It superseded an agreement negotiated with the Dutch on the same question and included in the Round Table Conference agreements. This agreement allowed Indonesian Chinese to be automatically conferred citizenship within two years unless they specifically chose to opt out. Indonesia was never happy with the idea its resident Chinese might gain citizenship passively because it spoke of a lack of commitment to the nation. In the end, the processes of ratification in Indonesia and China led to the treaty not coming into force until January 1960 and in the meantime tensions were to resurface over the Chinese question.

But in April 1955 the signing of the Dual Nationality Treaty by Zhou and Sunario attested to China's wish for peaceful coexistence with the region. It produced an outpouring of laudatory statements about the Communist Chinese leadership from Ali and other public figures. In his enthusiasm, Ali on 28 April agreed on a joint statement with Zhou in Jakarta aimed at broadening the bilateral reconciliation represented by the Dual Nationality Treaty to other issues of concern to both parties, in particular the status of Taiwan and West New Guinea. The fourth paragraph of this statement caused particular alarm in Washington. It stated that the two prime ministers recognised the "inalienable right of the people of any country to safeguard their own sovereignty and territorial integrity" and they went on to offer support to each other's efforts to do so. Although the sentiments would seem unexceptional, the statement was viewed in the context of the time as tacit endorsement of the use of force for either country to press its claims over disputed territory.⁸⁶ Meeting Indonesian journalists in Beijing in June, Zhao confirmed that the target of paragraph four was Taiwan and West New Guinea, but the support envisaged was "political and moral", not military.⁸⁷

⁸⁶ The full statement can be found in UK Archives, British Foreign Office (BFO) files, "Political Relations Between China and Indonesia", 1955, p. 4, accessed at

<http://www.archivesdirect.amdigital.co.uk.virtual.anu.edu.au/Documents/SearchDetails/120898>

⁸⁷ A full transcript of the interview with Zhou can be found at *ibid*, p. 4.

The view from Washington was that Indonesia had made a “demonstrative step towards closer relations with [Beijing] and toward a leftist foreign policy” with the signing of the Dual Nationality Treaty and the Ali-Zhou joint statement.⁸⁸ The analysis of US diplomats was that the Dual Nationality Treaty and the joint statement were simply propaganda tools for Beijing. Even Khrushchev doubted the sincerity of Chinese pledges of good conduct. He observed the Chinese were at one moment in favor of peaceful co-existence and “the next minute they are against it”.⁸⁹

The success of Zhou’s diplomacy in Indonesia prompted a sharp increase in diplomatic, economic and cultural exchanges.⁹⁰ It also prompted the two countries to more readily identify with each other’s international concerns. On his visit to China in late May and early June, Ali had declared China’s claims over Taiwan were “purely a matter of internal affairs” – a strong endorsement of Beijing’s position on the issue.⁹¹ The opposition press in Indonesia viewed this open support for Chinese sovereignty as an unnecessary concession, which jeopardised the independent foreign policy.⁹² It certainly represented a dramatic turnaround in the character of the relationship in the three years following the end of the Sukiman cabinet.

But even for Ali and many other promoters of the overtures to Beijing the new warmth in ties undoubtedly reflected a commonality of interests rather than sentiment. The historic wariness Indonesians felt towards China, and the role of the ethnic Chinese minority, would not change because of perceived commercial and diplomatic gains or the signing of treaties. There remained a realist dimension to Indonesian calculations over the advantages and risks of closer cooperation with China. A US National Security Council assessment in May 1955 was almost certainly correct when it found: “Indonesians feel protected from external aggression; they have an inherent fear of China as a power, but do not regard it as an immediate threat.”⁹³

⁸⁸ Ibid., p. 151.

⁸⁹ Khrushchev, *Memoirs*, p. 526.

⁹⁰ One concrete measure of the flourishing of relations was an increase of 2500 per cent in the level of trade by 1957.

⁹¹ Quoted in Feith, *Decline of Constitutional Democracy*, p. 390.

⁹² BFO, “Political Relations Between China and Indonesia”, 1955, p. 14.

⁹³ National Security Council Report, NSC 5518, US Policy on Indonesia, 3 May 1955, *FRUS, Vol. XXII, 1955-1957*, document 95, p. 155.

Alignment Policy: A Critical Assessment

Balancing Risk in Alignment Behavior

Indonesia acquired statehood at a time of considerable uncertainty in its wider region. Conflicts that unsettled East Asia – the Korean War, the First Indochina War and the Taiwan Strait – demonstrated the fragility of peace soon after the end of the Second World War. These flashpoints were far enough away, and of a nature, not to directly threaten Indonesian security. Indeed, perversely, the Korean War, which increased prices for Indonesian commodities like oil, tin and rubber, was a boon to Indonesia. But in Southeast Asia, the formation of SEATO, the US strategy of containing communism and the continuing presence of European colonial powers captured more attention in Jakarta. They risked exacerbating Cold War tensions and, possibly, provoking a hot war within the region that could impinge on Indonesian interests. Still, the new state of Indonesia was relatively secure within its borders, its early prime ministers were themselves anti-communist and the economy was benefiting from strong commodity markets. Neighboring states possessed neither the motive nor the offensive power to directly endanger Indonesian territory – a perception confirmed by Sukarno's somewhat sanguine view of the French defeat at the hands of the Viet Minh.

Under these circumstances Indonesia could count on having policy space to focus on its paramount challenge: nation building. The two principal features of that task were to, first, create a national economy that benefited Indonesians and, second, forge cohesion among the disparate political and cultural elements of Indonesian society. The former required access to foreign markets and capital on terms that benefited Indonesia and the latter required equitable economic progress to be accompanied by a combination of nationalist conviction and armed coercion to defeat a range of insurgencies. These were the critical interests for the first administrations after the transfer of sovereignty. Hatta, Natsir and Sukiman all to a greater or lesser degree appreciated those interests were better served by increasingly close relations with the West, especially the USA.

The critical alignment decisions were made easier by the weakness at the time of domestic communist forces and the mutual suspicion and neglect that characterised relations with communist states. The combative political campaigning of Chinese ambassador Wang Renshu was reflective of the poor state of relations between Jakarta and the communist capitals. But even Sukiman, the most overtly pro-American prime minister, and his foreign minister

Subardjo were aware that they needed to pay obeisance to the *bebas-aktif* policy. Their diplomacy with the Americans, where possible, was conducted in secret. The gap between public and private diplomacy was strikingly demonstrated by Sukarno's private assurances that the *bebas-aktif* policy was a matter of form; Indonesian sentiment was with the USA. These were clear cases of what has been termed undisclosed alignment. But when the terms of MSA aid were disclosed it was clearly a step too far.

In this phase of foreign policy, the priority interests that determined alignment were associated with national consolidation. The advocates of signing of the Japanese Peace Treaty insisted their motive was the promotion of Indonesia's national interests rather than preference for alignment with the USA per se, although their anti-communism made this an obvious choice. It is apparent that a focus on the capabilities and intentions of neighboring states does little to explain Indonesia's alignment posture. Rather, the outcome of policy is consistent with expectations that in an environment where the prospect of loss is perceived to be low policymakers would feel free to pursue alignment strategies that reflect domestically-derived preferences and interests while seeking to retain policy autonomy. The first three governments can be seen to be balancing the risk of domestic censure over the sacrifice of policy autonomy against the benefits that might accrue from partisan international engagement. Sukiman's misjudgement proved his downfall.

There were calculated risks in the Sukiman-Subardjo foreign policy. But they represented a rational evaluation of costs and benefits. The USA was a natural partner, given the market access and resources it offered to assist Indonesian development. The logic of engagement was reinforced by Masyumi's anti-communism. Working closely with the USA allowed the government to serve both domestic and international goals. The outcome showed that Sukiman and Subardjo had overreached. But there were signs it was caught by surprise by the extent of the hostility to its foreign policy. The left was on the defensive and communist states had adopted a hostile tone after Sukiman's anti-communist campaign. The policies were misjudged but they were a rational choice.

The experience of the Sukiman government lends some support to the hypothesis that states confident about their security – that is, facing a low prospect of loss – will pursue their own preferences and interests in foreign policy. This is true too of both the Wilopo and Ali periods.

Wilopo asserted the priority in foreign policy should be to stay out of the Cold War conflict. He judged stricter neutrality as the best form of security protection. The policy also enabled Indonesia to begin exploring a wider market for its products with the slowing of the

Korean War boom. Moreover, he had learned the lesson of his predecessor. His calculations about foreign policy represented a rational evaluation of the government's domestic and international situation.

The emphasis in alignment changed again when Ali Sastroamidjojo took office. Ali, who was the most experienced prime minister in foreign policy, and who was very familiar with US politics, adopted a more adventurous and activist foreign policy. Again, this affected alignment. Ali had a strong conviction that Indonesia was not playing the independent role in international affairs that would be suggested by its size, strategic importance and historical struggle against colonialism. Foreign policy could be a vehicle for increasing national prestige, even as the country remained inherently weak. Ali believed a lack of material power did not automatically equate to a lack of international significance.

Ali's rebalancing of foreign policy included initiatives such as the exchange of ambassadors with Moscow and Beijing and greater pressure on the Dutch over the unresolved status of West New Guinea. But the Asia Africa conference was the principal manifestation of his vision. It was an ambitious scheme whose purpose was most passionately encapsulated by Sukarno in his opening address in Bandung calling for the Asian and African states to overcome material weakness by injecting "the voice of reason into world affairs".

Ali was dissatisfied with the status quo – the acceptance of a situation in which Indonesia because of a lack of material power should be a taker of international rules rather than a maker of them. But he made a rational calculation of the risks when he decided to launch a more assertive form of neutrality and policy independence. His risk taking was not excessive and was commensurate with the value he attached in the goal. As a former ambassador in Washington, he based his judgements in part on the calculation that relations with Indonesia's major economic and security partner would not be severely damaged by a greater display of policy autonomy. His decision making was certainly assisted by the fact Indonesians felt largely "protected from external aggression", as the US concluded at the time. It presumably relieved Indonesia of the need for hard alignments. Domestically, Ali's PNI-led government, enjoying the quiet support of the PKI, felt it had the domestic latitude to strike a bold foreign policy direction – one more defensible within the confines of the *bebas-aktif* policy.

The alignment strategies that Wilopo and Ali adopted were at the soft end of the spectrum and designed to maintain policy autonomy. They combined smart strategies such as "transcending" (the attempt to rise above *Realpolitik* by seeking to use the Asia Africa conference to boost norms of peaceful dispute resolution), "hiding" (reconfirming neutrality to try to guarantee safety from both sides to a dispute) and "competitive bidding" (encouraging

the great powers to vie for Indonesian favor). For Ali, who was the prime minister to most extensively use these strategies during the constitutional democracy period, there were several direct benefits to Indonesia. First, they would increase its status. Second, they could position it to secure economic opportunities in the communist countries. Third, they could widen diplomatic support for national interests such as the incorporation of West New Guinea. And, fourth, they could ease regional tensions and thus enhance national security. A key outcome of the Asia Africa conference was to reduce China's international isolation and to lessen concerns over its intentions.

In relation to the three other hypotheses proposed, the evidence offers moderate support. It is clear that ideology played a role in the preference of Masyumi leaders for alignment with the West. But this was dictated more by religiously-inspired anti-communism than a specific commitment to Western political or economic values. Ali also was partially inspired by ideology in his policies in so far as anti-imperialism and a belief in the principles of the *bebas-aktif* policy represented ideology. He saw a natural affinity between the Asia Africa countries based on a shared desire not to be caught in the crossfire of great power disputes and to be free to take their own development paths. Shared ideology with the Asia Africa partners might have made them obvious partners, but many were divided along Cold War lines. It makes ideology a less convincing explanation than Ali's desires to put Indonesia on the world stage.

Aid, market access and investment also played a role in encouraging good relations with the West. Clearly, in the 1950s Western economies, including a rebuilding Japan, offered the greatest source of development assistance and commercial opportunity. For supporters of a market economy, albeit adjusted to Indonesian characteristics, good relations with the US-led West were an obvious preference. But there is still evidence aid and commerce provided considerable US influence over early Indonesian governments. Sukiman was probably the most susceptible to pressure, agreeing to the controversial terms of MSA aid. The record suggests he felt pressured to accept despite belatedly realising the potential for a domestic backlash. For Sukiman's successors, there is little evidence they would succumb to US pressure to declare a firmer alignment in exchange for economic benefits.

Finally, transnational penetration proved to be a negative in the only case where it was a significant factor. In the case of the Indonesian-Chinese population, there were questions about their loyalty to Indonesia, exacerbated by the competition between factions in the community that lined up between the Communists and Kuomintang and the perceived interference of Beijing in Indonesian internal affairs. This was temporarily resolved by the

Dual Nationality Treaty and Zhou's appeal to Chinese in Southeast Asia to avoid political activity and abide by local law. The evidence of goodwill in Zhou's willingness to resolve this thorny problem, rather than the presence of a commercially successful Chinese minority in Indonesia, possibly encouraged Ali to deepen relations with China to the point where he appeared to take its side in the dispute over the status of Taiwan.

Conclusion

The early post-revolutionary governments adopted a firm pro-Western bias in foreign policy. This reflected a combination of ideological and practical preferences – they were staunchly anti-communist, committed to Western-style democracy, and attracted to the economic opportunities only Western economies could offer. The most ardent believers in this paradigm were leading members of the cabinet of prime minister Sukiman, a Masyumi politician. But in pursuit of the opportunities they saw in the West, and in their desire to stamp out domestic communism, they misread the mood of Indonesian democracy. Sukiman fell victim to over ambition in foreign policy. Sukiman's successor, Wilopo, learnt this lesson. His government charted a cautious path in foreign policy and took Indonesia back to a truer version of Cold War neutrality. Under prime minister Ali, the false starts in foreign policy in the first years of constitutional democracy, gave way to genuine innovation. Ali launched a truly independent foreign policy by imagining and convening the Asia-Africa conference as an alternative voice in international politics. In doing so, he launched Indonesia on the international stage.

All three governments, in their own way, understood that preserving Indonesia's foreign policy autonomy was a vital task of government. They balanced this with their own definitions of state and individual political interest in choosing alignment strategies. Of the three, the contribution made by Ali to foreign policy was the most important and enduring. Ali believed Indonesia should enjoy higher international status, commensurate with its size and strategic weight. He was sufficiently dissatisfied with Indonesia's role to take the risk of upsetting its most important international partner. He combined a range of smart strategies to achieve his goals, including transcending via the Asia Africa conference, hiding and competitive bidding to achieve his objectives.

Despite the variation in priorities, Sukiman, Wilopo and Ali made rational decisions in accord with their reading of the domestic and international situation. That Sukiman

miscalculated makes his decision making no less rational. Wilopo absorbed the lessons and was cautious in foreign policy. Ali was the greater risk taker. But he too made a realistic assessment of the latitude he enjoyed in foreign policy. The alignment policies of all these governments were predicated on the assumption the policy risks were manageable and the objectives desirable. This was partly enabled by the absence of any serious external security challenges to Indonesia in the period. The record lends some support to the hypothesis that policymakers, when faced with a low prospect of loss, should be free to exercise their own preferences and interests.

CHAPTER FIVE

The End of a Democratic Foreign Policy

The highest practical expression of Indonesian democracy and its precipitous decline occurred over the course of barely two years between 1955 and 1957. The 1955 parliamentary elections were a triumph of form. But within one year Sukarno was expressing doubts about the viability of Western-style democracy and within two he had started to lay the institutional foundations for his Guided Democracy. In time, this would lead to power becoming increasingly concentrated in the hands of the President.

As the fortunes of domestic politics wavered, so did Indonesia's foreign relations. The pattern of new governments changing the orientation of foreign policy persisted. But more than ever the collision of domestic politics with Cold War international politics produced a high-octane mix that policymakers were ill equipped to control. The phenomenon most tragically manifested during the course of 1958 when disaffected military and civilian leaders in the so-called outer islands launched rebellions against the centralisation of political and economic power in Jakarta. A succession of American intelligence failures and misjudgements served to convince Washington policymakers that the rebels were a bulwark against a drift to communism on Java. It culminated in an effort to covertly sponsor the rebels that became America's greatest policy debacle in Indonesia.

This chapter follows the changing course of foreign policy from the fall of the first Ali government and the appointment of another moderate Masyumi-led government to the crisis of the rebellions and the failure of democratic politics. Foreign policy shifted from pro-Western sympathies and respect for international norms to a radical turn against international niceties and growing suspicion of the USA. But throughout, there were policy ambiguities. The value attached to US military assistance and its capital and markets created preferences and dependencies that prompted even Ali in his second government to exhibit greater friendship than under the nationalist foreign policy of his first term. The backroom manoeuvres over foreign policy, especially the extent of secret diplomacy with the USA, revealed in contemporary records highlight the extent of those ambiguities. It encapsulates the dilemma of governments trying to project an image of policy autonomy, as much for public consumption as for its own sake, while obtaining the singular material benefits that America could offer.

But the real dilemma in foreign policy came not from the balancing of risk in alignment politics at the international level. It came from the inability of successive governments since independence to reach a consensus over equitable access to power and opportunity and the form of the state. Domestic conflict and instability was bound to invite foreign intervention in a state whose loyalties were regarded as vital to the wider power struggle of the Cold War.

The chapter concludes by arguing Indonesia managed alignment politics by the use of a range of smart strategies that are consistent with a balance of risk approach. Risk minimising strategies, including hedging, hiding, undisclosed alignment and omnibalancing, all figured in Indonesia's repertoire of alignment behavior. The use of these strategies was aimed at managing pressures at both the domestic and international levels, which was evidenced clearly in negotiations over the status of West New Guinea, Sukarno's personal great power diplomacy and US intervention on the side of rebels in Indonesia's outer islands. Alignment behavior was not purely a function of events either level, but of their interaction; specifically, reference to foreign threats alone does not account for Indonesian policies. Critical to decisions affecting alignment was the calculation of the prospect of gains and losses facing the regime and the state and their potential scale.

Foreign Policy from Internationalism to Rebellion

Indonesia Turns to the West, Again

Before the flush of international success at Bandung had faded, Ali Satsroamidjojo was finished as prime minister. A dispute with the army over the appointment of a new Chief of Staff plunged the government into a final crisis. Faced with defiance from senior officers over the choice of a new army leader, the defence minister was forced out, support in the parliament for the government crumbled, and on 24 July 1955 Ali resigned.¹ The crisis had its roots in a deeper conflict over the proper relationship between military and civilian authority, which had been left unresolved since the end of the revolution. But observers also recognised other contributors to Ali's demise. In the months before the government's downfall, Ali had

¹ The nature of military-civilian relations and the causes of the Ali government's downfall have been explored extensively elsewhere and will not be dealt with here. The most authoritative account is in Feith, *Decline of Constitutional Democracy*, pp. 394-409.

concentrated on foreign policy at the expense of a deteriorating economy.² For one of Indonesia's most skilled diplomats, the international stage offered the prospect of easier, and more glorious, wins than managing intractable economic problems.

The end of the Ali government brought another sharp turn in Indonesia's foreign policy. With Sukarno absent on a pilgrimage to Mecca, Hatta, as Vice President, could commission a new government. He turned to Masyumi's parliamentary leader, Burhanuddin Harahap, to lead a raft of smaller parties. The PNI was excluded.³ The Burhanuddin government set to work overturning many of Ali's initiatives.⁴ A *Hizbu'llah* militia leader during the revolution and a firm anti-communist, Burhanuddin, and his foreign minister, Ide Anak Agung Gde Agung, steered Indonesia back towards the West. Diplomats quickly noticed the change. US ambassador, Hugh S. Cumming, who had arrived in Jakarta soon after Ali's appointment, recorded Agung's statement to him that it was "his policy and that of the prime minister to build warm relations with the US without departing from the independent foreign policy".⁵

Thus, the Burhanuddin government confirmed the pattern established since independence of Masyumi-led governments adopting a relatively pro-Western attitude. This undoubtedly reflected both the fierce Islamic opposition to the irreligious doctrine of Communism and the convictions of Masyumi and several other minor parties over the virtues of the democratic system. It also reflected the pragmatic, problem-solving disposition of these governments, and an understanding that Western markets and investment offered the best prospect for economic development, just as democracy offered the best path for political development.

The renewed openness to the West under the Burhanuddin government was reflected in several initiatives. First, Agung, who had served as director of the US division in the Foreign Ministry, requested the resumption of discussions with the USA on a "treaty of friendship, commerce and navigation". Washington had proposed the treaty to Ali in March 1954, but he had requested the word "friendship" be dropped from the title and preamble. At Washington's

² One of the criticisms was that Ali moved too fast in cultivating relations with China. For an appraisal of the political forces behind the Ali government's downfall see Telegram from the Ambassador in Indonesia (Cumming) to the State Department, *FRUS, Vol. XXII, 1955-1957*, document 103, p. 176.

³ For a description and analysis of the cabinet see Feith, *Decline of Constitutional Democracy*, pp. 418-419.

⁴ This included earlier attempts to stack the bureaucracy with allies. The appointment of ambassadors based on party affiliation had caused tensions in the ministry. See Johan Boudewijn Paul Maramis, *A Journey into Diplomacy, Memoirs of an Indonesian Diplomat*, Jakarta: Pustaka Sinar Harapan, p. 19.

⁵ Telegram from the Embassy in Indonesia (Cumming) to the Department of State, 16 August 1955, *FRUS, Vol., XXII, 1955-1957*, document 107, p. 181.

suggestion, it was replaced by the word “amity”. Even so, discussions had proceeded slowly. When Agung asked for talks to resume, he smilingly repeated the word “friendship” to Cumming to underscore his point.⁶ Second, the government sent a series of “goodwill” missions to US allies in the region and beyond, including Australia. Australia and Indonesia remained at loggerheads over the status of West New Guinea, with Australia backing Dutch sovereignty over the territory almost more vehemently than the Dutch themselves.⁷ Third, it decided to adopt a new policy towards the Dutch on West New Guinea, dropping the overt antagonism that had characterised the approach of its predecessor in favor of moderation and a search for a negotiated settlement.

Of these, the decision to go back to the negotiating table was undoubtedly the most important foreign policy initiative of the Burhanuddin period. In addition to the infiltration of troops into West New Guinea, Ali had attempted to stir popular sentiment in Indonesia by creating a “Bureau of West Irian Affairs” in the office of the prime minister to coordinate mass action.⁸ He had not entirely abandoned diplomacy. He sent a delegation in mid-1954 under foreign minister Sunario to try to negotiate with Dutch foreign minister Joseph Luns over both the status of West New Guinea and the dissolution of the Netherlands-Indonesia Union. But this initiative ended largely in failure. Luns had refused to consider relinquishing sovereignty over West New Guinea except by an act of self-determination at some unspecified future date. The Sunario-Luns Protocol, signed on 10 August, dissolved the Union, but on unsatisfactory terms and Ali refused to submit the protocol to parliament for ratification.

Still, Ali government policy on West New Guinea had succeeded in one important respect: the dispute was internationalised. In April 1954, it was placed on the agenda of the Colombo Five meeting and, at the end of the year, it was inscribed on the agenda of the ninth UN General Assembly. A draft resolution calling on the Dutch to negotiate in accord with the terms of Round Table Conference agreements was drawn up, but dropped when it became obvious it would fail to obtain a two-thirds majority. Despite having an ostensibly “neutral” stance on the question of rightful sovereignty over West New Guinea, the USA found subtle ways of supporting the Dutch. When the issue was brought before the General Assembly, US Representative, Henry Cabot Lodge, insisted on West New Guinea being treated as an

⁶ Ibid.

⁷ Agung, *Twenty Years*, p. 115-116. The great fear in Canberra was of a PKI takeover in Indonesia, leading to the creation of a shared border between Australian-administered Papua New Guinea and a Communist-controlled western half of the island.

⁸ Ibid, p. 101. “West Irian” was the term Indonesia used for West New Guinea at the time.

“important” question under UN rules, requiring a two-thirds majority, rather than a simple majority, for passage.⁹

The Burhanuddin government was locked into pursuing a resolution again at the tenth UN General Assembly in 1955 because of domestic political expectations and the support Indonesia had received at the Asia Africa conference. But the government realised a continuation of Ali’s policies would only entrench the resistance of the Netherlands and its Western allies. The goal was to have the issue inscribed on the General Assembly agenda, but to avoid acrimonious commentary and simultaneously try to restart negotiations. If negotiations between Indonesia and the Netherlands were well advanced by the time it came to a vote on a resolution at the UN, the two sides might agree to defer the issue.

Within three weeks of being appointed, Burhanuddin and Agung took their proposal to Sukarno. Sukarno had become the most powerful advocate for Indonesia’s claims to West New Guinea. His support was therefore essential if the new approach was to work. Burhanuddin and Agung wanted Sukarno to refrain from inflammatory commentary about the Netherlands, and the West in general, while efforts were underway to negotiate with the Dutch. Although Sukarno had not participated in the appointment of the Burhanuddin government, and was no friend to it, he agreed.

For several weeks the Dutch resisted, but after arduous negotiations about negotiations, it was agreed the two sides would meet to discuss a variety of issues impeding good relations. The two main items on the Indonesian agenda were once again the future of the Netherlands-Indonesia Union, in particular the economic and financial provisions of the Round Table Conference, and the West New Guinea problem. However, discussion of the latter item was to be conducted on the basis of an “understanding that each party will maintain its own position regarding the question of sovereignty over West New Guinea”.¹⁰ The large Indonesian and Dutch delegations headed by their foreign ministers convened on 10 December against a backdrop of political dissension in both Indonesia and the Netherlands.¹¹ As the talks in

⁹ Telegram from the United States Representative at the United Nations (Lodge) to the Department of State, 30 November 1954, *FRUS, Vol. XII, 1952-1954*, document 300, p. 477-478. During the debate, Lodge was acting President of the UNGA making it easier for him to manage the procedural issues. Dulles at the time was “very strongly” opposed to Indonesia gaining control of West New Guinea, unless there was a change in the character of governments there. Memorandum of a Conversation, Department of State, Washington, 24 August 1955, *ibid.*, document 108, p. 182.

¹⁰ Cited in Agung, *Twenty Years*, p. 131.

¹¹ The ensuing negotiations were long and complex. For extensive accounts see, *ibid.* pp. 109-177. See also Feith, *The Decline of Constitutional Democracy*, pp. 450-461.

Geneva proceeded, both sides faced increasingly severe limitations on what was deemed to be an acceptable outcome because of pressure from political elites and publics at home. Agung and his colleagues were caught between the desire to maintain their posture of pro-Western international moderation and a vociferous campaign from the PNI and PKI opposition for the talks to be abandoned.

The key to the rising tide of opposition in Indonesia to the talks was the outcome of national elections for parliament held on 29 September. These were Indonesia's first parliamentary elections and the first test of the true strength of the political parties who had occupied the appointed parliament. As the results trickled in through early October, it was clear the PNI and the PKI had strengthened their positions and Masyumi and the Indonesian Socialist Party (PSI), the backbone of the Burhanuddin government, had suffered unexpected reversals.¹² The result of the elections had profound consequences for the negotiations with the Dutch. By mid-November, Sukarno had abandoned his promise of restraint and joined the opposition parties at public rallies, calling for the cancellation of the talks. He attacked the Dutch for refusing to discuss the transfer of West New Guinea to Indonesian control.

The domestic hostility to Agung's endeavors, and the likelihood the PNI would head the next government, strengthened the Dutch bargaining position. Dutch foreign minister Luns prevaricated, using the pretext that the next Indonesian government might overturn any agreement reached. Indonesia did receive something of a fillip when the General Assembly agreed by majority vote to consider the West New Guinea problem over Dutch objections. Then on 16 December, the General Assembly unanimously accepted a resolution expressing the hope the West New Guinea issue would be resolved peacefully and that the Geneva talks would be fruitful. Indonesia had avoided a repeat of the defeat of 1954.

After a fitful start, the delegations reached a tentative agreement by 7 January on some issues on the agenda relating to the Netherlands-Indonesia Union, which was referred back to the two capitals. Then, as the negotiators awaited advice from their governments, Sukarno used his political influence to convince two parties in the ruling coalition to withdraw their ministers from the Burhanuddin cabinet and their support in parliament. From this point on, the negotiations were doomed. Amid defections from the government and growing public

¹² PNI defied the predictions of pundits to emerge as marginally the strongest party with 22.3 per cent of the vote. Masyumi, which was widely expected to lead the count, won 20.9 per cent. Nahdlatul Ulama (NU), built on traditionalist, Java-centric ideas of Islam, won 18.4 per cent of the vote. The PKI startled observers by claiming fourth spot with 15.4 per cent of the vote. Evans, *The History of Political Parties*, p. 14.

outcry in Indonesia, the talks in Geneva staggered to a close on 11 February. The point of breakdown came when Indonesia refused to accept Dutch demands to establish a right of final appeal to the International Court of Justice in bilateral disputes that arose after the Netherlands-Indonesia Union statutes were rescinded.¹³

With no agreement having been reached, the Burhanuddin government took a step that was completely out of character with the spirit of its foreign policy. It decided at a cabinet meeting on 13 February to unilaterally abrogate the Union and the accompanying economic and financial agreements, which had given Dutch capital a privileged position in Indonesia. Ironically, the PNI and the PKI, the two most ardent critics of the Union, opposed a law to enact abrogation, which was a necessary requirement of the Indonesian constitution. The PNI instead proposed a no-confidence motion in the government for mishandling foreign policy as it tried to head off the passage of the abrogation law. The motive appears to have been to deny the opportunity for the Masyumi-led government to outperform the opposition on ground it regarded as naturally its own – radical nationalism. The Burhanuddin government won the parliamentary battle on 28 February with the passage of the abrogation law. But it was a pyrrhic victory because Sukarno refused to sign the law in an act of apparent sympathy for the PNI and the PKI. The Burhanuddin government resigned on 3 March 1956, allowing the President to commission a representative of the PNI, as the winner of a plurality in the parliamentary elections, to try to form a government.

The worldview of Burhanuddin and Agung, which was generally shared by Masyumi and its allies, had been evident in the strategy underpinning the decision to try for a negotiated settlement with the Netherlands. The pair hoped the Netherlands might at least declare readiness to discuss a formula for resolving Indonesia's territorial claims over West New Guinea at some point in the future. By opening the door to Indonesia's claims, the Netherlands would vindicate the path of moderate diplomacy. In turn, this would undercut radicalism, particularly attempts "by the increasingly militant Indonesian Communist Party to rally national support and to create anti-Western sentiment among the Indonesian people".¹⁴ All this meant it was in the interests of the USA and other Western powers to encourage the Netherlands to conciliate. Although Washington clung to neutrality, officials there fully understood this point. The verdict of the head of the State Department's Southeast Asian affairs

¹³ Agung provides a first-hand account of these events. See *Twenty Years*, pp. 147-157. Indonesia was not then a signatory to the ICJ Statute, although all UN members states were regarded ipso facto as parties to the Statute.

¹⁴ Agung, *Twenty Years*, p. 123.

office, Kenneth T. Young, was that both the USA and the Netherlands would suffer because of Dutch stubbornness. According to Young, the moderate elements in Indonesia had been “discredited and weakened, and the chauvinists and extremists have been strengthened”.¹⁵

In the end, the Burhanuddin government was overwhelmed by feelings of frustration at the failure of the Dutch to appreciate the benefits of responding to Indonesia’s aspirations. Weakened by the outcome of the elections and facing a wave of public hostility over the conduct of the negotiations in Geneva, the government allowed domestic political dynamics to dictate its behavior. Acting contrary to the very principles it had tried to uphold, it unilaterally cancelled the Netherlands-Indonesia Union and the accompanying economic and financial accords. The Netherlands claimed the decision to walk away from the obligations of an international treaty demonstrated a disregard for international laws and standards. One lasting consequence of the failure to reach an agreement with the Netherlands was that many Indonesians concluded a willingness to negotiate would be received as an act of weakness.

Disneyland and Dim Sum Diplomacy: Sukarno Goes Abroad

With the fall of the Burhanuddin government and the conclusion of the parliamentary elections, Indonesia faced the prospect of resetting national politics in accord with the will of the people for the first time and, in doing so, recasting its foreign relations. The problem was to discern what was being willed from the divided and fairly evenly balanced polity revealed by the parliamentary elections. The elections at least promised to bring some unfamiliar stability to domestic politics and might equally promise the same in foreign affairs. Moreover, having emerged on the world stage via the Asia-Africa conference, Indonesia might under a government with a strong mandate find the confidence to be an active and constructive contributor to solving regional and global problems.

Viewed from the capitals of the great powers, the Asia-Africa conference had offered something for everyone – communist states could be pleased with the defiance of the West evident in the strong stance against colonialism and western states could be satisfied with the acceptance of the collective security arrangements of their allies. In light of this, Indonesian neutralism seemed somewhat less problematic, if not optimal. Despite the relatively minor role Sukarno had played at Bandung, all the powers vying for favor with Indonesia understood

¹⁵ Memorandum from the Director of the Office of Philippine and Southeast Asian Affairs (Young) to the Assistant Secretary of State for Far Eastern Affairs (Robertson), 17 February 1956, *FRUS*, Vol. XXII, 1955-1957, document 137, p. 231.

Sukarno's central importance to Indonesian politics. He was rightly regarded as the lodestone of national political life and became the target of vigorous cultivation by all the great powers. The Chinese ambassador, Huang Zhen, even went to the trouble of ensuring a steady supply of *dim sum* to Sukarno's table, one of the President's favorite foods.¹⁶ The logical next step was for each of Indonesia's suitors to secure a visit from the President. This was to become something of a beauty contest between the Western and Communist blocs in 1956, the winner being the state able to most impress Sukarno with the superiority of its system and way of life.

Sukarno too had been initially encouraged by the prospect of domestic political stability arising from the elections and the success of the Bandung diplomacy to start thinking beyond the problems at home to what he could bring to, and retrieve from, the international community. But the first task he faced after the resignation of Burhannudin was to authorise the formation of a new government. In recognition of the narrow plurality obtained by PNI in the elections, he turned once more to Ali Sastroamidjojo. Sukarno lobbied publicly for this new government to include the four big winners from the elections, meaning the PKI would for the first time officially be able to claim cabinet seats. Even so, he might have been playing a double game. He privately assured Cumming on 20 February that he was "positively certain" the PKI would be excluded from the next government and the party would continue to be shut out as long as he was president.¹⁷ In any case, all the other major parties were strongly opposed to its inclusion. When the Ali government was sworn in on 20 March the PKI was yet again denied a place at the cabinet table. The PNI, Masyumi and NU formed the mainstay of the coalition, although the PNI was in the lead.¹⁸

Ali began his second term with an ambitious policy agenda and a strong mandate. For the first time, parliament voted unanimously to give the government the opportunity to carry out its program. As far as Ali's previously prickly relations with the USA were concerned, his second term as prime minister started on an equally promising note. Between late 1955 and early 1956, the USA intensified efforts to foster better relations with Indonesia's political elite.

¹⁶ Zhu Lin, *Dashi Furen Huiyilu: Xunyali, Yinni, Faguo, Meiguo* [Memoirs of an ambassador's wife: Hungary, Indonesia, France and the USA], Beijing: Shijie Zhishi Chubanshe (1991) p. 41, quoted in Liu, op. cit., p. 211.

¹⁷ Telegram from the Embassy in Indonesia (Cumming) to the Department of State, 20 February 1956, *FRUS, Vol. XXII, 1955-1957*, document 138, pp. 232-233. Feith, in the most authoritative version of these events, maintains that Sukarno continued to place pressure on Ali to accommodate PKI members or sympathisers in the cabinet. Feith claims that eventually the non-party figure, Djuanda, was included as a face-saving solution for the President. See Feith, *The Decline of Constitutional Democracy in Indonesia*, p. 469.

¹⁸ For an account of the formation of the cabinet see Feith, *Decline of Constitutional Democracy in Indonesia*, pp. 462-473.

Despite the cool, and at times hostile, attitude Ali had adopted during his first term in office, there were hopes his nationalist-Muslim coalition government would be more amenable to a cooperative relationship with Washington. In mid-March 1956, Secretary of State Dulles came to Jakarta, bearing an invitation to Sukarno to visit the USA, an offer that elicited “visible evidence of pleasure” from the President.¹⁹ This followed the signing on the last day of the Burhanuddin government of an agreement to release USD 97.7 million in surplus American agricultural commodities to Indonesia. At this time, the US also was giving sympathetic consideration to requests for loans and grants for military and civilian purposes, including a highly confidential Indonesian army request to equip and train a regimental combat team. Although the discussions on military aid had to be largely conducted in secret to avoid domestic criticism in Indonesia, the flurry of activity engendered some uncharacteristic gestures of goodwill from Ali. It raised hopes among American officials that his government might “not lean so heavily away from the United States”.²⁰

The possibility of a more stable government following the elections and one that might even try to “warm up” the bilateral relationship led the USA to adopt a surprisingly accommodating and lenient attitude to Indonesia.²¹ The view held by Cumming, successfully implanted in thinking in Washington, was that the USA was more likely to win influence with Sukarno and the Ali government by avoiding the heavy handed tactics of the past aimed at corralling Indonesia into a tougher stance against communism and closer relations with the West.²² Washington clung to this tolerance throughout 1956, even as its hopes of a new moderation in foreign policy proved premature.

In a series of decisions, the Ali government strained the niceties of international relations. Among its first acts was to draw up and pass its own legislation to unilaterally abrogate the Netherlands-Indonesia Union and the Round Table Conference agreements as a whole – an act that was viewed as symbolically more radical than that of its predecessor.²³ Then, in August, the government declared its intention to repudiate USD 171 million in debts owed to the Dutch government, which had been incurred by the Netherlands Indies government

¹⁹ Telegram from the Embassy in Indonesia (Cumming) to the Department of State, 14 March 1956, *FRUS, Vol. XXII, 1955-1957*, document 144, p. 242.

²⁰ Telegram from the Embassy in Indonesia (Cumming) to the Department of State, 1 May 1956, *ibid.*, document 153, p. 261.

²¹ *Ibid.*

²² Telegram from the Embassy in Indonesia (Cumming) to the Department of State, 30 June 1956, *ibid.*, document 163, n. 2, p. 282.

²³ Feith, *The Decline of Constitutional Democracy in Indonesia*, p. 474.

and assumed by Indonesia at the Round Table Conference.²⁴ Despite Dutch outrage and some internal disagreement over the risk of encouraging bad behavior, the USA reasoned it was important to keep on Jakarta's good side while the Soviet Union circled with rival offers of aid.²⁵

For this reason, Sukarno was greeted in a sympathetic atmosphere in Washington on 14 May. It was the start of a long visit to the USA and Europe that would last until 3 July. The visit was of significance more for its symbolism than its substance. Sukarno spoke to a joint sitting of Congress on 17 May, where he received a "spontaneous" standing ovation, and the National Press Club the following day.²⁶ In these addresses, he issued an appeal for Western sympathy as Indonesia underwent the growing pains of nationhood. But he struck a note of defiance too. Indonesia would not compromise its independence for the sake of foreign aid. He also predictably dwelt on the vestiges of colonialism and Indonesia's dispute with the Netherlands over the status of West New Guinea.

Sukarno was an admirer of American political traditions. His trip included a tribute to Thomas Jefferson at the Jefferson Memorial in Charlottesville, Virginia, where he spoke of the author of the Declaration of Independence as "my teacher".²⁷ Disneyland, department stores and the rows of automobiles outside factories in Detroit that belonged to the very workers who made them beguiled him. Cumming told a closed door briefing a few months after the visit that Sukarno had departed the USA with enduring positive impressions and ideas.²⁸ Certainly, the presidential tour of the USA ended on an amiable note: Foreign Minister Roeslan Abdulgani told Cumming at a meeting in Salt Lake City that Indonesia wanted to revive discussions on a Treaty of Friendship, Commerce and Navigation.²⁹ The success of the visit

²⁴ The sum was equal to USD 1.5 billion in 2015 dollars. The abrogated debt was the unpaid portion of USD 1.1 billion in Netherlands Indies debt assumed by Indonesia under the Round Table agreements.

²⁵ The disagreement within the State Department was evident in complaints from the US Embassy in The Hague over leniency towards Indonesia encouraging "lawlessness". See Telegram from the Embassy in The Netherlands (Matthews) to the Department of State, 2 October 1956, *FRUS, Vol. XXII, 1955-1957*, document 180, p. 307.

²⁶ The full text of both speeches can be found in *The Department of State Bulletin*, Vol. XXXIV, No. 884, 4 June 1956, pp. 928-939

²⁷ Tillman Durdin, "Sukarno Homage Paid to Jefferson", *The New York Times*, 20 May 1956.

²⁸ Hugh S. Cumming, "The Situation in Indonesia", 20 May 1957, Council on Foreign Relations Digital Sound Recordings, Box 734; Public Policy Papers, Department of Rare Books and Special Collections, Princeton University Library. Sukarno referred to the lasting favorable impression left on him in a parting letter to Eisenhower on 5 June. For the full text of the letter, see *The Department of State Bulletin*, Vol. XXXIV, No. 886, 18 June 1956, pp. 1005-1006

²⁹ Memorandum of a Conversation between Foreign Minister Abdulgani and the Ambassador to Indonesia (Cumming), Salt Lake City, Utah, 3 June 1956, *FRUS, Vol. XXII, 1955-1957*, document 159, p. 273.

appeared to be confirmed when Sukarno, on his return to Indonesia, delivered a speech that was seen as a “virtual eulogy” of the USA, walking into the crowd at the conclusion to shake Cumming’s hand.³⁰

The visit to the USA marked the start of an era in which Sukarno spent considerable time abroad.³¹ He returned to Indonesia briefly before he departed again to travel to the Soviet Union, Eastern Europe and China. He would be away from 28 August to 16 October. These visits to the Communist bloc would be of far greater significance for the future course of Indonesian domestic politics and its international relations than his visit to the USA. Conceived as an overt demonstration of balance in Indonesia’s foreign policy, the visit to Communist countries had a deep influence on Sukarno’s perception of how Indonesia should develop both politically and economically. He found more in the Soviet Union and China of relevance to his own country’s development path than he had found in America. It was on this journey, particularly on the China leg, that ideas Sukarno had been formulating for some time about a native political system started to take shape.

It also was while traveling in the Communist countries that Sukarno demonstrated a tendency to treat foreign policy as a realm in which he could exercise executive power in defiance of constitutional constraints. In the Soviet Union, Sukarno ordered Abdulgani to sign an Indonesian-Soviet Joint Statement on 11 September without referring the decision to the cabinet. Sukarno’s testing of the boundaries of executive power caused tensions with Ali and stirred controversy among political elites at home. The joint statement touched a nerve because it declared, “the existence of military pacts does not promote the efforts to reduce international tensions”.³² Although this was generally consistent with Indonesia’s own foreign policy, it went beyond the terms of the Bandung communiqué and was seen as an implicit criticism of US-led pacts in Asia and Europe. Strangely, the statement came a year after the formation of the Warsaw Pact as a counter to NATO. But of most importance to Ali was that it was an encroachment by a ceremonial president on a field of special interest to him as prime minister.³³

³⁰ Telegram from the Embassy in Indonesia (Cumming) to the Department of State, 2 August 1956, *ibid.*, document 167, n. 3, p. 288. The speech was broadcast throughout Central Java.

³¹ Prior to 1956, Sukarno’s only overseas travel as president had been on a pilgrimage to Mecca, which he followed with a state visit to Saudi Arabia. Between 1959 and 1963, Sukarno spent 319 days abroad visiting 41 countries. See Liu, *op. cit.*, p. 214.

³² Telegram from the Embassy in Indonesia (Cumming) to the Department of State, 30 September 1956, *FRUS, Vol. XXII, 1955-1957*, document 179, n. 11, p. 306. Roeslan Abdulgani and Soviet vice minister for foreign affairs, Andrei Gromyko signed the statement.

³³ Ali privately reassured Cumming that the USA should regard the domestic furore over the statement as a good sign and evidence Indonesia was not tilting toward the Soviet Union. *Ibid.*, n. 12, p. 306.

In the unlikely event Sukarno was troubled by the ruckus at home, he could take satisfaction from the favourable impression he left on his hosts in Moscow. Sukarno struck Khrushchev as “an educated man and above all an intelligent man”.³⁴ A shrewd judge of character, whose formal education was limited to four year’s schooling in the Russian countryside, Khrushchev felt he quickly established a good rapport with Sukarno and “liked him”.³⁵ He listened approvingly to Sukarno describe Indonesia’s policy of neutrality – a position which suited Soviet strategy because it denied the Western powers the company of Indonesia in SEATO. Like the Americans, the Soviets played the aid game, attempting to win favor in Jakarta with a bigger blandishment than the USA was prepared to offer, some \$100 million.³⁶ But Soviet sympathies for Sukarno might not have been fully reciprocated. A diplomat who travelled with Sukarno saw no sign of the president warming to the Soviet system or position in world affairs.³⁷

Indeed, in regard to the European sector of Sukarno’s tour of communist states, it was his time with Josip Tito and travels in Yugoslavia that most affected the Indonesian president. He found the example of Yugoslavia, the pragmatic soft communism of Tito, to be more appealing and more relevant to Indonesia’s circumstances than Khrushchev’s avowed attempts to pursue authentic Marxist-Leninist doctrine. In Khrushchev’s view, Sukarno’s character inclined him towards Tito. “There were more freedoms in Yugoslavia,” Khrushchev noted. “That’s why Tito’s line impressed Sukarno more than ours.”³⁸ Given Sukarno’s growing propensity to play the great powers off against each other to Indonesia’s advantage, particularly over the vexed issue of West New Guinea, he might have found inspiration in that aspect of Tito’s self-styled nonalignment too.

Yet of all Sukarno’s travels in 1956, China left the greatest lasting impression. It was during his 17 days in Beijing and touring 10 other Chinese cities that Sukarno’s inchoate ideas about a new system of rule for Indonesia found a functioning model. The scale of the welcome surpassed anything Sukarno had previously experienced. Hundreds of thousands of cheering

³⁴ Khrushchev, *Memoirs*, p. 786.

³⁵ *Ibid.* For a comprehensive account of Khrushchev’s life see William Taubman, *Khrushchev: The Man and His Era*, New York: Norton (2003).

³⁶ The US had an aid offer of \$25 million under consideration at the time, but was worried an announcement would put it in competition with the Soviet Union. The Soviets also gave Sukarno the Order of Lenin – to that point the only non-Communist leader to receive the country’s highest award. Telegram from the Embassy in Indonesia (Cumming) to the Department of State, 30 September 1956, *FRUS, Vol. XXII, 1955-1957*, document 179, n. 12, p. 306.

³⁷ Ganis Harsono, *Recollections of an Indonesian Diplomat in the Sukarno Era*, St. Lucia: University of Queensland Press (1977), p. 160.

³⁸ Khrushchev, *Memoirs*, p. 786.

people lined the road from Beijing airport, pandering to Sukarno's ego and tugging at his emotions.³⁹ Beyond the fanfare, Sukarno was struck by three aspects of the political and economic conditions he encountered in China: the degree of control and stability achieved by the Communist Party leadership, the discipline and self-sacrifice exhibited by a highly mobilised population, and the economic accomplishments the country had recorded in the few years since the formation of the People's Republic. In this, communism did not loom large in Sukarno's perceptions of China.⁴⁰ Instead, both he and his hosts sought to accentuate commonalities founded on experiences of revolution, colonialism and Asian identity. Thus, Sukarno's time in China affected him viscerally, in a way neither the USA nor the Soviet Union could.

This probably was due in part to the historical understanding Sukarno brought with him to China. He had studied the lessons of Chinese nationalism in the formative stages of Indonesia's own nationalist struggle. Sukarno frequently cited the writings of Chinese revolutionary leader Sun Yat-sen, especially *The Three Principles of the People*, as an important influence on his thinking about the ideological foundations of the independence movement and future state. The three principles – democracy, nationalism and socialism – are commonly cited as the forerunner of the five principles of the *Pancasila*. Sukarno claimed he first encountered Sun's writings in 1918. "Ever since then, nationalism has been implanted in my heart, through the influence of the Three People's Principles," he said in the 1945 speech in which he enunciated the *Pancasila*.⁴¹ Sukarno was also attracted to Sun's exposition of the idea of pan-Asianism, specifically Sun's 1924 call in Kobe, Japan, for the Asian peoples to unite in overthrowing imperialism.⁴² Sukarno's disposition to focus on shared characteristics was probably assisted by the advice and attention he received from Chinese officials. Mao and Zhou are said to have suggested to Sukarno that he should emulate Sun Yat-sen's goal of unifying all political factions rather than adopt communism.⁴³ Although the advice to eschew communism was somewhat gratuitous, the personal and policy gestures, such as the conclusion

³⁹ An account of the welcome in Beijing can be found in Liu, *op. cit.*, pp. 216-219.

⁴⁰ *Ibid.*, p. 210 and p. 220. Liu emphasizes the tendency for Sukarno to downplay communism and focus on the nationalist and populist underpinnings of the Chinese government.

⁴¹ Sukarno, "The Birth of Pantja Sila", in *Toward Freedom and the Dignity of Man*, p. 15. Sukarno more likely became familiar with *The Three Principles of the People* after Sun Yat-sen reformulated the work in 1924.

⁴² Audrey Wells, *The Political Thought of Sun Yat-sen, Development and Impact*, New York: Palgrave (2001) p. 175. Wells provides an extensive analysis of the similarities between the statements of Sun Yat-sen and Sukarno, see pp. 171-180.

⁴³ Liu, *op. cit.*, p. 221. Liu interviewed a Chinese official who attended the meeting.

of the Dual Nationality Treaty, could only have helped to give Sukarno a favorable view of what he witnessed in China.

Certainly, Sukarno returned to Indonesia from China more buoyed and invigorated by his time there than in any of the other countries he visited that year. The example of China validated Sukarno's ideas about the weakness of constitutional democracy and the destructiveness of political party competition. He repeatedly drew on it to justify his domestic agenda. It became a metaphor for all that was wrong with the state of Indonesia and what could be done to get it right.⁴⁴ All of this was injected into an increasingly fraught domestic environment, which had far-reaching implications for the conduct of Indonesia's foreign relations. Thus, Sukarno's China experience was to be of singular consequence for the orientation of Indonesian domestic and international politics.

Rebellion and Democratic Decline

While Sukarno travelled, Indonesia's domestic political cohesion disintegrated. The promise that the first parliamentary elections had offered for stable democracy proved illusory. Indonesia progressively fell victim to a series of internal conflicts with ramifications for foreign policy as profound as they were for domestic policy. These conflicts, which spanned political, geographic, economic, religious, internal military and civil-military divides, were to test the basis of the state. They eventually proved a calamity for Indonesians who had hoped after independence to create a modern state founded on democracy by paving the way for an era of authoritarian rule. In the interim, they weakened Indonesia and exposed it to the most significant episode of foreign intervention since the departure of the Dutch.

The roots of the problem lay in the task Indonesia's founders had set themselves in forging a nation from immense geographic and human diversity. The necessary compromises, which had formed the basis of a strained national consensus, started to openly unravel in 1956. If the results of the previous year's elections demonstrated the splintered nature of the polity, then the experience of Ali in trying to govern in such an environment revealed the inadequacy of state institutions.

In addition to confirming a relatively even level of popular support among the main currents of Indonesian political thinking – secular nationalist, communist and Islamic

⁴⁴ Liu gives extensive treatment to the role of China as a metaphor in Sukarno's critique of Indonesian democracy. See, *ibid*, pp. 205-233.

modernist and traditionalist – the elections pointed to a significant political-geographical division. Masyumi gained most of its support from off Java, while the other three main parties obtained most of their support on Java.⁴⁵ This outer islands-Java divide was underpinned by grievances over the lack of regional economic and political autonomy and a legitimate complaint that the wealth and power of Indonesia was accumulating in Jakarta and elsewhere on Java. During the 1950s, central government economic policies favored populous and import-consuming Java over the commodity-producing export regions off Java. The perception was that income was being siphoned off from the productive, foreign exchange generating regions “to fund the expansion of the bureaucracy and luxury consumption in Jakarta”.⁴⁶ Institutionally, this state of affairs had arisen in part because of the decision to opt for centralised rule under a unitary state concept and reject federalism.⁴⁷ In time, this institutional weakness would conflate with another: The absence of cohesion in the military and of agreement over the proper role for it in politics and society.

It was not very far into Ali’s second term in office before the combination of political grievance and institutional failings started to manifest in challenges to government authority. In the months after his appointment, a series of actions related to either internal army or army-civilian disputes would erode confidence not only in the government but the entire system of parliamentary democracy. There were two principle strands to the conflicts embroiling the army. The first was the result of regional army commanders acting in defiance of central government economic policies that disadvantaged the outer islands. On the islands of Sulawesi and Sumatra, army commanders openly conducted large-scale commodity smuggling and barter trade, ostensibly to improve the welfare of the soldiers under their commands and of local citizens. Complaints over economic injustice mixed with underlying political and ethnic tensions, in which Jakarta and the Javanese were depicted as running Indonesia. The second strand of army-related conflict arose from attempts by chief of staff Abdul Haris Nasution⁴⁸ to professionalise the officer corps, centralise command and reduce the tendency for long-serving regional commanders, who usually came from a dominant local ethnic group, to create personal fiefdoms. Nasution’s orders to rotate regional and headquarters commanders who had done

⁴⁵ Evans, *The History of Political Parties*, p. 15.

⁴⁶ Dick, “Formation of the Nation State, 1930s-1966”, p. 180.

⁴⁷ A federal state, the RUSI, was agreed to at the Round Table Conference in 1949. The unitary Republic of Indonesia replaced it on 17 August 1950.

⁴⁸ Nasution had been dismissed as chief of staff in 1952 over the so-called “17 October Affair”, when a group of young officers, with his tacit approval, pressed Sukarno to dismiss the parliament and appoint a presidential cabinet. It was intended the army would simultaneously increase its political role in such a government. After three years in the cold, Nasution was reappointed in October 1955.

long tours of duty caused internal dissension even as they were resisted or ignored. At one point his own deputy, Zulkifli Lubis, hatched a coup plot to remove him and the Ali government. The plot failed, but the military defiance provided a core around which civilian disaffection in the outer islands could also coalesce. The two strands of conflict were to merge and increase in intensity during 1956 and 1957 and ultimately lead to the most profound challenge to the state since its formation.⁴⁹

Amid army intrigue, an underperforming economy and growing popular complaints that the elections had failed to deliver better government, Sukarno returned to Indonesia from China. Two weeks later, on 28 October, he gave a speech in which he distilled his longstanding complaints against the political system and the lessons he had taken from his extensive overseas travel. The speech will always be remembered for one simple message: “Let us act together now to bury all the (political) parties.” Sukarno then returned to an idea he had been ruminating on for a long time. He declared his preference for “a democracy with leadership”, or a “guided democracy”, something akin to the system he claimed to have observed in China.⁵⁰ He promised to reveal his concept, or *konsepsi*, in more detail at a later time. For now, it was enough to soften the public and political elites.⁵¹

Sukarno’s experience in the communist countries gave his thinking impetus; the chaos of domestic politics he confronted on his return gave it credence. On arrival home, Sukarno spoke of his “tremendous sense of amazement” at the accomplishments of the Soviet Union and China. In contrast, he complained over the “wrangling” between political factions in Indonesia and the twin diseases of political parties and ethnic and regional loyalties.⁵² A surprising numbers of political parties, including the PKI, supported Sukarno’s proposal, given what they stood to lose. Nasution too was in favor, having long held the view that the 1945 constitution was preferable because it would simplify the management of civil-military relations and restore power to Sukarno “taken by party men with far less authority”.⁵³

Sukarno’s ideas were the antithesis of what had been advocated for Indonesia by Sjahrir in *Our Struggle* and by other democrats like him. But they too were wearied by the years of political infighting and discouraged by the outcome of the parliamentary elections. The

⁴⁹ An account of these trends and events can be found in Feith, *Decline of Constitutional Democracy* pp. 487-507.

⁵⁰ Feith and Castles, *Indonesian Political Thinking*, p. 82.

⁵¹ Soekarno, *Indonesia, Pilihlah Demokrasimu jang Sedjati* (“Indonesia, Choose Your Own True Democracy”), Jakarta: Kementerian Penerangan (1956), p. 27, cited in Feith, *The Decline of Constitutional Democracy*, p. 518.

⁵² Feith and Castles, *Indonesian Political Thinking*, p. 81.

⁵³ *Ibid*, p. 420.

incapacity to resist Sukarno's bid to put a brake on democracy was demonstrated by the actions of Hatta. One of two qualified economists in Indonesia, Hatta was among a small number of "sober, Dutch-trained, (and) pragmatic social-democrats".⁵⁴ He also had been a vigorous supporter of allowing parliamentary democracy time to mature. But rather than fight Sukarno, he formally resigned as Vice President on 1 December, declaring he would pursue his goals "from below as an ordinary person, free of any position".⁵⁵ The loss of the West Sumatra-born, ethnic Minangkabau Vice President was a cause for alarm in the regions where Hatta was perceived as a champion in the fight against the political and economic inequities of the unitary state system.

Following the resignation of Hatta, regional defiance of Jakarta transformed into open rebellion. Between late December and early January, military commanders in Sumatra announced a series of military "councils" to takeover civil authority.⁵⁶ All the councils made similar demands: Changes to the military and civilian leadership in Jakarta and the creation of a new system of government that accorded the regions increased autonomy over finance and government. Although all the rebel councils expressed loyalty to Sukarno as president, they demanded the reinstatement of the Sukarno-Hatta duumvirate, or *dwitunggal*. At this stage, the rebellions were more political than militarised. There was little or no bloodshed and the focus of activity was the search for a negotiated settlement. Sukarno insisted the rebels were not traitors, probably because of their personal loyalty to him.

But from the time of the military revolt on Sumatra, democracy and national unity took a downward spiral following separate but related pathways. Soon after the New Year of 1957, Masyumi took its ministers out of the cabinet, leaving it in the hands of the PNI and the NU, and relying on PKI support in the parliament. Then, on 28 February, Sukarno in another speech revealed more about what he meant by his so-called *konsepsi* for an Indonesian-style democracy. It had two essential features: first, the creation of a National Council under the

⁵⁴ Thee Kian Wie, *Indonesia's Economy Since Independence*, Singapore: ISEAS Publishing (2012), p. 43.

⁵⁵ Cited in Rose, *Indonesia Free*, p. 291. Hatta had signaled his intention to resign in July but had been convinced by allies to stay on. The pair had been at odds for some time. Early in 1956 Sukarno and Hatta had clashed over a decree to appoint a new deputy air force chief. Returning from a visit to Saudi Arabia, Sukarno for the first time refused to endorse a decree Hatta had issued in the President's absence. See *ibid.* p. 288.

⁵⁶ On 20 December, in the West Sumatra regional army commander, Lieutenant Colonel Ahmad Husein, announced he was forming a *Banteng* Council to run the local administration and replace the Javanese governor. Two days later a *Gajah* Council was formed in North Sumatra, headed by Colonel Maludin Simbolon. In early January, a *Garuda* Council was formed in South Sumatra, headed by Lieutenant Colonel Barlian.

president, comprising all the political parties and a range of occupational and interest groups, to provide non-binding advice to the cabinet and parliament, and second, the appointment of a presidential working cabinet, in which the four main political parties would be represented. Controversially, this also meant the inclusion of the PKI in cabinet for the first time.⁵⁷ It set Indonesia on the path to ending parliamentary democracy.

Sukarno's model implied more, not less, centralization of power in Jakarta and did nothing to address the complaints of the outer islands. Sukarno received an answer of sorts to his proposal on 2 March when the military commander in eastern Indonesia joined his Sumatran colleagues in rebellion. Placing the islands of Sulawesi, Maluku and the Lesser Sundas under martial law, Sumual announced a "total struggle" movement (*Perjuangan Semesta* or *Permesta*).⁵⁸ This additional rejection of central government authority, coupled with Sukarno's advocacy of a new form of democracy, finally tilted the scales against the Ali government and the prime minister was forced to resign on 14 March. At the urging of army chief of staff Nasution, Sukarno declared martial law throughout Indonesia.

Seeds of Conflict: Communists, Rebels and the Eisenhower Boys

The signals from Sukarno that he wanted to limit the scope of democracy, combined with the incipient army revolt on Sumatra, contained the seeds of a growing conflict with the West. These events would increasingly estrange Indonesia from the USA, in particular, as the conflict became inaccurately portrayed as battle between anti-communist outer islands army units and a government sympathetic to the PKI on Java.

The inclination in Washington to fear the growth in influence of the PKI on the central government was driven by several factors. The embassy had been reporting for some time that the PKI had succeeded in infiltrating the lower ranks of the army, had control of the largest trade union federation and had sympathisers in various government institutions.⁵⁹ This positioned the PKI to take advantage of the disarray caused by the regional rebellions and the split in the army. Moreover, Sukarno's idea for an inclusive National Council and cabinet

⁵⁷ Daniel S. Lev, *The Transition to Guided Democracy, Indonesian Politics 1957-1959*, Singapore: Equinox (2009 [1966]), pp. 29-30.

⁵⁸ The events surrounding the rebellions have been covered extensively in Audrey R. Kahin and George McT. Kahin, *Subversion as Foreign Policy: The Secret Eisenhower and Dulles Debacle in Indonesia*, New York: New Press (1995) and Kenneth Conboy and James Morrison, *Feet to the Fire: CIA Covert Operations in Indonesia 1957-1958*, Annapolis, MD: Naval Institute Press (1999).

⁵⁹ See for example Telegram from the Embassy in Indonesia (Cumming) to the Department of State, 9 January 1957, *FRUS, Vol. XXII, 1955-1957*, document 201, pp. 339-340.

would bring the party closer to the centre of power and create a system amenable to the PKI's long-term political strategy.

At first, Washington did not quite know what to make of the outer islands rebellions – “an interesting revolt”, Secretary of State Dulles had called it.⁶⁰ Although Dulles and his advisers were in no doubt the rebels were solidly anti-communist, they were eager to keep their options open in Jakarta. Even as the rebellions expanded from Sumatra to eastern Indonesia, a military sales package remained under active discussion. Before resigning as prime minister, Ali had been particularly anxious to purchase light weapons and transport and communications equipment as quickly as possible. But, as the then Foreign Ministry secretary general Subandrio reminded his American counterparts, memories of the MSA debacle under the Sukiman cabinet were still fresh. Indonesia agreed to US legal restraints on the non-aggressive use and third-party disposal of weapons on the condition the existence of these assurances was “kept top secret until such a time as the two governments agree to disclosure, if that should become necessary”.⁶¹

At the same time, Sukarno had been anxious to keep the USA informed of the progress of thinking on a new political system, signalling the importance attached to maintaining US sympathy. Sukarno, in his personal gestures to Cumming, went further than he had done with any foreign diplomat, inviting the ambassador and his wife to tea at the cottage in the Bogor palace grounds occupied by Hartini, the President's socially ostracized fourth wife.⁶² Underlying the geniality was Sukarno's desire to send a clear message to the Americans that he was not a threat to their interests. He told Cumming that he could inform Eisenhower of “his ‘solemn oath’ that he was not a communist”. Sukarno added, “no action or policy of his would be hostile to the US and if, at any time, the PKI departed from its nationalism he would crush them as he did at Madiun”.⁶³

Yet as 1957 wore on, the window for goodwill between Washington and Jakarta steadily closed. Sukarno's choice of a cabinet to replace Ali had some merit, with the

⁶⁰ Dulles made the comment at a meeting of the National Security Council on 3 January 1957. See, Editorial Note, *FRUS, Vol. XXII, 1955-1957*, document 200, p. 338.

⁶¹ Telegram from the Embassy in Indonesia (Cumming) to the Department of State, 29 January 1957, *ibid.*, document 206, p. 348.

⁶² Earlier, Sukarno had requested Cumming delay the timing of his handover to a new ambassador so the President would have someone he considered a “brother” as head of mission during a difficult time. Telegram from the Embassy in Indonesia (Cumming) to the Department of State, 18 January 1957, *ibid.*, document 202, p. 342.

⁶³ Telegram from the Embassy in Indonesia (Cumming) to the Department of State, 2 March 1957, *ibid.*, document 215, p. 359.

appointment of several ministers with relevant expertise and no party affiliation, including the prime minister, Djuanda Kartawidjaja, a man the Americans regarded as a friend. Sukarno had bowed to pressure to exclude the PKI from the cabinet. But the cabinet still contained several members who were considered either radically left wing or PKI fellow travellers.⁶⁴

The inflexion point came with the outcome of regional elections held between June and August 1957. The elections for provincial and municipal assemblies on Java and South Sumatra convincingly demonstrated a huge surge in popularity for the PKI since 1955.⁶⁵ While a setback for rival parties, the proof of PKI's organisational ability created a dilemma for Sukarno. He had to be wary of the communists gaining too much power and challenging either the balance of Indonesian politics or his own authority. Yet he could ill-afford to alienate the PKI. He might even take advantage of its impressive organisational ability. In the face of these conflicting motivations, Sukarno equivocated. He continued to insist he was not a Communist, yet he maintained the PKI had earned a legitimate place in national politics.

The combination of the PKI's electoral triumph and Sukarno's accommodation of the party caused alarm in Washington that Indonesia, or at least that part of it under central government control, was steadily slipping into the hands of the communists. It affirmed the idea of a dichotomy between a Communist Java and a non-Communist outer island chain. One of the consequences was that in the internal debate in Washington high officials increasingly started to talk about Indonesia in terms of its component parts, with Java being referred to almost as if it were a separate country. In August, the National Security Council commissioned an inter-agency committee to conduct a detailed study of the conditions and options it confronted in Indonesia, although there was already a clear presumption that US interests were best served by avoiding any reconciliation between Jakarta and the outer island dissidents that weakened their resistance to communism. Eisenhower himself framed the debate with an assertion that the line should be held at Sumatra in the event Java fell to the Communists.⁶⁶

Thus, when the inter-agency committee distributed its "Special Report on Indonesia" on 3 September, its recommendation for direct US intervention was unsurprising. In essence, the committee argued the US should "employ all feasible covert means to strengthen the

⁶⁴ The assessment of the US intelligence community was that the cabinet contained "four Communist sympathisers". See National Intelligence Estimate, NIE 65-67, *The Political Outlook for Indonesia*, 27 August 1957, *ibid.*, document 257, p. 430.

⁶⁵ The PKI's superior campaigning and organisational machine secured it the largest share of the major party vote – 30.9% in aggregate across all voting districts. For a comprehensive account of the 1957 regional elections, see Lev, *Transition to Guided Democracy*, pp. 104-126.

⁶⁶ Memorandum of Discussion at the 333rd Meeting of the National Security Council, Washington, 1 August 1957, *FRUS, Vol. XXII, 1955-1957*, document 240, p. 401.

determination, will and cohesion” of the outer islands rebels and to unify the non-communist and anti-communist forces on Java.⁶⁷ The aim would be to establish an anti-communist stronghold in the outer islands should Java succumb to PKI control. The NSC met to consider the report on 23 September and the recommendation to intervene was approved. Although parts of the report remain censored, including a paragraph dealing with military options, it appears the NSC was happy to leave the precise method of intervention to individual agencies to elaborate at a later date. The Departments of Defence and State had been split on how far to go in spelling out the military scenarios in Indonesia. The most controversial recommendation from Defence and the JCS was for a formal NSC decision to commit US forces to fight in Indonesia in the event Java fell to communism – opening the door to what could have been another Vietnam. The State Department rejected this stunning eagerness to resort to military force and argued the NSC at that stage should do no more than plan for such a contingency.⁶⁸

The debate in Washington over the correct US response to the rebellions and the growth of PKI support was disturbingly disconnected from the advice of the embassy in Jakarta. As the new ambassador John M. Allison later argued, the insistence on establishing a line of defence against communism in the outer islands ignored the reality that the demands of the dissidents had been for economic and political autonomy.⁶⁹ Their strong anti-communism was a secondary, not primary, motivation. The clear desire of the colonels leading the rebellions, and their civilian supporters, was to maintain a unified Indonesia, albeit one with a fairer distribution of wealth and power – a position that the USA had effectively set itself against. By seeking to bolster the resistance of the outer islands, the USA threatened to escalate the conflict beyond the preferences of the disputing parties themselves.

Another key assumption of the special report was that the army on Java had become less reliable because of the removal of anti-communist officers from positions of authority. This conclusion was flatly rejected by the US army attaché in Jakarta, who had regular access

⁶⁷ Report Prepared by the Ad Hoc Interdepartmental Committee on Indonesia for the National Security Council, 3 September 1957, *ibid.*, document 262, p. 438. The phrase “all feasible covert means” was censored in this document. However, the words were reinstated in a later summary of the special report. See, Memorandum from the Special Assistant to the Joint Chiefs of Staff for National Security Council Affairs (Triebel) to the President’s Special Assistant for National Security Affairs (Cutler), 10 February 1958, *FRUS, Vol. XVII, 1958-1960*, document 15, p. 31.

⁶⁸ Memorandum from the Assistant Secretary of State for Far Eastern Affairs (Robertson) to Secretary of State Dulles, 2 January 1958, *ibid.*, document 1, p. 2.

⁶⁹ Telegram from the Embassy in Indonesia (Allison) to the Department of State, 13 September 1957, *FRUS, Vol. XXII, 1955-1957*, document 265, pp. 442-444.

to senior Indonesian officers. Allison underscored the point, reminding Washington that the war planning of the Indonesian army assumed “Commie China as a potential enemy and the United States as Indonesia’s ally under certain circumstances”.⁷⁰ The flawed assessment of the reliability of the central command of the army resulted in one recommendation that the USA should try to prevent the growth in the capability of the army on Java. In fact, the army command was overwhelmingly anti-communist and should have been seen in Washington as an ally. The large cadre of US-trained officers referred to themselves as the “Eisenhower boys”.⁷¹

Two days after the NSC meeting, Allison wrote to the assistant secretary of state for far eastern affairs, Walter Robertson, complaining of his exclusion from the preparation of the special report and its recommendations to the NSC and offered to resign if his advice was no longer going to be heeded.⁷² Allison’s messages were undercut by tendentious and often inaccurate CIA field reports. The agency’s reporting from Indonesia painted an almost irredeemable picture of communist encroachment. In late August, CIA officers reported 60% of soldiers and police had voted for the PKI in the regional elections, which pointed to the “gains made by the communists in penetrating army units in Java”.⁷³ Elsewhere, they asserted Sukarno was “a secret communist”.⁷⁴

The alarming accounts fed the hawkish disposition of Secretary of State, John Foster Dulles, and his brother, Allen, the Director of Central Intelligence. Secretary Dulles had long entertained the possibility of partitioning Indonesia between Communist and non-Communist areas. In 1953, he had told Cumming prior to his posting as ambassador to Jakarta: “As between a territorially united Indonesia which is leaning and progressing towards Communism and a break up of that country into racial and geographical units, I would prefer the latter...”⁷⁵

⁷⁰ Ibid., p. 443.

⁷¹ CREST, Letter to Colonel Harris B. Hull from C.P. Cabell, 1 June 1958. Between 1950 and 1957, there were 395 Indonesian officers who trained in the USA. See, Memorandum from the Director of the Office of Southwest Pacific Affairs (Mein) to the Assistant Secretary of State for Far Eastern Affairs (Robertson), 12 November 1957, *FRUS, Vol. XXII, 1955-1957*, document 286, p. 498.

⁷² Allison later wrote that one of his “chief complaints was the tendency in Washington to accept CIA reports in preference to those from the Embassy.” John M. Allison, *Ambassador from the Prairie*, Boston: Houghton Mifflin (1973), pp. 314-315.

⁷³ CREST, Current Intelligence Bulletin, 28 August 1957, p. 9.

⁷⁴ Tim Weiner, *Legacy of Ashes: The History of the CIA*, New York: Doubleday (2007), p. 145.

⁷⁵ Quoted in Kahin and Kahin, *Subversion as Foreign Policy*, p. 75.

Breaking Point: The Failure of Covert Intervention

Fearing the rise of communism in Indonesia, and firmly set on a strategy of turning the islands surrounding Java into a line of anti-communist defence, the CIA launched one of the most poorly executed and indiscreet “covert” operations in the chequered history of its clandestine service.⁷⁶ The Indonesian operation was a dismal failure almost from the start. It was to do lasting damage to Indonesian perceptions of the trustworthiness of the USA as a foreign policy partner.

There were two main components to the US intervention – military and political support to strengthen the outer island rebellions and political support to non-Communists on Java. The first component saw increasing amounts of money and arms channelled to the rebels from late 1957. Modern US weapons and ammunition were delivered aboard commercial freighters and submarine to ports and beaches on Sumatra. US bases in the Philippines and the Pacific became command centres to coordinate the growing CIA-controlled operation and operated as training facilities for key rebel personnel.⁷⁷

Simultaneously, the CIA handed funds to anti-communist politicians in Indonesia and orchestrated disinformation and propaganda campaigns to erode support for the PKI. By 1957, this was well-trodden ground. Starting in 1955, the CIA had run an operation to maximise voter support for non-communist political parties and to damage the PKI. To this end, the NSC had authorised the CIA to engage in activities such as vote buying and secret campaign financing. Masyumi had received about USD 1 million from the CIA.⁷⁸ The interference in the electoral process of Indonesia also had been a State Department mission. In the months leading up to the 1955 elections, the Operations Coordinating Board, established by Eisenhower to coordinate and implement national security policy for the NSC, considered a State Department paper on courses of action to achieve “a favourable outcome in the Indonesian elections”.⁷⁹

⁷⁶ The definition of a covert action is that it is “so planned and executed as to conceal the identity of or permit plausible denial by the sponsor”. See *The Department of Defense Dictionary of Military and Associated Terms Online* at http://www.dtic.mil/doctrine/dod_dictionary/.

⁷⁷ For details of the US operation see Conboy and Morrison, *Feet to the Fire*, pp. 31-74, Kahin and Kahin, *Subversion as Foreign Policy*, pp. 120-121 and Weiner, *Legacy of Ashes*, pp. 146-148.

⁷⁸ Weiner, *Legacy of Ashes*, p. 143.

⁷⁹ Memorandum of a Meeting of the OCB Working Group on NSC 171/1, OCB Conference Room, Washington, 8 March 1955, *FRUS, Vol. XXII, 1955-1957*, document 89, p. 142.

As the appetite for covert activity grew, the NSC and the OCB insisted all effort was to be made “to avoid the appearance of interfering in Indonesia’s internal affairs”.⁸⁰ But the planners in Washington did not anticipate either the adventurism of the CIA or the difficulty of concealing any political-military operation in a country as densely populated or as captivated by intrigue as Indonesia. One delivery of small arms and equipment for 8000 men near Padang, South Sumatra, drew a crowd of onlookers, “dashing any hope of this being a clandestine undertaking”.⁸¹ Later, weapons and equipment would be delivered equally indiscreetly by airdrop, as arms shipments spread from Sumatra to the *Permesta* rebels in North Sulawesi.⁸²

As the supply of weapons and money to the rebels grew, the declared and undeclared parties to the conflict adopted increasingly intransigent positions. An atmosphere of suspicion and antagonism descended on the affair, nourished by a combination of overlapping domestic and international occurrences that unfolded in late 1957.

First, Indonesia failed for the fourth time to win a two-thirds majority to have the dispute over the future status of West New Guinea debated in UN General Assembly. For months, Indonesian politicians had been warning of dire consequences if Indonesia was again rebuffed. Foreign Minister Subandrio had warned Allison: “Sukarno’s whole attitude is colored by the West Irian (West New Guinea) question. Anyone who supports him on that is a friend, anyone who opposes is an enemy.”⁸³ Allison understood the depth of feeling in Indonesia on the issue and proposed a compromise aimed at removing the single greatest obstacle to closer relations between Indonesia and the West. In attempting to balance a variety of competing interests, Allison’s compromise contained some bold suggestions. One idea was to extend the ANZUS pact between Australia, New Zealand and the USA to cover any hostile acts directed against West New Guinea. This attempt to alleviate Australian security fears over the transfer of sovereignty flew in the face of Indonesia’s objection to formal military alliances. But to Allison’s surprise Indonesians he consulted did not entirely rule out the possibility. As

⁸⁰ CREST, Progress Report on NSC 171/1 United States Objectives and Courses of Action with Respect to Indonesia, 4 June 1954.

⁸¹ Conboy and Morrison, *Feet to the Fire*, p. 34.

⁸² Such was the lack of secrecy that among the evidence Indonesia collected were crates of arms with labels showing shipment from Taiwan via the US air base Clark Field in the Philippines. See, Telegram from the Embassy in Indonesia (Jones) to the Department of State, 15 July 1958, *FRUS, Vol. XXII, 1958-1960*, document 134, p. 242.

⁸³ Telegram from the Embassy in Indonesia (Allison) to the Department of State, 11 December 1957, *FRUS, Vol. XXII, 1955-1957*, document 320, p. 545. Subandrio himself had given a particularly strong speech in New York in which he warned that the UN’s failure to act on Indonesia’s claims risked “inviting Cold War tensions” into Southeast Asia and disturbing the peace. Telegram from the Embassy in Indonesia (Allison) to the Department of State, 15 October 1957, *ibid.*, document 277, p. 483.

Subandrio later commented, the fact the Indonesian government had not contemplated a military alliance with Australia “does not mean that Indonesia is not prepared to ally itself with Australia if there is a threat from the north”.⁸⁴ Allison’s diplomacy failed because of trenchant opposition from Secretary Dulles to any concessions that might strengthen Sukarno.

Second, in response to the defeat on West New Guinea at the UN on 29 November, Indonesia unleashed a fierce campaign against Dutch interests. Whipped by politicians into a state of agitation, Indonesian workers seized Dutch companies. The act of expropriation, actively encouraged by the PKI-controlled labor federation, was formalised by decisions of the government and military to take over the management of companies.

Third, on the very day the crisis inspired by the West New Guinea dispute started to unfold, an attempt was made on the life of Sukarno. Would-be assassins hurled hand grenades at the President while he was in the company of two of his children at their school in the Cikini neighborhood of Jakarta. Sukarno and his children survived the attack physically unhurt. But the experience severely affected his health and resulted in him taking a sojourn overseas carrying out light official duties at a critical period for the fate of the country.⁸⁵ The suspected mastermind of the attack was Lubis, the former army deputy chief of staff. But for years afterwards Sukarno believed the CIA had a hand in the plot.⁸⁶ The immediate impact of the assassination attempt was to harden the attitude of Sukarno and the government to dealing with the outer island rebels, especially after Lubis was given the protection of the rebels in West Sumatra.

⁸⁴ The comment was made to Secretary of State Dulles during a meeting in Washington on 18 November. See, Memorandum of a Conversation, Department of State, Washington, 18 November 1957, *ibid.*, document 290, p. 503. Subandrio returned to this theme in a meeting with the US ambassador in Jakarta on 8 April the following year, telling him it would “take a great deal of education within Indonesia, but he could foresee the time when Indonesia might wish to join with Australia and The Philippines and maintain mutual defence pact or pacts”. Although it would take years, he added this was “the direction in which Indonesia ultimately must move”. See Telegram from the Embassy in Indonesia (Jones) to the Department of State, 8 April 1958, *FRUS, Vol. XVII, 1958-1960*, document 54, p. 65.

⁸⁵ At the time, Djuanda described Sukarno as “a very sick man”, on the verge of a nervous breakdown Djuanda. See, Telegram from the Embassy in Indonesia (Allison) to the Department of State, 21 December 1957, *FRUS, Vol. XXII, 1955-1957*, document 331, p. 560. Sukarno was overseas from 6 January to 16 February.

⁸⁶ An account of the assassination attempt and subsequent investigation can be found in Kahin and Kahin, *Subversion as Foreign Policy*, pp. 112-115. The CIA’s former deputy director for plans Richard Bissell lent some validity to Sukarno’s suspicions. In 1975, he testified to a committee headed by US Senator Frank Church that the “assassination of Sukarno had been ‘contemplated’ by the CIA, but that planning had proceeded no farther than identifying an ‘asset’ whom it was believed might be recruited to kill Sukarno. United States Senate, Select Committee to Study Governmental Operations, “Alleged Assassination Plots Involving Foreign Leaders”, Washington: Government Printing Office (1975) p. 4, n. 1.

In this deteriorating political climate, and fortified by a seemingly bottomless well of covert US support, Colonel Ahmad Husein, the rebel commander in West Sumatra, acted hastily to announce the creation of a rival administration, the Revolutionary Government of the Republic of Indonesia (*Pemerintah Revolusioner Republik Indonesia* or PRRI). In declaring a formal split with Jakarta on 15 February 1958, the rebels overestimated their own strength and underestimated the capability and resolve of central government forces. The day after the PRRI was formed to cover the breakaway regions of Sumatra and North Sulawesi, Sukarno returned from a six-week absence abroad. He brought with him a new determination to defeat the rebels militarily, his resolve possibly hardened by the attempt on his life.

Many in the Jakarta government and, most importantly, the overall commander of military operations, Nasution, had initially vacillated over the use of armed force to quell the rebellions. There was little stomach for killing comrades of the revolution. But when the time came to use force Nasution displayed intelligence, determination and organisational mastery as a commander, startling his opponents with an effective and unexpected manoeuvre that knocked them off balance. On 12 March, government forces launched an operation to take the Riau area of Central Sumatra from the rebels, seizing a vital airfield and port and an American-operated oil field, the economic lifeblood of the region. Nasution's attack came days earlier than the rebels had anticipated, and from the opposite direction. Over the coming weeks, the rebels suffered a series of military reversals. On 17 April, the rebel stronghold of Padang, in West Sumatra, fell and, on 4 May, the nearby PRRI capital of Bukittinggi surrendered to central government troops, forcing the transfer of the PRRI seat of government to Manado in North Sulawesi. The conflict then entered a prolonged guerrilla phase, but the main centres of population and economic activity one-by-one returned to central government control.⁸⁷

The rapid collapse of the main body of rebel forces on Sumatra created an acute dilemma for Washington. It had been left abruptly without a client for its clandestine insurgency in Sumatra. The only viable forces still resisting Jakarta, who Dulles had lately been referring to in high-level policy meetings as "the patriots", were the *Permesta* group in North Sulawesi.⁸⁸ Until the fall of the rebel strongholds on Sumatra, the USA had contemplated the options for direct military intervention. The Dulles brothers had on several occasions discussed the legal, or at least politically justifiable, triggers for the deployment of

⁸⁷ The military campaign is described in detail in Kahin and Kahin, *Subversion as Foreign Policy*, pp. 152-155 and pp. 163-166.

⁸⁸ See, for example, a conversation between Dulles and Eisenhower. Memorandum of Conversation with President Eisenhower, 15 April 1958, *FRUS, Vol. XVII, 1958-1960*, document 62, p. 109.

force in aid of the rebel position.⁸⁹ But, short of a communist takeover of Java, they struggled to find a legitimate excuse. In the event Java did fall to the communists either by vote or by coup, it appeared legal niceties were deemed irrelevant. Even the usually cautious Eisenhower at the time held the view that “we would have to go in if a Communist takeover (of Java) really threatened.”⁹⁰

As US hopes of establishing a bastion of anti-communism in Sumatra vanished, the architects of the covert mission in Indonesia switched their attention to North Sulawesi and the only viable remaining rebel force.⁹¹ The location of this last major redoubt permitted the USA to offer extensive air support, something that had been denied the rebels on Sumatra because of the lack of suitable local airfields and long flying distances from the nearest useable foreign bases. From mid-April, CIA-supplied aircraft piloted by Filipinos, Poles and Americans carried out an increasing tempo of bombing and strafing missions from Mapanget airfield in North Sulawesi. The aircraft – World War 2 vintage fighters and ground-attack bombers – were provided in small numbers and had all insignia and markings removed to permit deniability. But the presence of two American pilots and a larger American ground crew stationed in Manado exposed the CIA mission to the risk of discovery.⁹²

Even as the CIA widened the covert military campaign in support of the rebels, numerous officials in Washington and at the embassy in Jakarta were voicing misgivings over whether America’s operational means matched its ultimate political goals. In March, Howard P. Jones had replaced Allison as ambassador. Allison’s removal after 11 months in the post was motivated in large part because he rejected the strategy of isolating both Sukarno and the central military command as counterproductive. Now, a new ambassador was reaching similar conclusions. Two days before the fall of Padang, Jones cabled the State Department to advise “the time may have arrived to make some positive gesture of support to the Indonesian military if we are to preserve pro-American anti-Communist loyalties among the top officer group

⁸⁹ The Dulles brothers had discussed granting official belligerent status to the rebels, which would allow overt support to be given to them. See, Memorandum of Telephone Conversation Between Secretary of State Dulles and Director of Central Intelligence Dulles, 21 February 1958, *ibid.*, document 22, pp. 44-45.

⁹⁰ Eisenhower made the comment to the National Security Council on 27 February 1958. See, Editorial Note, *ibid.*, document 26, p. 49.

⁹¹ See for example Allen Dulles briefings to the NSC on 20 March, 27 March, and 1 May 1958. Editorial Note, *ibid.*, document 44, p. 80; Editorial Note, *ibid.*, document 47, p. 86; and Editorial Note, *ibid.*, document 76, p. 130

⁹² An extensive account of the CIA air operations can be found in Conboy and Morrison, *Feet to the Fire*, pp. 99-146.

here”.⁹³ By the time the rebels on Sumatra had retreated into the jungle to wage guerrilla warfare, Jones had concluded the USA should “put the brakes on (the) rebel military effort”. Failure to restrain the rebels risked forcing Indonesia to seek weapons from the Communist bloc and “pushing the GOI (Government of Indonesia) to breaking point and alignment with (the) Soviet bloc”.⁹⁴

Although John Foster Dulles wanted to keep rebel forces intact as a failsafe, he too was starting to wonder whether the USA had backed the wrong horse. In a telephone conversation with his brother, the Secretary of State responded to the observation that the rebels on Sumatra had “no fight in them” by floating the idea of “switching around” and backing the government.⁹⁵ Allen Dulles found it to be “a very strange war” – each side was so thoroughly penetrated by the other that they knew the opposition’s next moves in detail.⁹⁶

One of the primary causes of the shift in thinking was mounting anger in Jakarta government and military circles over foreign military aid to the rebel forces. Politicians and military officers were increasingly convinced the USA was either directly supplying the rebels or complicit in allowing weapons shipments to be made. Jones argued the master narrative of the conflict was in danger of being transformed from anti-communism and regional autonomy into anti-foreign interference. His fears were underscored by reports from pro-American army officers that they were coming under intense pressure because of their known sympathies.⁹⁷

It was tempting for many in the Indonesian government to play down the allegations of US intervention. As Subandrio admitted in a meeting with Jones on 3 May, Indonesia was faced with a serious dilemma – America offered the main hope of aid in resisting the tide of domestic and international communism, yet Indonesians were convinced America was actively helping the rebels.⁹⁸ But the strength of the evidence implicating the USA in arms supplies was hard to ignore. Three days later, Djuanda warned bilateral relations were at a “crossroads”.

⁹³ Telegram from the Embassy in Indonesia (Jones) to the Department of State, 15 April 1958, *FRUS, XVII, 1958-1960*, document 63, p. 111. The Joint Chiefs of Staff broadly shared these sentiments. See, for example, Memorandum from the Joint Chiefs of Staff to Secretary of Defence McElroy, 18 April 1958, *ibid.*, document 68, p. 120.

⁹⁴ Telegram from the Embassy in Indonesia (Jones) to the Department of State, 15 May, *ibid.*, document 99, p. 180.

⁹⁵ Memorandum of Telephone Conversation between Secretary of State Dulles and Director of Central Intelligence Dulles, 23 April 1958, *ibid.*, document 69, p. 121.

⁹⁶ Dulles made the comment made at an NSC Meeting on 24 April. See, Editorial Note, *ibid.*, document 70 p. 121.

⁹⁷ Telegram from the Embassy in Indonesia (Jones) to the Department of State, 12 April 1958, *ibid.*, document 56, p. 98.

⁹⁸ Telegram from the Embassy in Indonesia (Jones) to the Department of State, 3 May 1958, *ibid.*, document 78, p. 134.

He queried whether the purpose of US policy was to “split Indonesia in two” to ensure at least one part remained non-communist.⁹⁹ For the communists, the cache of captured American equipment was manna from heaven. In late April, PKI chairman D.N. Aidit wrote to Jones threatening a communist orchestrated campaign against American economic interests in Indonesia, reprising the previous November’s campaign against the Dutch, unless weapons deliveries were stopped.

Public disavowals from Eisenhower and Dulles of any involvement might have reassured some Indonesians, and most Americans, that the presence of US manufactured weapons did not necessarily mean it was US policy to supply them. Asked at a press conference on 30 April about claims Americans were flying rebel aircraft on bombing missions in eastern Indonesia, Eisenhower replied the USA steadfastly followed a policy of “careful neutrality and proper deportment”.¹⁰⁰ Three weeks later, this statement simply proved to be an embarrassment. On 18 May, a US-supplied B-26 Invader was shot down on a mission over Ambon. The pilot was Allen L. Pope, an American veteran of the Korean War, contracted by the CIA. When Indonesian sailors captured Pope and his Indonesian radio operator, they found in Pope’s flight suit US military identification papers, after-action flight reports and a membership card to the officer’s club at the US-operated Clark Air Force Base in The Philippines.¹⁰¹ Pope’s capture ended whatever pretence remained over the extent of American support for the rebels.

Secrecy had been paramount to the success of the CIA operations in Indonesia. The Joint Chiefs of Staff had been alert to the likelihood of a sharp reaction from Indonesia to any disclosure of US interference because of entrenched anti-colonialism and a concomitant “suspicion of Western motives”. “For this reason, covert activity must be extremely circumspect and by its nature must be limited in size and scope,” the JCS advised the NSC.¹⁰² The bungled operations in support of the rebels had dealt a severe blow to the USA’s overarching strategy of fighting communism in Indonesia. It arguably was the biggest failure

⁹⁹ Telegram from the Embassy in Indonesia (Jones) to the Department of State, 6 May, *ibid.*, document 80, p. 139.

¹⁰⁰ Dwight D. Eisenhower, President’s News Conference, 30 April 1958, The American Presidency Project, accessed at <http://www.presidency.ucsb.edu/ws/index.php?pid=11365>. Dulles worried about being caught out over denials of giving aid to the rebels. See FRUS, XVII, 1958-1960, document 55, p. 97.

¹⁰¹ Weiner, *Legacy of Ashes*, p. 152.

¹⁰² Memorandum from the Special Assistant to the Joint Chiefs of Staff for National Security Council Affairs (Triebel) to the President’s Special Assistant for National Security Affairs (Cutler), 10 February 1958, *FRUS, Vol. XVII, 1958-1960*, document 15, p. 32.

for the CIA since its inception, only to be surpassed later by the Bay of Pigs debacle. In a post-mortem, the CIA recognised the size and scope of the operation meant it “could not be conducted as a completely covert operation”.¹⁰³ With an American pilot in Indonesian custody, the Dulles brothers swiftly shut the operation down.¹⁰⁴

The USA could at least be grateful that the Indonesian government deliberately delayed releasing the news of Pope’s capture and then took several steps to play down its impact on bilateral relations.¹⁰⁵ As chagrined as the government felt over US intervention and deception, it was unwilling to jeopardise a vital source of foreign aid. If Indonesia at this point made a decisive break with the USA, its only alternative sources of support were the Soviet Union and China.

In early April, Indonesia received delivery of the first Soviet-designed fighter aircraft and bombers it had purchased in Czechoslovakia.¹⁰⁶ But this did not reflect an underlying preference for Soviet weaponry. The purchase pre-dated the outbreak of the rebellions. Jakarta would rather have had American weapons. It had simply given up hope of the USA agreeing to repeated requests for military sales. Indonesia did not share American fears over the consequences of engagement with the Communist bloc, yet it certainly did not want to become dependent on aid from this source.

The biggest legacy of US involvement in the rebellions proved to be an abiding and deep distrust of its motives in Indonesia. It gave the PKI and the Communist bloc a moral victory, validating their claims that the USA was an agent of imperialism. Indonesians too were given an object reminder of the vulnerability of their new state to foreign interference and the ability of foreign powers to exploit internal conflict. This would offer a powerful motive for vigilance against internal challenges to the state in years to come.

¹⁰³ Weiner, *Legacy of Ashes*, p. 152.

¹⁰⁴ Conboy and Morrison, *Feet to the Fire*, pp. 143-146.

¹⁰⁵ Indonesia hid the civilian death toll from the bombings in eastern Indonesia and delayed Pope’s trial to allow tempers to cool down. See, Kahin and Kahin, *Subversion as Foreign Policy*, pp. 180-181.

¹⁰⁶ Among the aircraft Indonesia had purchased were MiG-15 and MiG-17 fighters and IL-28 light bombers. Its pilots were sent for training in Czechoslovakia and Egypt. See, Editorial Note, *FRUS, Vol. XVII, 1958-1960*, document 44, p. 81.

Alignment Policy: A Critical Assessment

Balancing Risk in Alignment Behavior

Following the Asia Africa conference, with its appeals to peaceful coexistence, and the signing of accords to end fighting in Vietnam and Korea, the mid-1950s produced a relative pause in the Cold War, at least for Southeast Asia. The first Taiwan straits crisis, marked by communist China's shelling of islands occupied by the Republic of China, was a reminder that conflict was never far away. Still, from Jakarta, the centres of conflict appeared comfortably distant. Events in Indonesia's immediate region posed no immediate danger.

International conditions permitted Indonesia's policymakers to focus on their priorities of national development and consolidation of sovereignty. Once again, Indonesia's foreign policy orientation and alignment choices were set by reference to those internally-generated goals and constraints rather than by calculations of external power configurations or threat. This largely remained the case until the regional rebellions in 1958 when Indonesia was forced to make tough choices about how to deal with mounting evidence that the rebels were being actively aided by the USA. Even then, the internal priority of defeating the rebellions, and uncertainty about what level of US authority lay behind support for the rebels, resulted in Indonesia initially appeasing the USA.

Before the outbreak of the rebellions, and with a Masyumi government back in office in 1955, this time without any PNI participation, Indonesia adopted a friendly tone with the USA. In this, prime minister Burhanuddin remained true to the longstanding inclinations of his party. Presumably, once again, the Masyumi bias against communism played a role; it was an outlook shared by many of the parties that made up the coalition. Alongside the pro-American slant to foreign policy, Burhanuddin pursued negotiations with the Netherlands over the transfer of West New Guinea and better economic and financial terms under the Round Table Agreement. Burhanuddin judged that a conciliatory policy to the West in general, and the Netherlands in particular, was more likely to win support for Indonesia's claims. A non-threatening Indonesia might be more able to win Western support for the incorporation of West New Guinea, alleviating US and Australian fears.

The actions of the Burhanuddin government were consistent with the hypothesis that low levels of external threat would allow states to pursue alignment strategies that are consistent with domestic group or individual preferences and interests. Even so, Burhanuddin

was constrained to use the strategy of undisclosed alignment in managing relations with the USA. The government did not broadcast its plans to pursue a “friendship” treaty with the USA and was at pains to keep military cooperation strictly secret. The exercise in balancing risk had two main components: The government had to avoid giving the nationalist and left-wing opposition of PNI and PKI an issue on which to attack its foreign policy credentials and it had to invest its faith in the idea a friendly attitude to the West and constructive approach to negotiations with the Dutch would support its key priorities of a settlement of the West New Guinea and Netherlands-Indonesia Union issues.

The policy was a failure because the Burhanuddin government miscalculated the degree of Dutch intransigence. Dutch foreign minister Luns found every opportunity to frustrate Indonesian aspirations, especially on the question of West New Guinea’s sovereignty. With the collapse of the Netherlands-Indonesia talks in Geneva, the Burhanuddin government suffered the double humiliation of the failure of its foreign policy and its electoral strategy, with Masyumi coming second to PNI in the parliamentary elections. It shifted the government’s reference point from one of prospective gains to actual losses. The unilateral cancellation of the Netherlands-Indonesia Union and its accompanying economic and financial accords was a high-risk gambit.

By then, the balance of risk shifted in favor of asserting a more independent, nationalist foreign policy. Masyumi, until then the party of reason and moderation in international affairs, took a more radical nationalistic stand than had been dared by Ali. Although the unilateral cancellation of a foreign treaty sent a negative message about Indonesia’s respect for the rules of international relations, it was deemed a risk worth taking, such were the emotions over West New Guinea. It is likely the Burhanuddin government did not calculate the impact on relations with the USA in making the decision. As it transpired, there was some sympathy in Washington. Still, the government’s decision making does not fit with a rational choice explanation.

The next government to take office – the second Ali government – doubled down on Burhanuddin’s anti-Dutch policy. This included a campaign to confiscate Dutch assets and expel many Dutch residents, adding to the unilateral actions that attracted international consternation. But Ali simultaneously adopted a more moderate stance in regard to the USA than in his earlier term. The first, and most obvious, reason for this would appear to be that Ali had learned from experience that there were advantages to keeping the USA on side, especially as Indonesia was ramping up pressure on Washington’s NATO ally. Ali found it was not necessary to alienate the USA, and deprive Indonesia of the benefits of US support, in

pursuing a genuinely neutral foreign policy. One of the factors that played out in Ali's downfall the first time around was the speed with which he had fostered relations with China and the time and energy he invested in foreign affairs rather than fixing the economy. The second reason was that this time the Ali government included several Masyumi ministers and others from the right. His deputy was Mohammed Roem, who had served as foreign minister in the Natsir government. Moreover, Ali did not rely on the PKI to bolster support for the government in the parliament. These arrangements provided both the incentive and the space to avoid signals that Indonesia was antagonistic to the USA.

In contrast to his first term, Ali invested more time and energy in a domestic agenda. His big foreign policy initiative was to confront the Netherlands. He moved beyond Burhanuddin's Dutch policy by abrogating the Round Table Agreements and repudiating sovereign debt. Although these actions were bound to be enormously popular at home and Ali worked to mollify US opinion, there were dangers on the international side. It was possible Western powers, or powerful lobbies within them, might back the Dutch, if only for the sake of upholding international conventions. As in his first term, Ali could calculate any move by them to censure Indonesia would be offset by a desire not to give an advantage to the PKI or enhance the status of the Soviet Union and China. It meant Ali could act with a reasonable degree of confidence in adopting policies that were important to Indonesian perceptions of the national interest, but that challenged Western norms of international conduct.

Complicating Ali's foreign policy was a President increasingly inclined to escape his domestic figurehead status and drawn to the international stage to do so. It was with Sukarno's intervention that the ambiguities of Indonesian foreign policy were most pronounced. There appears to have been genuine uncertainty over how Sukarno wanted to position Indonesia as he set off on his extended travels in 1956. Despite the success of the Asia-Africa conference, or perhaps because of it, Sukarno appeared to go on a study tour, determined to make friends for Indonesia wherever he went and ignoring the Cold War divide. One of the few concrete measures he had for judging the value of foreign partnerships was the level of support offered to Indonesia's claims over West New Guinea.

In the USA, he made a number of symbolic gestures that reassured his hosts that Indonesia's neutrality would be soft pro-Western in character. In the Soviet Union, Sukarno tilted the other way by agreeing to a joint policy statement without bothering to check with his prime minister and securing a large aid deal. In Yugoslavia, he was given an object lesson in how to retain autonomy by playing the great powers off against each other and was attracted to Tito's pragmatic socialism. But it was in China that Sukarno witnessed conditions that

would have the most profound influence on the course of Indonesian politics. While observers trying to interpret Indonesia's foreign policy direction could only be confused by Sukarno's erraticism, the China leg of his travels demonstrated that there was more to alignment politics than treaties or pledges of cooperation. Sukarno returned to Indonesia with the inspiration for a more disciplined system of national rule. The significance of China for Sukarno was not its ability to compete by measures of material power but the example it set to another developing country with a historic grievance against colonial powers. In time, this would influence Indonesia's attitude towards China as an international partner.

There is no simple characterisation of Indonesian alignment policy during this period. The official policy of neutrality does not capture the reality of Indonesian behavior. In their public positions, both the Burhanuddin and Ali governments arguably practiced a combination of hiding, competitive bidding and even wedge politics (trying to prise the USA away from the Netherlands). But in the repeated private reassurances of sympathy to the USA, and especially the desire to obtain US military assistance, these strategies played out in part via undisclosed commitments for most of their time in office. The first set of strategies served to maximise security and access to foreign assistance without the risk of compromising policy autonomy. The second strategy minimised the risk of a domestic backlash. In the midst of this, Sukarno explored his own ideas about how to position Indonesia internationally and domestically without revealing any definitive answers. Nonetheless, the behavior is consistent with the type of strategies to be expected from a state enjoying the space to explore its own preferences and interests in foreign policy.

The foreign policy picture changed again dramatically with the eruption of regional rebellions, the fall of the Ali government, and the implication that constitutional democracy was failing. These events also proved fortuitous for Sukarno's plans to adopt a more authoritarian form of government. But the confluence of the rebellions and Sukarno's attempts to establish Guided Democracy presented a complex scenario for foreign policy. The fall of Ali brought to power a pragmatic problem solver in Djuanda just as Indonesia faced the biggest test of its short history. It was ironic that Djuanda also was an official who Washington's emissaries regarded as sympathetic to the USA, given that the problem he had to solve was one fuelled by US actions. The focus of government activity turned inward as Indonesia simultaneously sought to tackle a deteriorating security and economic climate. Despite growing evidence of US complicity in the regional rebellions, the Indonesian government played down its knowledge of US actions and sought to reassure the USA it was not antagonistic to US interests. Sukarno made a number of important symbolic gestures to the

US ambassador to confirm Indonesian goodwill, insisting at one point no action or policy would be hostile to the USA.

Indonesian policy then was to simultaneously defeat a US-sponsored rebellion by force of arms while maintaining the USA as a partner in economic development and security assistance. This act of Omnibalancing continued until the USA finally realised the rebellions were failing and that the army leadership was in any case anti-communist and moderately pro-Western. There was no evidence that the external threat posed by the USA in sponsoring the rebels resulted in immediate and explicit balancing by Indonesia via a strengthening of alignment with the communist powers. Feelers had gone out to the Soviet Union and eastern bloc countries on the acquisition of arms before the rebellions and after the USA proved reluctant to supply the kind of weaponry Jakarta wanted. But it was only in the year after the rebellions that Indonesia started to strenuously pursue an arms build-up from the Communist bloc.

The pattern of behavior lends some weight to the hypothesis that states lacking recourse to hard balancing policies should prefer smart alignment strategies. Omnibalancing was an intermediate response that aimed to minimise the contemporary threat until Jakarta was in a better position to balance US power and influence. The fact Indonesia did not explicitly balance raises a problem for a decision-making analysis based on the predictions of prospect theory. There is no doubt that policymakers in Jakarta saw themselves in the domain of losses after the rebellions. But Omnibalancing as a policy response is ambiguous. It could be characterised as either a risk acceptant or a risk averse option. A rational choice analysis is more direct and simpler. An open breach with the USA might have prompted it to step up support for the rebels. By appeasing the USA, Indonesia might have at least bought time and created the opportunity to drive a wedge between the rebels and their main foreign sponsor.

Other hypotheses also were given modest support by events during this period. The USA was seen as an important source of economic support, a factor that undoubtedly contributed to Indonesian restraint before and during the crisis of the regional rebellions. However, aid and commerce were not decisive factors when it came to what were viewed as critical foreign policy interests. When Indonesia faced Dutch intransigence over the union agreements and West New Guinea, it was prepared to take radical action that was sure to raise questions over its reliability among Western partners. It also was ready to shop around for aid when it could not satisfy its needs from Western sources, as with the acquisition of communist bloc arms.

There is insufficient evidence to assess the significance of transnational penetration. The USA invested heavily in the cultivation of Indonesian political elites. But the efforts were more successful in reinforcing existing beliefs than changing minds. Soviet efforts at penetration were at best modest and relied heavily on the relative influence of the PKI. Chinese penetration was of minimal significance too – other than as a potential negative given the persistent suspicion over the loyalty of Sino-Indonesians.

Shared ideology offers a more plausible explanation for alignment preferences than either economic interests or national penetration. Masyumi and others on the right continued to exhibit strong anti-communism, which made them more amenable to the West. And the PKI naturally wanted to strengthen alignment with the communist states. The PNI under Ali's prime ministership were more determined to make neutrality a viable alternative to siding with one of the great powers. In contrast to his first term as prime minister, the second Ali government was less strident in its attempts to assert a balance between Western and communist interests. But his policies during both terms were certainly freighted with ideology, as a reflection of a commitment to Indonesian nationalism and independence. Sukarno was both pragmatic and equivocal. He saw alignment politics as a tool to obtain benefits that advanced Indonesia's developmental and political priorities. His travels in 1956 sought to win friends where he could in accord with his belief that a weak country should obtain help wherever it was available. But the journey he went on in 1956 also was one of discovery for a president who had travelled little prior to taking office. The experience of seeing communist states at work, particularly China, had a profound influence on him even as he disavowed communism itself. Thus, Indonesia's alignment preferences were often influenced by the ideological leanings of whoever exercised power at a domestic level, although, as stated earlier, this was conditional on the extent of external and internal pressures.

Conclusion

The final years of constitutional democracy generated significant doubt over how Indonesia would position itself as an international actor. With a new Masyumi-led government in power from August 1955, it initially shifted back to a pro-Western outlook. Even a second Ali government adopted a friendlier face to the USA than it had previously. The reassurance this gave Western governments was undermined by the unilateral actions taken after the failure of Netherlands-Indonesia negotiations. But it was possible for the USA to portray Indonesia's

action towards the Dutch as conditioned by the specific circumstances of the dispute, rather than reflecting a wider disposition.

The initial behavior of the Burhanuddin government is consistent with the third hypothesis that an environment of low risk should encourage policymakers to pursue alignment strategies that reflect domestic group or individual preferences and interests. When negotiations with the Netherlands failed and losses to Indonesia on a critical issue were crystallised in the form of an unsatisfactory union agreement and indefinite Dutch sovereignty over West New Guinea, Indonesia demonstrated a willingness to adopt hard policies. Although the primary audience was domestic, the significance of the losses was such that the government was prepared to accept the risk of potentially alienating its preferred international partners in the West. This again is consistent with the expectations of a balance of risk model. The Ali government confirmed the hard line with the Dutch and, symbolically, toughened it. It could not expect to obtain US support against a NATO ally. But it minimised the prospect of isolation by quietly signalling to the USA that it wanted better relations than during its first term.

The emergence of the regional rebellions and evidence of covert US intervention should have prompted Indonesia to seek foreign allies, according to balance of threat theory. Instead, as stated earlier, it engaged in Omnibalancing – directing its energies to defeating the rebellions while appeasing the rebels' principal ally. The absence of overt balancing action is consistent with a balance of risk calculation. Indonesia lacked immediate and effective balancing options and many in government were so surprised by US actions that they were reluctant to believe the White House had authorised them. Fighting the rebels, while appeasing the US, offered at least a short-term solution to try to contain the prospect of the conflict escalating and the US providing overt aid to the rebels. This fits with the second hypothesis that in a situation where the prospect of loss is perceived to be high but balancing options are unavailable a state should pursue alternative strategies. Omnibalancing was a means of minimising the risk to regime survival while Indonesia could build internal strength and perhaps forge suitable balancing alignments. This is precisely what it did, as we shall see in the next chapter.

PART TWO

**THE FOREIGN POLICY OF GUIDED
DEMOCRACY**

CHAPTER SIX

To Authoritarian Rule: The International and Domestic Context of Foreign Policy 1959-1965

If the years of Constitutional Democracy represented a vibrant, and often chaotic, political awakening for Indonesia, the acceptance of authoritarian Guided Democracy confirmed the reality that no easy solution existed to the divisions that wracked politics and society. Sukarno was gradually able to impose Guided Democracy, or *Demokrasi Terpimpin*, because of the disappointment and fatigue felt by elites and public alike at the lack of national progress under the democratic experiment. This had been starkly demonstrated by the tragedy of the regional rebellions and the spectre of full-scale civil war. The political parties, discredited by their failure to establish stable government in the 1950s, could offer few objections. But Guided Democracy, while it served to control political divisions, could not extinguish them. The rivalries of the earlier period continued to play out; they were simply set in a different context. The critical divide was between communists and anti-communist Muslims and nationalists. It provided the central plot line in the political story of Guided Democracy.

The sharpening of the contest between communist and anti-communist forces in Indonesia mirrored a growth of intensity in hostility between the great powers. This was largely coincidental. But it elevated the significance to the Cold War protagonists of the choices Indonesia made. As great power confrontations like the Cuban Missile Crisis raised fears of global calamity, and Asia again became a battlefield with the deployment of US forces to Vietnam, the West and Communist powers viewed Indonesia as a vital component in their individual strategic designs. The USA, Soviet Union and China stepped up their lobbying in Jakarta with the aim of swinging Indonesia into alliance or, at least, negating the efforts of rivals to do so. The growing split between the Soviet Union and the People's Republic of China ensured this was a three-way contest rather than a simple matter of whether Indonesia was in the communist or non-communist camps.

This chapter will review the major international and domestic political developments between 1959, when Guided Democracy was consolidated, and late 1965, when Sukarno made a fateful decision to align Indonesia with China and events were set in train that would ultimately lead to his downfall. It provides an important backdrop to understanding the pressures on policymakers, principally Sukarno himself, during the most adventurous and high-risk period in the history of Indonesian foreign policy. It will begin with a description of international conditions directly and indirectly bearing on Indonesian foreign policy, especially alignment behavior. It will then follow with a description of domestic political conditions under Guided Democracy.

A Deepening Ideological Divide

The Growth of the Cold War, 1959-1966

The Guided Democracy years coincided with a rollercoaster in relations between the capitalist and communist blocs. Fears of a violent showdown were interspersed with glimmers of hope as the great powers toyed with détente. But the general trends were adverse at both the global and regional levels. Arsenals of nuclear weapons grew in destructive capability and sophistication as the USA and Soviet Union added to their stockpiles and new states joined the nuclear club.¹ In Europe, the shooting down of a US spy plane over the Soviet Union in May 1960 became emblematic of the distrust on both sides, wrecking a planned East-West summit. A year later, the Iron Curtain went from being metaphoric to material with the construction of the Berlin Wall. In the Western hemisphere, the Cold War came closer to the USA with the Cuban revolution of 1959.² The USA plotted the removal of revolutionary leader Fidel Castro, leading to the disaster of the Bay of Pigs, when an invasion of Cuba in April 1961 by US-sponsored Cuban exiles and mercenaries was repulsed. The stationing of US intermediate range nuclear missiles within striking distance of Moscow and the subsequent standoff between

¹ In 1960, France tested its first atomic bomb in the Algerian desert. A year later, the Soviet Union tested the biggest thermonuclear bomb. The People's Republic of China tested its first bomb in October 1964.

² For a summary of the events of this period see Henry Kissinger, *Diplomacy*, New York: Touchstone (1994), pp. 568-593 and 643-673.

the USA and Soviet Union over the stationing of Soviet nuclear missiles on Cuba brought the two superpowers closer than they had ever been to war in October 1962.³

In this climate of suspicion and anxiety, Southeast Asia loomed as one of the major ideological and, potentially violent, battlegrounds. For both Cold War camps, no state in the region would be more important, or elusive, a partner than Indonesia. The awareness of Indonesia's key role as a swing state – one whose disposition could determine the balance of power in the entire region - was underscored as the US administration contemplated the expensive military scenarios of defeating communism on the ground. There was a widespread view in Washington that a war in Vietnam would be a sideshow if Indonesia went communist and the USA was drawn into a civil war there.⁴

But under Dwight D. Eisenhower, the USA was wary of committing troops to the fight against communism in Southeast Asia. Although determined to stop the dominos of non-communist states falling from Indochina to the Malay Archipelago, he preferred funding allies or using air and sea power to sending land forces to fight in the jungles and rice paddies. If China did launch into war alongside the Viet Minh and push on through Indochina, the US military high command estimated the size of forces required for a static line of defence in Thailand and the Malay Peninsula would be prohibitive. For this reason, the preference from Eisenhower down had been to strike blows at mainland China itself to blunt its offensive capability. A 2 June 1954 meeting in the Oval Office was illustrative of the high stakes on the table. Eisenhower warned overt aggression by China in support of the Viet Minh would require him to declare “a state of war” in which the air force and navy would have to “go in with full power, using new weapons”, presumably a euphemism for nuclear strikes.⁵

Despite wariness over deploying ground forces to Southeast Asia, Eisenhower believed he could not stay on the sidelines in the conflicts sparked by decolonisation there, especially in Indochina. He had popularised the idea of the Domino Theory – the spectre of Asian states falling from Japan to Indonesia if communism prevailed in Indochina. Consequently, the USA had poured USD 1 billion into South Vietnam and deployed a growing number of military advisers by the end of the Eisenhower years. But this commitment was inimical to America's

³ A thorough account of the crisis from both sides is found in Aleksandr Fursenko and Timothy Naftali, *One Hell of a Gamble: Khrushchev, Castro and Kennedy, 1958-1964*, New York: Norton (1997).

⁴ Secretary of State Dean Rusk was to voice this view some years later as the conflict in Vietnam grew in parallel with heightening tensions between communists and non-communists in Indonesia. Summary Record of the 521st National Security Council Meeting, 7 January 1964, *FRUS, Vol. XXVI, 1964-1968*, document 8.

⁵ Memorandum by Robert Cutler, Special Assistant to the President for National Security Affairs, to the Secretary of State, 2 June 1954, *FRUS, Volume XII, 1952-1954*, pp. 529-531.

self-perceptions and would taint the US image across the region. Where the US saw a communist threat, Indonesians saw a war of nationalist liberation. In 1954, Eisenhower had told an NSC meeting he did not want “the United States to stand alone before the world as an arbitrary power supporting colonialism in Asia”.⁶ But in Asian eyes, this is precisely how the US presence was frequently seen.

The reluctance to commit large numbers of ground troops was overcome during the administrations of John F. Kennedy (1961-1963) and Lyndon B. Johnson (1963-1969). The pair took the USA into the quagmire of Vietnam in a series of fateful and tragic escalations, each logically compelled by its predecessor. The USA thus built from the advisory role in Vietnam from 900 personnel when Kennedy took office in 1961 to 16,263 at the time he was assassinated on 22 November 1963.⁷ After the Gulf of Tonkin incident in August 1964, the speed of the US military build-up accelerated. Under Johnson, the number of soldiers in Vietnam would rise to more than half a million by 1965.⁸ These administrations presided at a time when the USA was bluffed into believing the capitalist West was losing the contest of power, ideas and production against communism.⁹ The effect was to heighten concern in Washington over the strategic consequences of any significant defection to communism in the region, especially a state as important as Indonesia. Sukarno was to prove adept at exploiting those US anxieties.

But in the view of many, the US had failed to grasp what motivated Asian politics or the best means of countering communism. Indonesians saw the Viet Minh as anti-colonial and nationalist, rather than as an agent for the territorial expansion of communism. Sukarno believed that using force to deny the legitimate aspirations of the Viet Minh would only alienate other Asians and send them into the arms of communists. In 1965, he expressed this sentiment in a rhetorical question to an international audience: “We ask ourselves today: would the vicious bombing raids now being perpetrated against the Vietnamese people twenty years after the end of the Second War, ever be launched if the nation being attacked were not of Asia, or Africa or Latin America?”¹⁰

⁶ Meeting of the National Security Council, 3 June 1954, *FRUS, Vol. XII, 1952-1954*, p. 533.

⁷ “The Advisory Build-Up 1961-1967” in *Evolution of the War, Counterinsurgency: The Kennedy Commitments, 1961-1963, Pentagon Papers*, Washington DC: NARA, p. 51.

⁸ “Phase I in the Build-Up for US Forces, March-July 1965” in *Evolution of the War, Direct Action: The Johnson Commitments, 1964-1968, Pentagon Papers*, Washington DC: NARA, p. 10.

⁹ Eric Hobsbawm, *The Age of Extremes: 1914-1991*, London: Abacus (1994), p. 243.

¹⁰ Feith and Castles, *Indonesian Political Thinking*, pp. 469-470

The US military build-up in Vietnam ran counter to the trend of European countries liquidating their Asian and African empires. Notably, Britain in the late 1950s and early 1960s continued its retreat from the Far East with moves to grant independence to its Malay, Singapore and Borneo colonies. This was also mirrored in Britain's growing wariness of military commitments in East Asia, which eventually resulted in a withdrawal east of Suez. Debilitated by the Second World War, Britain recognised the military and financial costs of empire were too great. In contrast, critics could point the Dutch, clinging to the territory of West New Guinea, and the Portuguese, ensconced in East Timor, as stubborn adherents to an antique idea.

But even as colonial rulers were chased out or packed up and left, the realities of the Cold War ensured Southeast Asia remained central to the strategic game of the great powers. The main patterns and themes of international politics were still largely dictated by the great old states. Sukarno and several like-minded leaders in Asia, Africa and the Middle East hoped for a new international order in which the new states had a stronger voice in global governance and greater opportunities to share in global wealth – an approach they had foreshadowed at Bandung. Among the early concrete products of this thinking was the Non-Aligned Movement (NAM), which held its founding meeting in Belgrade in 1961. But the promise of Bandung also dissipated with the reality that “peaceful coexistence” was easier to put into conference resolutions than political practice. China's attack against India in the Himalayas in September 1962, pitting the two star players of Bandung against each other, proved threats could be posed as easily by the new states as the extra regional great powers. India, the voice of moderation within the non-aligned world, displayed its own appetite for military decision with the invasion in December 1961 of the enclaves of Portuguese Goa, Daman and Diu on the Arabian Sea. It was an act not lost on other countries with territorial claims they portrayed as irredentist, including Indonesia.

Nonetheless, there was some truth to a charge made by Sukarno that the bombs usually only fell on states on the periphery of power. The great power antagonisms that defined world politics had a disproportionate impact on the underdeveloped, weak, and newly decolonised or decolonising states. The Cold War produced a “zone of stability” in North America and Europe, but elsewhere conflict raged. The Soviet Union under Khrushchev paid lip service to the cause of anti-imperialism in the Third World¹¹, but strategically was far more concerned

¹¹ As it was coined in 1952, the term Third World denoted states that were neither part of the Western capitalist nor Communist blocs. But it is used here with the contemporary meaning of the developing countries of Asia, Africa, the Middle East, the Pacific and Latin America.

about the status quo in Europe. By some estimates, four out of five casualties were civilians and most of them in Asia.¹² The northern zone of stability owed itself in part to the character of Soviet leader Nikita Khrushchev, an “admirable rough diamond” who was dismissed and underestimated by many of his contemporaries in the West.¹³

In his early days, Khrushchev was known for thundering bombast about burying the West. He had rejected Eisenhower’s “Open Skies” policy in 1955 to allow freedom of flight for reconnaissance aircraft as a confidence building measure and issued an ultimatum in November 1958 for the Western powers to evacuate Berlin, precipitating the second Berlin crisis and the construction of the wall. A brief glimmer of détente in the promise of a Paris Summit between the leaders of the USA, Britain, France and the Soviet Union was abruptly cut short when Gary Powers’ U-2 spy plane was shot down in May 1960. Yet Khrushchev eventually did take steps towards peace with the West and contributed to the creation of “a relatively stabilised international system” in the last two years of his rule.¹⁴ After the crises over Cuba and Berlin, attempts at détente were revived and reached a peak in July-August 1963 with the establishment of a hot line between the Oval Office and the Kremlin and the signing of the Limited Nuclear Test Ban Treaty between the USA, Britain and the Soviet Union.¹⁵

This did not entirely alleviate the competition for influence in the Third World. The impression of stability achieved in the global north during this time comes from the benefit of hindsight. It was barely perceived at the time and cannot be applied to conditions in large parts of Asia. Western, especially American, fears of communism were acute, the USA fretted that it was losing ground to the Soviet Union militarily and technologically, and states in Asia that were bystanders to their ideological struggle held legitimate concerns they would be the battleground should the Cold War turn hot. In Southeast Asia, strategic vulnerability prompted a range of security solutions. States maintained formal or informal alliances with extra-

¹² Clive Ponting, *The 20th Century: A World History*, New York: Henry Holt and Co., (1998), p. 287.

¹³ Hobsbawm, op. cit., p. 242. An alternative appraisal was offered by British Prime Minister Harold Macmillan, who expressed wonder that this “fat, vulgar man” could really lead millions of people in a vast country. Taubman, op. cit., p. 352.

¹⁴ Ibid. p. 243. See also “Discussion between N.S. Khrushchev and Mao Zedong”, 2 October 1959, Wilson Center Digital Archive, accessed at <http://digitalarchive.wilsoncenter.org/document/112088>. In this discussion Khrushchev repeatedly states his desire to avoid war with the USA, including through escalation of conflict in Southeast Asia – a position with which Mao was largely in accord.

¹⁵ The series of initiatives in the second half of 1963 represented a distinct relaxation of tensions between Washington and Moscow, but in Rusk’s view did not amount to a “détente”. See, Address by Secretary Rusk, Foreign Policy and the American Citizen, *The Department of State Bulletin*, Vol. XLIX, No. 1279, 30 December 1963, p. 994.

regional powers in both the Western and Communist camps. Some, like Indonesia, tried to tread the tightrope of non-alignment.

The major Cold War protagonists strenuously competed for allies and defended the line against the expansion of the opposing camp. Starting in the mid-1950s under Khrushchev, the Soviet Union had been a major source of civil and military aid to developing states, mostly in the form of concessional loans. The theory was that this would influence the path of political and economic development in countries that had been captured by neither the Communist bloc nor the West.¹⁶ Consequently, aid acted as an inducement to discourage Third World countries from becoming entangled with the USA. After the emergence of détente between Moscow and Washington, Khrushchev was anxious to avoid the competition for influence in the Third World dragging the great powers into a proxy war and he was increasingly dissatisfied with the geopolitical returns from Soviet largesse. The spirit of “gradualism and moderation” continued after the ousting of Khrushchev in October 1964 in the foreign policies of Leonid Brezhnev, the new General Secretary of the Communist Party of the Soviet Union (CPSU), and Alexei Kosygin, chairman of the Council of Ministers.¹⁷ The Brezhnev and Kosygin Kremlin was even more inclined to question the efficacy of the aid program as a means of securing allies in the Third World.¹⁸ But the Soviet Union was not prepared to sacrifice its influence in the Third World or to vacate the field to rivals, which increasingly included its erstwhile friend, the People’s Republic of China.

The Sino-Soviet split, a combination of disagreements over ideology and foreign policy priorities, started tentatively in 1956 and steadily widened during the 1960s. One of the critical points of difference between Moscow and Beijing was how to manage the confrontation with the West. Among numerous disputes, Soviet prudence conflicted with Chinese boldness in calling for revolutionary liberation movements in the Third World.¹⁹ The import for leftist or non-aligned states was that it further complicated their great power balancing act. Indonesia’s PKI, like communist parties in other non-communist states, faced

¹⁶ Ragna Boden, “Cold War Economics: Soviet Aid to Indonesia”, *Journal of Cold War Studies*, Vol. 10 No. 3, (2008), p. 125.

¹⁷ Philip E. Mosley, “The Kremlin and the Third World”, *Foreign Affairs*, Vol. 64 (1967-68), p. 75.

¹⁸ Bilveer Singh, “Soviet-Indonesian Relations, 1945-1968”, unpublished PhD dissertation, (1986), pp. 228-229

¹⁹ The record of discussion of a meeting between high Soviet and Chinese officials in Beijing in 1959 provides a stark record of the extent of difference and the hostile tone of relations. “Discussion between N.S. Khrushchev and Mao Zedong”, 2 October 1959, Wilson Center Digital Archive, accessed at <http://digitalarchive.wilsoncenter.org/document/112088>.

an invidious choice between the Moscow and Beijing lines. Sukarno too had to weigh the attraction of China's crusading opposition to imperialism against the Soviet Union's greater conservatism, but bigger resources. The contest between the two biggest communist states would add another important dynamic to the game of alignment.

But the years from 1959 to 1966 in Southeast Asia also are noteworthy for the continuing evolution of a community of independent states. This was not a smooth process, exposing conflicts over ideology, ethnicity and nationalism, which in many cases provoked civil violence, regime repression, cross border disputes and open warfare. The regimes that took over in the new states were often fragile and at risk of falling to internal strife. The danger to civilian governments everywhere in the developing world was underscored by a series of military coups in 1958 that toppled governments in Burma, Iraq, Pakistan, Thailand and Sudan. Foreign intervention remained an abiding concern too, as with the overthrow of the government of João Goulart in Brazil in 1964, in which a US role was again suspected. After the experience of the regional rebellions and standoffs with the army in the 1950s, Indonesian politicians could not assume they were immune from further such action. In the midst of attempts at nation building, post-colonial governments had to contend with manifold threats that required hard choices about the right security partners and how to position themselves in the Cold War.

Sukarno's Balancing Act: Controlling the Army and Communist Party, 1959-1966

While Southeast Asia was wracked by upheaval, Indonesia experienced an internal reckoning of its own. The course of politics from 1959 was fundamentally altered by the bitter experience of the regional rebellions. After large scale hostilities ended in 1958, guerrilla warfare persisted, but it posed no serious threat to Jakarta's authority. The outcome produced immediate winners and losers in the contest for national power. The army, under Nasution, emerged with enhanced prestige and influence over national policy, underpinned by the continued state of martial law imposed at the outset of the rebellion. The PKI too, as one of the most ardent supporters of the government's suppression of the rebels, won kudos and continued to entrench its position as the strongest and best-organised political party. Meanwhile, Masyumi, many of whose leaders had joined the rebellion, was forced into increasing isolation and faced the risk of either internal disintegration or a government ban. Moreover, the atmosphere of politics shifted further against the perceived dysfunction of

parliamentary and party politics, strengthening the case of those who blamed Indonesia's ills on the reigning constitutional order.²⁰

The top of the political pyramid was occupied by Sukarno, who more than any other individual or group was a beneficiary of the loss of confidence the rebellion induced among elites and the political public over the way politics was conducted. Still, Sukarno had no political organisation of his own and, although this permitted him to be nimble in the face of conflicting political currents, he was constrained to seek alliances with others. Initially, Sukarno's most important partner was the army, which under Nasution's leadership had regained its cohesion and its pride. The Chief of Staff was for the moment personally secure at the top of the army having seen off his main rivals, many of whom were then in the jungle. Yet Nasution was reluctant to openly challenge Sukarno over any differences, due "possibly to a lack of political nerve".²¹ This would prove significant in the years to come.

To offset the army's structural power, Sukarno increasingly nurtured his links to the PKI, the right leaning army's natural rival. The ambiguous relationship Sukarno established with the communists encouraged the view in many quarters, particularly in the USA, that he was at the very least a communist sympathiser, if not a closet communist himself. But the arrangement allowed Sukarno to over time to orchestrate domestic power to suit his own ends or at least preserve his leadership. The political balance "prevented any one group gaining ascendancy over him." He could "tilt it this way or that according to the prevailing winds or the requirements of his ambitions".²²

There were two related effects on the course of Indonesian politics arising from this emerging configuration between 1958 and 1959. The first was that a new hierarchy of power and alignment of forces would dominate the domestic political scene. The second was that Sukarno was able to engineer the biggest change to the political system since independence, establishing the authoritarian institution of Guided Democracy and reinforcing his own place at the centre of politics. Following the regional rebellions, the political forces most likely to effectively oppose Sukarno's plans to curtail the influence of political parties and strengthen executive government were placed on the defensive. The army was essentially on side with

²⁰ A comprehensive account of these events can be found in Lev, *The Transition to Guided Democracy*, pp. 153-192.

²¹ Legge, *Sukarno*, p. 338.

²² Rex Mortimer, *Indonesian Communism Under Sukarno: Ideology and Politics, 1959-1965*, Singapore: Equinox (2006[1974]), p. 70. For the three-cornered structure of Indonesian politics and Sukarno's balancing act, see also Herbert Feith, "President Sukarno, the Army and the Communists: The Triangle Changes Shape", *Asian Survey*, Vol. IV, 9 September 1964, 969-980.

Sukarno: it was anti-political party and a strong supporter of centralised government. The PKI stood to lose from the curtailment of political parties and was at first opposed to a system under which the president would be able to directly appoint to parliament representatives from various “functional groups”. Eventually, it dropped its objections to Guided Democracy because all the momentum lay with Sukarno and it was potentially risky for the party to go it alone.²³

Thus, on 3 July 1959, Sukarno used the latitude he enjoyed to formally usher in Guided Democracy by presidential decree. He abolished the temporary 1950 constitution, sacked the Constituent Assembly, which had been established to revise it, and restored the original constitution of 1945.²⁴ The effect was to abridge the role of the parliament and establish a system in which Sukarno directly appointed the cabinet and simultaneously occupied the role of prime minister. This was to give him his first real opportunity to exercise executive power. Gradually, he asserted his prerogatives, establishing a statist and corporatist structure of government in which he was advised by various councils and quasi-military commands. In March 1960, he dissolved the elected parliament and replaced it with an appointed body. The previous September he had succeeded in having parliamentary elections scheduled for late 1959 postponed over alleged concerns about security and the integrity of the vote.²⁵ Guided Democracy thus placed Sukarno at the centre of foreign policymaking, a position no single leader in the archipelago had occupied since the times of the great native empires. This resulted in a highly personalised foreign policy and a drift towards increasing international radicalism, in which the symbols of the nationalist revolution became integral to state identity.

Under Guided Democracy, all the political parties except the PKI were in retreat. They might have been expected to oppose the postponement of the elections, but the strength of the PKI, particularly in Central and East Java, and also increasingly on Sumatra, prompted fears of the communists winning an outright electoral victory. Consequently, the parties went along with Army-supervised controls that severely restricted their activities and opened them up to closer scrutiny. From the start of open rebellion in 1958, Masyumi especially had been on the defensive. Its chairman, Natsir, the former prime minister, had joined the PRRI and yet

²³ For the dynamics of this decision-making process see Mortimer, *Indonesian Communism Under Sukarno*, pp. 71-74.

²⁴ Account of the elements of Guided Democracy can be found in Feith, *Decline of Constitutional Democracy*, pp. 592-595 and Lev, *The Transition to Guided Democracy*, 295-307.

The degree contained the five points of Sukarno's new political manifesto: The constitution of 1945, Indonesian socialism, Guided Democracy, Guided Economy, Indonesian identity. With his love for abbreviation Sukarno termed this policy USDEK, a combination of the first letters of the five points.

²⁵ See Lev, *The Transition to Guided Democracy*, p. 189.

surprisingly remained in office *in absentia* until April 1959.²⁶ The deathblow for the party came in August 1960. Masyumi and the small but influential Indonesian Socialist Party (PSI), which also counted prominent members of the PRRI in its ranks, were banned.²⁷

The man Sukarno chose to be his “first minister” to steer daily government under Guided Democracy – an appointment that reflected Sukarno’s distaste for the administrative detail of government – was the non-party technocrat, Djuanda Kartawidjaja. As prime minister during the transition phase to Guided Democracy, Djuanda had tried to limit the extent of the power the president could exercise and ensure the new system retained as much democratic practice as possible.²⁸ But Djuanda had the confidence of Sukarno. He was a respected administrator who had served in almost every cabinet since independence. This enabled him to survive as first minister until his death in office in November 1963, providing an unusually long period of stability at the top of government. Importantly from the perspective of foreign policy Djuanda also had the confidence of the USA. He was viewed as pro-Western and anti-communist. He had been ambassador Cochran’s most trusted cabinet source during the MSA crisis that had brought the Sukiman cabinet down.

With the priority in Washington on preventing a drift to communism in Indonesia, the advent of Guided Democracy in itself was not regarded as a problem. John Foster Dulles claimed he “did not quarrel with Guided Democracy” because Indonesia needed “more centralisation”.²⁹ But the real appeal of the system to the USA was that shared by the political party rivals of the PKI: Guided Democracy in non-communist hands might act as a break on the growth of support for communism, which almost certainly would have been the result of unfettered democracy. Numerous US policy documents from the time refer to the advantages Guided Democracy offered for curtailing PKI strength.³⁰ Despite doubts in Washington over Sukarno’s reliability, there were hopes he could be persuaded to see the benefits of at least tacit support for the “free world” and, failing this, the army might curb his renowned excesses. US

²⁶ Ibid. p. 157

²⁷ For an account of the various restrictions introduced under Guided Democracy see Feith, *Decline of Constitutional Democracy*, pp. 592-593.

²⁸ Ulf Sundhaussen, *The Road to Power, Indonesian Military Politics 1945-1967*, Oxford University Press, (1982), pp. 135-136.

²⁹ Memorandum of Conversation (Dulles and Murkarto), Washington, 23 May 1958, *FRUS, Vol. XVII, 1958-1960*, document 109, p. 198.

³⁰ See for example Memorandum from assistant secretary of state for Far Eastern Affairs, Walter Robertson, to acting Secretary of State, Christian Herter, Washington, 27 February 1959, *ibid.*, document 184, pp. 352-354.

officials failed to foresee the shifts Guided Democracy would permit in Indonesia's foreign policy orientation in the years ahead.

In the absence of effective parliamentary opposition, Sukarno was free to challenge, even dispense with, the *bebas-aktif* principles as he pursued a foreign policy more in accord with his personal preferences. He was confirmed as the preeminent Indonesian voice in international politics; he was the interpreter of the will of the Indonesian people and the formulator of the major themes in foreign policy. As Sukarno embraced his new executive authority, foreign policy began to reflect the revolutionary creed he brought to domestic politics, replete with his love of symbols and gesture. Indonesian foreign policy came to embody Sukarno's belief that "the Indonesian revolution was a continuous effort to destroy the old and rebuild the new".³¹ The decline and eventual prohibition of Masyumi and PSI removed from the political scene the two strongest political party supporters of a pro-Western foreign policy, centred on the maintenance of good relations with the USA and participation in the Western-elaborated system of international rules and institutions. Masyumi and PSI were also the most fervently anti-communist of the political parties.

Ironically, the demise of the two parties affected the political strength of the other major anti-communist force and supporter of a pro-Western orientation in foreign policy – the army. Masyumi and PSI had been consistent supporters of the army in conflicts with other forces.³² During the first phase of Guided Democracy, the Sukarno-army relationship was characterised as a partnership based on a considerable degree of mutual dependence. The presidency and the army command were the two main centres of power in Indonesia. The army had been out in front of Sukarno in advocating the restoration of the 1945 constitution. It had used its martial law powers aggressively to restrict political party activities, even before the advent of Guided Democracy. In this sense, the "road to Guided Democracy was paved with military regulations".³³ But from the start of the partnership between Sukarno and the army, there were tensions. Sukarno and Nasution shared the ideal of returning to the "spirit of the revolution".³⁴ They both deplored the excesses of the political parties and sought stronger and more disciplined central government. They were both firm advocates of taking West New Guinea from the Dutch. Yet they parted company on a variety of issues close to Sukarno's heart:

³¹ Eduard Quiko, "The Role of Foreign Minister Subandrio in Indonesian Politics: An Analysis of Selected Indonesian Foreign Policies, 1957-1965", Unpublished PhD thesis, Southern Illinois University, (1970), p. 26.

³² Sundhaussen, *The Road to Power*, p. 123.

³³ Daves, *The Indonesian Army, Volume 1*, p. 429.

³⁴ *Ibid.* p. 451.

strident anti-imperialism, a high profile in international affairs, and a syncretic political environment that created room for prescribed political party activity, in particular by the PKI. In contrast, Nasution was less concerned about the symbolic and ideological dimensions of statehood and more concerned with achieving a rational approach to politics and economic development.³⁵

Within a year of launching Guided Democracy, Sukarno started to promote the concept of a so-called NASAKOM government, combining nationalist, religious and communist forces.³⁶ Sukarno knew the inclusion of the PKI in government was anathema to the army, and the extent to which he genuinely wanted to give PKI power over state policy is debateable.³⁷ Yet clearly he sought to achieve a more even balance between the army and the PKI as a means of maintaining his own position at the fulcrum of power. From mid-1962, Sukarno began to move against Nasution and the army in a series of manoeuvres aimed at reducing their power in politics and enhancing his own. The reduction of the army's power was achieved by moves to undermine both its Chief of Staff and its role in the structure of government. Nasution, then considered the second most powerful man in Indonesia, was gradually eased out of positions of influence. In effect, Sukarno's strategy was to promote Nasution into obscurity. In June 1962, Sukarno used Nasution's own ideas about recentralisation of military power against him. He re-established the post of armed forces Chief of Staff, appointing Nasution to it while simultaneously requiring him to relinquish his duties as army Chief of Staff, the real seat of the military's domestic power. Armed forces Chief of Staff was rendered an empty position because the service chiefs reported directly to Sukarno as commander-in-chief.³⁸ Major General Achmad Yani, younger, less secure, and more pliable than Nasution became army Chief of Staff, although ironically Nasution remained loyal to the President and had rejected approaches from civilians and soldiers to stage a coup d'état "on principle".³⁹

Nasution retained the position of Minister for Defence and Security, to which had been appointed in the first of the Guided Democracy working cabinets. A series of administrative measures were then steadily introduced to limit the real influence of Nasution's two offices and consolidate Sukarno's role as Commander-in-Chief. At the same time Nasution was being sidelined, the army lost its single most important instrument of domestic political power with

³⁵ Sundhaussen op. cit., p. 165.

³⁶ NASAKOM stood for *nationalisme*, *agama* (religion), and *Komunisme*.

³⁷ See Legge, *Sukarno*, p. 369.

³⁸ Robert Lowry, *The Armed Forces of Indonesia*, Sydney: Allen & Unwin (1996), pp. 49-50.

³⁹ *Ibid.*, p. 49. For Yani's background and relationship with Sukarno, see Daves, op. cit., pp. 481-484.

the end of martial law in May 1963. The defeat of the regional rebellions and a separate Islamic rebellion centred on West Java instigated by *Darul Islam* had removed the remaining justification for an increasingly unpopular army role in civilian government. The army was not entirely eased out of government because of Nasution's "Middle Way" doctrine, which secured military influence through a guaranteed number of seats in parliament and appointment of active duty officers to various bureaucratic posts.⁴⁰

As Sukarno succeeded in eroding the power of the army, the biggest beneficiary aside from himself was the PKI. PKI leaders only managed to obtain a handful of seats in the government's advisory bodies and one fellow traveler was appointed Minister of Justice. But its real strength lay in its capacity to shape the national debate on terms that suited its own ideological priorities and long-term growth. It was able to do this because of a significant overlap in ideals shared with Sukarno and its ability to tailor its program to capture the zeitgeist of Indonesian politics. The young PKI central committee, headed by D.N. Aidit, chose to "emphasise national unity and nationalist goals over class agitation and Communist claims to hegemony over the nationalist movement".⁴¹ The decision to subjugate traditional communist priorities allowed the PKI to forge a common platform with Sukarno on anti-imperialism, anti-colonialism and nationalism. As Sukarno told the PKI's sixth congress in September 1959, their shared goal was to build national unity and "sweep away the main enemy, political imperialism and economic imperialism".⁴² Sukarno's accommodation with PKI was made easier by his employment of a Marxist analysis of imperialism and his avowed socialism. "I am a Socialist. I am a Leftist," he declared in his autobiography.⁴³ In public and in private, Sukarno continued to insist he was not a communist.

Sukarno desired a large stage for the drama of his leadership, which was provided by international politics. Placing imperialism and colonialism at the heart of foreign policy, the President could inspire nationalistic emotions among the masses and retain the support of the PKI. But the first half of the 1960s was a tough time for the Indonesian economy. Inflation spiraled out of control. Export revenues fell sharply and the budget deficit blew out as key parts of the economy were nationalised. Growth stagnated.⁴⁴ Technocrats like Djuanda

⁴⁰ For an account of the "Middle Way" or "Dual Function" doctrine see Daves, op. cit., pp. 433-442.

⁴¹ Mortimer, *Indonesian Communism*, p. 84

⁴² Quoted in *ibid.* p. 85.

⁴³ Sukarno, *Sukarno: An Autobiography*, p. 75.

⁴⁴ The weakness in data makes precise estimates of the economy's performance difficult. For several key economic indicators for the period 1951-1967 and an overview of the economy of the Guided Democracy period see Dick, "Formation of the nation-state, 1930s-1966", 196-193.

appreciated the need for Western support to restore the economy to health. But rational economics took a back seat to anti-imperialism in what Sukarno termed Guided Economy. Foreign capital was subject to widespread hostility and several waves of seizure and nationalisation, often depicted as a response to popular outbursts. In this way, management of the economy became a crucial issue affecting not only the domestic power balance – free market policies would have undermined the interests of the PKI – but the broader pattern of Indonesia's international politics.⁴⁵

The strictures of Western-led economic solutions would have also crimped Sukarno's freedom at a time when he was more interested in formulating his own version of the two-camp thesis, in which the world was divided between the so-called New Emerging Forces (NEFOS) and the Old Established Forces (OLDEFOS). This was an extension of the views he had expressed at Bandung about the tide of history turning in favor of the newly independent states and nationalist movements. In practical terms, the theory would be played out in his campaign to wrest control of West New Guinea. Ultimately, Sukarno's temperament made him unwilling to sacrifice foreign policy ambitions for the mundane activity of managing the economy.

Indeed, the effects of economic hardship, and the political balancing act the President needed to execute to stay in power, far from restraining Sukarno, created an incentive for him to use foreign policy as a stage to reinforce his legitimacy, orchestrate and unify domestic politics, bolster national pride and provide the illusion of progress when national development faltered. In the crudest terms, it was a convenient distraction. As foreign minister, the President retained Subandrio, a former secretary general of the Ministry of Foreign Affairs and ambassador to London and Moscow, who was well suited to Sukarno's purposes. Subandrio was first appointed to the position in 1957 and continued to serve in it for the entire Guided Democracy period. A contemporary described him as ambitious, determined to seek higher office and, for those reasons, "a faithful executor" of Sukarno's foreign policy vision.⁴⁶

Foreign policy in this era then is best understood as a combination of two factors: first, its utility for the President in preserving his leadership and advancing his vision for a strong, independent and united nation, and, secondly, its significance as an ideological weapon in the power struggle waged between the PKI and the political right, led by the army. Together they

⁴⁵ For accounts of the debate over the economy see Bradley R. Simpson, *Economists with Guns: Authoritarian Development and U.S.-Indonesian Relations, 1960-1968*, Stanford University Press (2008), pp.87-112 and Richard Robison, *Indonesia: The Rise of Capital*, Singapore: Equinox [2008 (1986)], pp. 69-98.

⁴⁶ Agung, *Twenty Years*, p. 255.

were to have significant implications for Indonesia's relations with the great powers and patterns of alignment.

Conclusion

This chapter has described the domestic and international context in which Indonesia set its foreign policy, particularly its alignment decisions, between 1959 and 1965. The events recorded here are essential to understanding the pressures on Sukarno as he exercised the immense power in foreign policy bestowed on him by Guided Democracy, but walked a fine line between opposed ideological forces at home and abroad. The Guided Democracy years bore witness to a confluence of heightened ideological competition at the international and domestic levels. But while at the international level the major fault line was between communism and Western capitalism, at the domestic level in Indonesia it was between communism and an array of indigenous beliefs and power configurations. In other words, the ideological divide at the international level had its equivalent within Indonesia, but it was refracted by domestic circumstances. Sukarno was at the apex of domestic ideological contention and added another layer of complexity by the pursuit of his own preferences and interests, most strikingly expressed as a world divided between the NEFO and OLDEFO.

The ideological and power competitions, as they overlapped and interacted at the international and domestic levels, created the general environment in which Sukarno and his key advisers balanced the risks of different alignment choices. They were times of escalating tensions in Indonesia's immediate region and its domestic politics that would make the exercise in balancing risk increasingly difficult. The remaining chapters will account for how this played out in practice in the years between 1959 and 1966.

CHAPTER SEVEN

Sukarno at the Apex of Power: The Foreign Policy of Early Guided Democracy

In the two years after 1959, Sukarno strengthened his grip on the institutions of power, resulting in a highly personalised rule. Few political contemporaries were confident enough or strong enough to present a serious challenge to him. In no arena was this more true than foreign policy. Both in practice and in the perception of foreign powers, the key to understanding Indonesian foreign policy was the thinking of Sukarno himself. Sukarno employed this freedom in foreign policy to multiple ends. He forged pragmatic alignments with great powers to build Indonesia's internal strength, he pursued an ideological crusade against colonialism and imperialism, he asserted Indonesia's own ambitions, particularly its claim to West New Guinea, he attempted to turn a nascent multilateral diplomacy in the Third World into a new power bloc and he promoted national pride and dignity. It was a time of great expansiveness in foreign policy in contrast to the modest goals of the governments of the constitutional democracy era.

The episodes in this chapter chart the emergence of Sukarno's foreign policy activism following the defeat of the regional rebellions to the articulation of his new paradigm for Indonesian foreign policy based on a dichotomy between the states of the developing world and older industrialised states. This period marked the start of a shift away from earlier moderation and firm public neutrality in relations with the Cold War powers to a strident anti-imperialism, largely directed at the West, and an alignment with the Soviet Union and other communist states as new sources of economic and military aid. It incorporates the competition among rival great powers, sharpened by Guided Democracy, to woo Sukarno, the recrudescence and settlement of conflict with China over the place of the ethnic Chinese in Indonesia, the founding of the Non-Aligned Movement and the crafting of a singular foreign policy vernacular.

But the episodes examined here also posed new challenges for the regime in balancing the international and domestic risks that accompanied alignment decisions. There were multiple challenges that pitted international and domestic priorities against each other. As relationships were deepened with the Soviets and its eastern bloc allies to gain the resources needed to build Indonesia's own strength, Jakarta had to try to minimise the risk of foreign capture. The subsequent military build-up and attempts to establish an alternative system of alignment in the Third World required careful management to avoid straining ties with the West that remained vital to Indonesia's development. The perennial problem of the status of Sino-Indonesians put the goal of cultivating China as a potential ally in direct contradiction with a highly-emotive issue at home. All this called for the refinement of strategies Indonesia had used effectively in the past, like hedging, competitive bidding, and Omnibalancing. This chapter will conclude by analysing how Indonesia used this range of smart strategies to try to balance the domestic and international risks in managing its Cold War alignment.

Struggle for Alignment: Cold War Rivalries and Early Guided Democracy

Backing the Right Horse: The Courting of Sukarno

The advent of Guided Democracy and the steady increase in Sukarno's personal authority narrowed the focus of the great powers competing for favor in Indonesia. It was the President who would decide the broad directions of foreign policy and the patterns of future alignment. This was something the USA had been unprepared for. In the interregnum between the collapse of resistance by the USA's client colonels and the introduction of Guided Democracy, the policy had been to focus the bulk of diplomatic effort on rebuilding relations with the army and other anti-communist forces on Java. Sukarno was to be kept happy, but he was viewed as too mercurial and too unreliable to be the sole target of cultivation. The best that could be expected was to ensure he remained generally well disposed to the West within the framework of an Indonesian policy of even-handed neutrality. But with the consolidation of Guided Democracy, the great

powers found themselves in an intense competition to win Sukarno's personal approval. Sukarno knew he could play on the desires and fears of the two power blocs. The strategic analysts all agreed Indonesia's support would be a rich prize. Sukarno proved adept at nurturing competitive tension between the great powers with the aim of extracting the best deal for himself and Indonesia.

Some of the diplomatic efforts to woo Sukarno verged on the comical. But the President's vanity and ego could not to be dismissed. Howard Jones, the US ambassador, regarded it as a victory to get Sukarno aboard a massive C-124 Globemaster military transport plane. The purpose of the joy flight was to refute the idea that the USA was backing Nasution against Sukarno. But the conclusion drawn from Sukarno's pleasure at riding in a state-of-the-art aircraft was typically exaggerated. Jones argued the simple act of taking the flight "tended to line up the President with the US in Indonesian eyes".¹ Khrushchev also flattered Sukarno and pandered to his ego. On a February-March 1960 visit to Indonesia, the Soviet leader questioned Sukarno's priorities in wanting to build a huge stadium in central Jakarta. He told Sukarno the project was "not rational".² The Soviets built it anyway.

Stunts and monuments aside, the competition to draw Indonesia into alignment was a serious affair. It was intense, consumed substantial amounts of financial and diplomatic capital, and was viewed as winner take all. The Communist bloc countries were estimated to have spent USD 375 million by early 1959 on military and economic aid, most of it in the previous year.³ On order were 115 aircraft, including MIG fighters, bombers, transports and trainers.⁴ In addition to the Soviet-designed aircraft, Indonesia

¹ Letter from the Ambassador to Indonesia (Jones) to the Assistant Secretary of State for Far Eastern Affairs (Robertson), 2 September 1958, *FRUS, Vol. XVII, 1958-1960*, document 151, p. 275.

² Khrushchev, *Memoirs*, p. 788.

³ Memorandum from the Assistant Secretary of State for Far Eastern Affairs (Robertson) to the Under Secretary of State for Economic Affairs (Dillon), 5 March 1959, *FRUS, Vol. XVII, 1958-1960*, document 186, p. 358. Soviet bloc credits accepted by Indonesia were estimated to be USD 200 million on economic programs and USD 175 on military programs.

⁴ National Security Council Report, NSC 5901, Statement of US Policy on Indonesia, *ibid.*, document 177, p. 336 and p. 338. In addition to the Soviet Union, Indonesia sourced weapons from Poland, Yugoslavia, and Czechoslovakia.

was to acquire four Polish-built destroyers and two submarines. This “massive” build up would give Indonesia one of the most capable militaries in the region.⁵

The USA lagged badly in the aid competition. In the nine years to the start of 1959, it spent \$26 million in military aid and \$282 million in economic aid.⁶ But most of the military aid was contained in a package approved in August 1958. In a policy reversal that was breathtaking in both its speed and its audacity, the USA switched from supporting the regional rebels to supporting the armed forces with weapons and training within the space of two to three months. Sukarno himself was stunned when he heard news of the American volte-face. “The President’s reaction was one of disbelief followed by an expression of gratification,” is how Jones described it.⁷

A memorandum on Indonesia policy from the Joint Chiefs of Staff in mid-1958 had captured the rationale behind new thinking in Washington. The US military chiefs wanted an explicit public statement of support for Indonesian unity and independence, an “impact program” of economic aid and a “token” program of military aid. With this, the USA could establish a “logical overt Cold War beachhead for future US operations in Indonesia”. There was no certainty over the course of events in Indonesia with the seemingly relentless growth of the PKI, so there were advantages in supplying equipment that would establish a degree of dependency and consequently “an opportunity for some degree of continuing US influence over the Indonesian Armed Forces”.⁸ The army was the focus of American assistance on the grounds that it was the most anti-communist of the three services.⁹

⁵ The Eastern bloc economic and weapons transfers came with a sizeable presence of personnel on the ground. It was estimated there were 270 economic technicians and 130 military technicians. See, Minutes of ANZUS Council Meeting, Washington, 1 October 1958, *ibid.*, document 156, p. 289.

⁶ Memorandum from the Assistant Secretary of State for Far Eastern Affairs (Robertson) to the Under Secretary of State for Economic Affairs (Dillon), 5 March 1959, *ibid.*, document 186, p. 358.

⁷ Telegram from the Embassy in Indonesia (Jones) to the Department of State, 14 August 1958, *ibid.*, p. 261.

⁸ Memorandum from the Joint Chiefs of Staff to the Secretary of Defense McElroy, 9 May 1959, *ibid.*, document 88, p. 156.

⁹ The military aid package was limited to USD 7 million to be phased in over a period. It supplied the army with small arms, radio sets and light vehicles – items judged as useful in defeating any future communist insurgency. The decision to supply materiel and the types of materiel to be supplied was coordinated with the Dutch. See, Memorandum from the Assistant Secretary for Far

The Russians and the Americans assumed Sukarno was playing both sides of the Cold War conflict. But the stakes were deemed to be too great to simply walk away from the contest for influence. “Sukarno was balancing between us and the United States, trying to use both of us to achieve his aims,” Khrushchev remembered. “This indicates he was capable of constructing various combinations, engaging in elaborate manoeuvres. However, this action of his offended us.”¹⁰ The US National Security Council reached the same conclusion: any non-communist Indonesian regime would follow a “neutralist” policy, “seeking aid on its own terms from both the West and the Bloc... balancing each off against the other”.¹¹

China had smaller coffers in the late 1950s and 1960s than its rivals for Indonesia’s allegiance. But it too offered modest amounts of aid in the form of credits for the purchase of commodities such as rice and textiles.¹² The bigger leverage for China came from its ability to find commonalities with the national experience of Indonesia and present itself as a source of ideas and inspiration. This was buttressed by an effective propaganda campaign targeting elites and the grassroots.¹³ An example of Beijing’s approach came during a visit to Indonesia by a People’s Liberation Army delegation head by the Deputy Chief of Staff, General Yang Chengwu, in early 1959. Yang’s delegation met Sukarno, Djuanda and all the senior armed forces commanders. Yang told his hosts:

[T]he armed forces of the two countries had many points in common: both were brought up in the struggle for national independence and freedom; China’s Taiwan and Indonesia’s West Irian (New Guinea) are yet to be liberated and the security of the two countries is still being threatened by imperialism.¹⁴

Eastern Affairs (Robertson) to Secretary of State Dulles, 30 July 1958, *ibid.*, document 138, pp. 252-254 and Editorial Note, *ibid.*, document 142, pp. 260-261.

¹⁰ Khrushchev, *Memoirs*, p. 792.

¹¹ National Security Council Report, NSC 5901, Statement of US Policy on Indonesia, 3 February 1959, *FRUS, Vol. XVII, 1958-1960*, document 177, p. 335. The idea that Indonesia was “playing both sides and making suckers of us” was widespread among US Indonesia watchers. See, Telegram from the Department of State (Herter) to the Embassy in Indonesia, 20 August 1958, document 148, p. 269.

¹² For example, a USD 16 million trade credit was agreed by China and Indonesia on 17 April 1958. See Mozingo, *Chinese Policy*, p.145.

¹³ For details of the Chinese propaganda campaign in Indonesia see Liu, *op. cit.*, pp. 188-197.

¹⁴ “Goodwill Mission to Indonesia”, *Peking Review*, Vol. 2 No. 19, 12 May 1959, p. 25.

The Chinese reached the conclusion sometime in the lead up to the Asia Africa conference that they could work with Sukarno, reversing the hostility that characterised Communist Chinese attitudes towards him from the time of the Madiun uprising.¹⁵ The success of Sukarno's visit to China in 1956 and the significant impression the visit had left on his thinking about Indonesia's own political system served to encourage the idea that China and Indonesia could join forces on some international objectives. Revelations of covert US support for the regional rebels in 1958 added momentum to efforts to forge a common platform against imperialism, for which the principle target would be the USA. China denounced the USA as the "hand behind the scenes" in the rebellion. An editorial in the pro-government newspaper *Ta Kung Pao* on 26 February 1958 reflected the official line when it declared Washington was sponsoring the rebels in order to "overthrow the legitimate government of Indonesia, to drag it into the SEATO bloc and eventually turn it into an American military base".¹⁶

The regional rebellions helped China's position in Indonesia in other ways. In aiding the regional rebels, the USA had relied heavily on Taiwan as both a staging point for materiel and personnel and as a means of disguising the origins of the rebel's support. The Kuomintang-controlled Republic of China proved an eager accomplice. The head of the KMT government, Chiang Kai-shek, appeared more alarmed by the prospects of Indonesia going communist than the USA. He warned the loss of Indonesia would be a strategic disaster. "The whole world situation (would be) altered in favor of the Communists" and the "position and prestige of the US would be gravely affected", he told the US Ambassador to Taipei, Everett F. Drumright.¹⁷ As the USA attempted to extricate itself from its commitments to the rebels after the downing of Allen Pope's B-26, Chiang complicated life for the Americans by continuing the undeclared bombing operations and keeping open the supply lines in eastern Indonesia. He even contemplated sending a

¹⁵ The timing and the causes of this transition in Chinese thinking are imprecise. But there was probably a confluence of factors that made Beijing realize it was possible to establish some common objectives with Sukarno, particularly in international relations. For a discussion of the influences on Beijing's thinking see Mozingo, *Chinese Policy*, pp. 146-156.

¹⁶ Quoted in "Hands Off Indonesia!" *Peking Review*, Vol. 1 No. 1, 4 March 1958, p. 19

¹⁷ Telegram from the Embassy in the Republic of China (Drumright) to the Department of State, Taipei, 22 May 1958, *FRUS, Vol. XVII, 1958-1960*, document 108, p. 194.

regiment of marines and a squadron of aircraft to rebel-held areas.¹⁸ But Taiwan's aid to the rebels was as difficult to conceal as American aid had been. The Indonesian government, having satisfied itself of Taiwan's complicity, launched a crackdown on KMT supporters and organisations in late 1958.¹⁹ The result was the "total destruction of the Kuomintang position in the Indonesian Chinese community" and a victory for Beijing.²⁰ Pro-KMT newspapers and associations were banned and businesses and banks run by KMT sympathisers were confiscated. The campaign against the KMT, and the growing stockpile of weapons originating from the Soviet Union, Eastern Europe and China, suggested the USA was gradually losing the battle for influence in Jakarta to the communists.

Initially, Sukarno and his ministers appeared surprisingly restrained in their reaction to evidence of the massive scale of US intervention in support of the rebels. Four days after Pope's plane had been shot down on 18 May 1958, Sukarno went to lunch at Jones' residence in an unusual display of favor.²¹ In response to Jones' toast, Sukarno he wanted to "speak from the heart" about his friendship with Americans and his desire for a closer relationship with the USA. At the time Sukarno and Jones lunched together, the Indonesian government was aware the aerial bombing of Ambon market the day before Pope was shot down had resulted in the deaths of 100 people, but it managed to conceal the death toll from the public elsewhere in Indonesia.²² The Indonesian government was clearly anxious to avoid a head-on confrontation with one of the great powers. "Let us

¹⁸ Ibid.

¹⁹ Foreign Minister Subandrio told Jones on 17 May 1958 that a battalion of Chinese troops had landed in Sulawesi to fight alongside the rebels. This was an inaccurate claim, but Indonesia was correct when it assumed that bombing raids and aid supplies were being launched from airstrips in Taiwan. See, Telegram from the Embassy in Indonesia (Jones) to the Department of State, 17 May 1958, *FRUS, Vol. XVII, 1958-1960*, document 101, p. 182.

²⁰ Mozingo, *Chinese Policy*, p. 153.

²¹ Editorial Note, *FRUS, Vol. XVII, 1958-1960*, document 106, p. 190. However, Sukarno also maintained the protocols of neutrality by lunching three weeks later with Soviet ambassador Zhukov, see Mozingo, *Chinese Policy*, p. 173.

²² Some estimates put the civilian death toll at about 700, while the government put the toll at six civilians and 17 troops. See Kahin and Kahin, *Subversion as Foreign Policy*, pp. 180-181. Subandrio also told Jones the bombing on a Sunday hit the market at the most crowded time when people were shopping and on their way to church. This provoked an anti-American outburst among the Ambonese. Telegram from the Embassy in Indonesia (Jones) to the Department of State, 17 May 1958, *FRUS, Vol. XVII, 1958-1960*, document 101, pp. 182-183.

have no war, no war. This would be bad for everybody,” Sukarno had told Jones gravely at the end of one meeting.²³

But the efforts of the Indonesian government to calm the situation by suppressing news on the full extent to which the USA had abetted the regional rebels were simply aimed at keeping Jakarta’s options open. Privately, Djuanda and Subandrio warned Indonesia might have to accept volunteers and other military assistance from Soviet bloc countries if outside forces persisted in aiding the rebels, a move that US officials feared would be tantamount to alignment with international communism.²⁴ The subsequent shift in US policy signalled by the approval of modest packages of food and military aid improved the mood of some high officials in Jakarta, but failed to alter the general trend of domestic politics.

Attitudes in Indonesia to the USA were gradually cooling. The PKI was effective in depicting pro-Western political elements in Indonesia as selling out to the USA. And, despite outward courtesies, Sukarno and even some politicians sympathetic to the Americans became disenchanted with the USA in the year after it withdrew active support from the regional rebels. The communist states were quick to offer economic and political aid to Indonesia, in particular over its claims to West New Guinea. By comparison, the USA appeared grudging and parsimonious in its levels of support. An application to the US Export-Import Bank for a loan to buy three of the latest Lockheed Electra airliners was initially rejected on commercial grounds – a purchase of the highest priority to Sukarno as a show of national modernity and prestige. The loan was eventually approved simply to appease Sukarno after the intervention of the State Department.²⁵ The accumulation of these niggling disputes and Washington’s perceived failure to support Indonesia on the bigger issues – none bigger to Sukarno than his admitted “obsession” with West New

²³ Telegram from the Embassy in Indonesia (Jones) to the Department of State, 21 July 1958, *ibid.*, document 136, p. 248.

²⁴ Telegram from the Embassy in Indonesia (Jones) to the Department of State, 12 May 1958, *ibid.*, document 91, pp. 160-161 and Telegram from the Embassy in Indonesia (Jones) to the Department of State, 15 May 1958, *ibid.*, document 97, pp. 174-175. Subandrio also told Jones that Indonesia might be forced to make an appeal to the UN against foreign aggression because of the bombing raids by B-26 aircraft. This move could have put enormous public pressure on the US and resulted in release of incriminating information. See, Telegram from the Embassy in Indonesia (Jones) to the Department of State, 15 July 1958, *ibid.*, document 134, p. 241.

²⁵ Memorandum from the Assistant Secretary for Far Eastern Affairs (Robertson) to the Under Secretary of State for Economic Affairs (Dillon), 5 March 1959, *ibid.*, document 186, pp. 355-358.

Guinea – contributed to the steady drift away from the USA on the part of the President through 1959 and 1960.²⁶

Throughout the early period of Guided Democracy, the USA pursued what might be described as a hedging strategy. It would try to encourage the anti-communist forces in Indonesia, mainly in the army and among the remnants of the disbanded Masyumi, and it would try to keep Sukarno at least neutral. But it would not relinquish the option of resuming the large-scale intervention in Indonesia that had already caused so much damage to bilateral relations. Secretary Dulles' distrust of Sukarno and his doubts about the willingness or ability of anti-communist forces to confront the PKI led him to advocate "keeping the embers (of the rebellions) warm so that they can be fanned into flames if necessary".²⁷ Indeed, the Dulles brothers were unrepentant over the failure of their covert war to do anything other than embarrass the USA. John Foster Dulles told an NSC meeting in early 1959: "We had played the game pretty well and our policy may work out successfully." The record shows Eisenhower was unimpressed. "We are on a better horse now," he replied – a reference to the administration's attempts to rebuild trust in Jakarta and garner the support of the army.²⁸ The rebellions were not completely extinguished until 1961. Secretary Dulles would not live to see the fighting end. He died in office on 24 May 1959.

Following the disaster of the rebellions, it was patently clear Washington needed some new formal policy guidance. But the mindset that had produced a preference for covert action and military-led solutions proved resistant to change. According to NSC directive 5901, approved in February 1959, the "chief danger" in Indonesia was still the prospect of a communist takeover brought about by domestic instability, Sino-Soviet bloc economic and military aid and growing PKI strength. The new Indonesia policy issued by the NSC authorised government agencies to "employ all feasible means", including the use of armed forces if necessary "to prevent Indonesia or vital parts thereof from falling

²⁶ Sukarno told Jones of his position on West New Guinea: "This is an obsession with me." Telegram from the Embassy in Indonesia (Jones) to the Department of State, 21 July 1958, *ibid.*, document 136, p. 247.

²⁷ Memorandum of Conversation (Dulles and J.H. van Roijen), Washington, 27 May 1958, *ibid.*, document 116, pp. 211-212.

²⁸ Memorandum of Discussion at the National Security Council, Washington, 29 January 1959, see *ibid.*, document 175, p. 329.

under communist control”.²⁹ The continued appeal of covert action was reflected in an order to give priority to programs aimed at isolating the PKI and manipulating it into positions of open opposition to the government, thus creating “grounds for repressive measures politically justifiable in terms of Indonesia’s national self-interest”.³⁰ This policy of attempting by covert means to incite the PKI into taking pre-emptive anti-government action would form a vital part of the strategy for undermining communism in the years ahead.

The ultimate goal of the NSC policy was to move Indonesia into the Western camp. In the meantime, the USA would accommodate Indonesia’s neutralist policy “as necessary”, while ensuring relations with the communist bloc were balanced by relations with the “Free World”. But the new policy explicitly ruled out any change to American neutrality over the competing claims of the Indonesians and the Dutch to West New Guinea.³¹

Awkward Ties: Khrushchev Comes to Town

With Indonesian loyalties in the balance, competition between the great powers to draw it into alignment intensified in the early 1960s. The Soviet Union, China and the USA all simultaneously believed there was an opportunity to befriend at least some elements of the Indonesian leadership. Each nation strangely believed the country was ripe for alignment – if only the right strategy were employed. Yet Indonesia was to prove an elusive and difficult partner for all three.

The Soviet Union made a determined push to cultivate ties with Sukarno and the Indonesian body politic, showering the country with military and economic aid. It sought to capitalise on weaknesses in the standing of the USA, and later China, to enhance its own credentials as a partner. But the experience of Moscow in courting Indonesia was illustrative of the problems all the great powers faced. Khrushchev would ultimately be

²⁹ “Statement of US policy on Indonesia”, NSC 5901, 3 February 1959, see *FRUS, Vol. XVII, 1958-1960*, document 177, pp. 334-343.

³⁰ *Ibid.* p. 343.

³¹ This was despite entreaties from Jones that it was time to rethink. He argued the time had come for the Dutch to get out of West New Guinea. Telegram from the Embassy in Indonesia (Jones) to the Department of State, 23 January 1959, *ibid.*, document 174, pp. 323-325.

dissatisfied with the outcome and bewildered by some of Sukarno's priorities and personal foibles.

The crowning moment of the Soviet diplomatic push into Indonesia came in mid-February 1960 when Khrushchev came to Indonesia for 13 days.³² The length of stay afforded him the opportunity to get a good measure of Sukarno. On their first meeting in Moscow, Sukarno had impressed Khrushchev as an "educated" and "intelligent" man.³³ But after seeing Sukarno in Indonesia he admitted there was much about the Indonesian president that baffled him. He was affronted by the very public way Sukarno carried on romantic affairs. He could not understand "how an intelligent leader could engage in such 'escapades' in his private life". He was also bemused by Sukarno's potpourri of political philosophy. He found it "hard to figure out what kind of socialism Sukarno was talking about".³⁴ The visit was not without some rancor. Khrushchev allegedly offended his hosts by stating they were not true socialists and suggesting the government needed to exercise more discipline over the people.³⁵ Given comments contained in Khrushchev's memoirs, this is not implausible. On another occasion, Sukarno is alleged to have told Subandrio: "I did not invite Khrushchev here to be insulted. You take over."³⁶ Khrushchev himself openly referred to differences with Sukarno at a banquet in Jakarta.³⁷

These differences did not seep into public consciousness. From a propaganda perspective, the visit was a victory. Thousands of people lined the streets of Jakarta, Bandung and Surabaya to greet Khrushchev as he drove by in open-topped vehicles. Portraits of the Soviet leader were plastered on roadside billboards next to those of Marx and Sukarno. The public success of the visit enhanced the image of communism and, therefore, also benefited the PKI. Yet Khrushchev's visit did not represent a manifestation of a communist United Front at work. He travelled to serve the Soviet Union's own

³² This was part of a visit that included visit to India, Burma and Afghanistan.

³³ Khrushchev, *Memoirs*, p. 786.

³⁴ *Ibid.* p. 791.

³⁵ CIA director Allen Dulles told the National Security Council on 10 March that Khrushchev was "glum and irritable" throughout his trip and annoyed his hosts with condescension. Editorial Note, *FRUS, Vol. XVII, 1958-1960*, document 244, p. 472.

³⁶ *Ibid.* It is not clear from the record what incident Sukarno was referring to.

³⁷ "Khrushchev Off On 1,1400 Mile Indonesia Tour", *Associated Press*, 19 February 1960. At the dinner, Khrushchev, with Sukarno seated beside him, is reported to have said: "There are differences of opinion between us and President Sukarno. If you press me, these differences may grow wider."

interests. Although the People's Daily praised the visit in an editorial, it took place amid the growing Sino-Soviet split and a chill in Jakarta-Beijing relations on the question of Chinese nationals.³⁸ There is no doubt Khrushchev's progress caused unease in Beijing. Djuanda observed that the visit "must have been unpleasant for the Chinese".³⁹

The significance of the Khrushchev visit was not lost on the USA either. Although CIA director, Allen Dulles, dismissed it as a "mild success", the size of the Soviet commitment continued to expand.⁴⁰ The Soviet Union agreed on an additional USD 250 million credit over seven years in addition to the supply of new armaments.⁴¹ Khrushchev had reportedly been prepared to offer as much as \$500 million. It took Khrushchev and Sukarno just three minutes to agree on the economic package, according to one account.⁴² Indonesian officials, consistent with the strategy of keeping all parties in the game, reassured Jones that Indonesia was not tilting in favor of the Soviet Union and Sukarno's own views had not changed.⁴³

The army clearly remained staunchly pro-Western. US military assessments concluded "friendship and mutual respect" had replaced the "reserve and suspicion" that existed following the regional rebellions. This was put down to the extensive exposure to Americans in training programs.⁴⁴ In the lead up to Khrushchev's visit, Nasution had been true to his pro-Western leanings. He and Djuanda set some parameters that they thought needed to be respected to avoid Indonesia being drawn into a state of dependency or alignment. They included a ceiling of \$100 million in new economic assistance, no

³⁸ "Khrushchev's Visit to India, Burma, Indonesia and Afghanistan", *People's Daily*, 6 March 1960.

³⁹ Djuanda made this comment to Jones when reviewing the outcome of Khrushchev's visit. Telegram from the Embassy in Indonesia (Jones) to the Department of State, 4 March 1960, *FRUS, Vol. XVII, 1958-1960*, document 242, p. 469.

⁴⁰ Allen Dulles briefing to the National Security Council, Washington, 10 March 1960, Editorial Note, *ibid.*, document 244, p. 472.

⁴¹ *Ibid.* The credit was on top of \$126 million already available, but Indonesia had only drawn \$27 million to that point.

⁴² This account came from Acting Secretary of State Douglas Dillon, although the source in Indonesia was unnamed. Editorial Note, *ibid.*, document 244, p. 473.

⁴³ Djuanda claimed Sukarno's views had not changed and Indonesia "remains where it was before" the Khrushchev visit. Telegram from the Embassy in Indonesia (Jones) to the Department of State, 4 March 1960, *ibid.*, document 242, p. 469.

⁴⁴ Memorandum from the Commander in Chief, Pacific (Felt) to the Joint Chiefs of Staff, 12 January 1960, *ibid.*, document 238, p. 463. But the Air Force was still regarded as being "seasoned heavily with Communists" and had rejected numerous offers of US aid.

military aid and no military bases for communist bloc countries.⁴⁵ Only the last of these points was reflected in the outcome and Khrushchev wisely made no request for bases, although large numbers of Russian military technicians and instructors were to be deployed to Indonesia. Nasution's anti-communism was evident to Khrushchev. He observed Nasution "unquestionably was hostile" to the Soviet Union.⁴⁶

None of this could obscure a continuing relative deterioration in the USA's position during the course of the year. By September, Jones had concluded: "Sukarno... harbors a fixation, based on what he considers ample evidence, that the U.S. is out to get him". The ambassador blamed the President's growing animosity on "PKI propaganda and large-scale and effective Soviet blandishments" and the fact his internal enemies "clearly lean towards the West".⁴⁷ Sukarno also was peeved Eisenhower did not agree to visit Indonesia, despite traveling to the Philippines in June 1960.

Rather than write Sukarno off, Jones proposed inviting him to again meet Eisenhower in Washington. He suggested the White House take advantage of Sukarno's presence in New York where he was scheduled to deliver a speech to the UN General Assembly on 29 September. Yet the circumstances surrounding a leader's meeting were complex on both sides. Eisenhower was reluctant to see Sukarno amid general American disquiet at Indonesia's cultivation of ties to Communist bloc countries. As late as 23 September, Jones was informed Eisenhower was yet to decide on whether a meeting should proceed.⁴⁸ Eisenhower did not finally agree to a meeting until 5 October – the day before Sukarno departed the USA.⁴⁹

There were numerous arguments for and against Eisenhower acceding to meet. Despite fears of rewarding what the USA regarded as bad behavior, there were two determining factors. First, refusal to see Sukarno when he was so close to Washington

⁴⁵ Sukendro briefed the US Embassy on a meeting between Djuanda and the armed forces members of cabinet in which these limits to a deal between Sukarno and Khrushchev were set. Telegram 2290 from the Embassy in Indonesia to the Department of State, 19 February 1960, *ibid.*, p. 467, n. 1.

⁴⁶ Khrushchev, *Memoirs*, p. 804.

⁴⁷ Telegram from the Embassy in Indonesia (Jones) to the Department of State, 17 September 1960, *FRUS, Vol. XVII, 1958-1960*, document 278, pp. 537-539

⁴⁸ Telegram from the Embassy in Indonesia (Jones) to the Department of State, 17 September 1960, *ibid.*, document 278, p. 539, n. 3.

⁴⁹ Memorandum from Acting Secretary of State Dillon to President Eisenhower, 5 October 1960, *ibid.*, document 285, p. 553, n. 1.

would be perceived as a snub, which could push Indonesia further into the Soviet orbit. Second, the defence community had just feted Nasution on his own visit to Washington in late September. It was feared Nasution would become a target should the White House rebuff his boss. Nasution had been secretly assured he would receive significant military and economic support in the event of an open showdown with the PKI – a reassurance that figured in army calculations of how to deal with the communists in future years.⁵⁰

Sukarno also weighed a complex array of factors, although they all pointed in favor of seeing Eisenhower. He was eager to demonstrate Indonesia's neutrality, to keep alive the contest between the great powers for Indonesia's favor and to underwrite his own international standing. His ability to command and channel international relations was one of the most powerful tools at his disposal in the domestic political struggle.

In the end, the last meeting between the pair before Eisenhower left office in January 1961 was marred by a little bit of Sukarno mischief. Without informing his American hosts, Sukarno arrived at the White House on 6 October with PKI chief Aidit in his party. The unexpected presence of the communist chief – a gesture Sukarno surely knew would cause annoyance – nonplussed White House officials who kept the Indonesians waiting while they figured out what to do. The issue was resolved when Eisenhower agreed to Aidit's inclusion. The delay while Eisenhower was consulted lasted several minutes, but Sukarno later typically exaggerated the situation, claiming he was kept waiting for an hour.⁵¹ The meeting itself proved of little substance – the real significance was its occurrence. The US record shows Sukarno, surprisingly, did not even raise the issue of West New Guinea.⁵²

The business-like and perfunctory manner of Sukarno's exchanges with US officials in Washington and New York contrasted poorly in his estimation with the crowds and ceremony he was feted with in communist states. Sukarno waxed about the 150 musicians who played the Indonesian national anthem on his arrival in Moscow in 1956,

⁵⁰ Ibid. The implication was that Nasution and the army would also receive generous US support in the event of a military overthrow of Sukarno.

⁵¹ Sukarno, *Sukarno*, p. 295

⁵² Memorandum of Conversation (Eisenhower and Sukarno), *FRUS*, Vol. XVII, 1958-1960, Washington, 6 October 1960, document 286, pp. 555-559.

bringing “tears of pride to my eyes”.⁵³ In Beijing, on the same tour, he had been welcomed with “tremendous parades and gun salutes”. The welcome in the USA suffered in comparison. “Eisenhower didn’t meet my plane – OK,” Sukarno recorded. “He didn’t greet me at the door of the White House – I guess that is still OK. But when he had me wait outside in the anteroom cooling my heels that is definitely not OK.”⁵⁴

The briefing paper given to Eisenhower the day before his meeting with Sukarno referred to the Indonesian leader as “a vain and sensitive individual who responds markedly to personal attention”.⁵⁵ But Eisenhower’s distaste for Sukarno had become increasingly apparent and there was a limit to his willingness to pander to his counterpart’s ego. And, despite the fanfare heaped on Sukarno when he toured the communist world, he sensed there was a degree of artificiality to his reception. Sukarno’s balancing act between the great powers was built on a fundamental distrust of their motives. As he confided to one American visitor: “We don’t know how many friends we have in the world... We have more basic things in common with America than any other country. Please don’t lose this game.”⁵⁶

The Chinese Question: Tensions Over Nationality Resurface

The conflicts Indonesia experienced with the USA after the regional rebellions should have delivered a diplomatic windfall to China. Of the three big powers vying for influence, China arguably had the strongest grounds for confidence it could draw Indonesia into alignment. First, it could reasonably conclude it had the better formula for sustaining good relations. Although it could not match US or Soviet aid dollars, it had pursued many of the same themes as Indonesia in international politics, notably anti-imperialism, and the two countries shared parallel experiences of colonial subjugation, incomplete sovereignty and under development. Second, China had a particularly strong

⁵³ Sukarno, *Sukarno*, p. 295.

⁵⁴ *Ibid.*

⁵⁵ Memorandum from Acting Secretary of State Dillon to President Eisenhower, 5 October 1960, *ibid.*, document 285, p. 553.

⁵⁶ Sukarno made the comment when he was visited by the director in Jakarta of the International Cooperation Administration. Telegram from the Embassy in Indonesia (Jones) to the Department of State, *ibid.*, document 165, pp. 306-307.

motivation for trying to win Indonesia over. It needed allies to break its diplomatic isolation and enhance the international legitimacy of the Communist Party regime. The People's Republic of China was then still denied US diplomatic recognition and UN membership – both of which had been granted instead to the Republic of China government on Taiwan – and was subject to a US-led trade embargo.⁵⁷ The sense of isolation was heightened by trouble on the Sino-Indian border, which eroded the goodwill established in Bandung, and the intensification of the Sino-Soviet rivalry, which produced more open competition between Beijing and Moscow for supporters in the Afro-Asian world. Hence, Beijing was prepared to put more at stake in cultivating the relationship with Indonesia.

But as conflicts with the West were “propelling the two powers together on anti-imperialist issues” there were domestic forces “pushing them in opposite directions”.⁵⁸ These contradictions in the relationship became manifest in the second half of 1959. The trigger for the re-emergence of conflict between Indonesia and China was the troubled status of the Sino-Indonesian population. The signing of the Dual Nationality Treaty in 1955 had failed to resolve the underlying grievances of much of the Indonesian population. Indigenous business people remained envious and resentful of the success of their Chinese competitors – emotions that had periodically flared into open hostility.⁵⁹ The wheels of administration also had turned slowly on the issue. Four years after the treaty was signed, Indonesia and China had still not swapped the instruments of ratification.⁶⁰

With the legal status of the Sino Indonesians unresolved and social antagonisms continuing to fester, the Indonesian Minister of Trade, Rachmat Muljomiseno, added an

⁵⁷ Washington and Beijing had regular diplomatic exchanges at the ambassador level between 1954 and 1970 and established liaison offices in 1973. Official diplomatic ties were launched with the opening of embassies in 1979. The Republic of China on Taiwan absurdly held the permanent Chinese seat on the UN Security Council from 1949 to 1971. “A Guide to the United States’ History of Recognition, Diplomatic, and Consular Relations, by Country, since 1776: China”, Office of the Historian, Department of State, <https://history.state.gov/countries/china>.

⁵⁸ Mozingo, op. cit., p. 152.

⁵⁹ One movement to advance the interests of pribumi business people was headed by Assaat, a businessman and politician, who called for race-based regulation of the economy. Feith, *Decline of Constitutional Democracy*, pp. 481-482.

⁶⁰ China had ratified the treaty on 7 December 1957, but Indonesia had to that point failed to follow suit. Mozingo, op. cit. p. 160.

incendiary ingredient to the overlapping domestic and international trends shaping Indonesia-China relations. In May 1959, Muljomiseno issued a regulation banning so-called “alien” small and retail trade enterprises outside the major cities and towns from the end of the year. The regulation coincided with a separate regulation from the army entitling regional commanders to remove aliens from their places of residence in the countryside for “security reasons”.⁶¹ The targets of the ban were supposed to be non-citizens of any nationality, although in practice it was aimed at the Chinese and authorities did not always make the distinction between the Chinese-born *tokok* and the *peranakan*, those whose families had been in Indonesia for generations.

The regulation was issued while Sukarno was out of Indonesia on another of his extended, multi-country tours. The President’s absence suggests he might not have been informed in advance.⁶² But in his 17 August Independence Day speech, Sukarno both confirmed and modified the commercial ban. Outlining his so-called Political Manifesto, or *Manipol*, Sukarno said room would be found for “all forces, which have proved to be progressive”. This would include “non-native” forces. He then balanced the apparent concession to Chinese traders with his usual ambiguity. Foreign businesses engaged in “counter-revolution” and “acts of economic sabotage” would be dealt with firmly.⁶³ The tightrope Sukarno was walking between nationalists, including the army, on one side and the PKI and China on the other side was evident in this speech.

The army was searching for a means to place the PKI on the defensive and erode the closeness of the relationship Sukarno was forging with China. Under the best-case scenario, the army could draw the PKI out in open opposition to a policy that was popular with native Indonesians and use it as an excuse for measures to suppress the party. Either way, the PKI was in an invidious position because it would have to choose between supporting the Chinese minority or supporting a form of chauvinistic nationalism and antagonising China. One argument is that the army controls on residency, which were

⁶¹ Mozingo, op. cit., pp. 158-159, Mackie, “Anti-Chinese Outbreaks in Indonesia”, pp. 83-84 and p. 86.

⁶² Mozingo argues that Sukarno’s Independence Day speech confirmed “beyond any doubt” that the commerce ban “had his approval”, see *ibid.*, p. 159. Mackie held the contrary view Sukarno did not know and was later “extremely angry” with Muljomiseno and dropped him from the Cabinet, see Mackie, “Anti-Chinese Outbreaks in Indonesia”, p. 85.

⁶³ Mozingo, op. cit. p. 159.

announced two days before the Ministry of Trade regulation, were designed specifically with these aims in mind and had been crafted with the encouragement of US officials.⁶⁴ If it is true the US was prodding the army in this direction, it would fit with the guidance of NSC directive 5901 to isolate the PKI and manipulate it into positions of open opposition to the government.⁶⁵

The final version of the commerce ban came into effect on 16 November in the form of a presidential regulation. In the hope of avoiding an international incident, Sukarno softened the ban in several ways, exempting various categories of business and postponing its start by several months.⁶⁶ Simultaneously, the army's official policy was softened to exclude Chinese who had applied for Indonesian citizenship before 4 May 1959. But in a clear sign that at least some elements of the army hoped to sabotage Sukarno's attempts to calm the situation, the army commander in West Java, Colonel R.A. Kosasih, immediately started an operation to expel Chinese traders from the province's villages. Elsewhere in Indonesia, the implementation of residency controls was uneven. In some regions, including on the islands of Sumatra and Sulawesi, army commanders removed Chinese from their homes and transported them to temporary clearing centres; in others, the ban was either ignored altogether or implemented in token fashion.

The implementation of the residence ban was the trigger for the dispute with China to burst into the open. Until then, the Chinese had adopted public restraint in pursuing a diplomatic campaign to head off the commercial and residency controls. Indeed, Chinese foreign minister, Chen Yi, made an appearance at a banquet in Beijing to celebrate Indonesian Independence Day, telling the audience there was "no conflict of interests between the two countries" because the overseas Chinese had long lived alongside native Indonesians and "devoted their efforts to Indonesia's economic construction".⁶⁷ The Chinese government clearly hoped that, like so many other Indonesian public policies, the

⁶⁴ Mozingo claims elements of the army had been "encouraged by the Americans", but does not provide specific evidence, see Mozingo, *op. cit.*, p. 162.

⁶⁵ It should be recalled this directive urged the adoption of measures aiming at creating "grounds for repressive measures politically justifiable in terms of Indonesia's national self-interest" against the PKI. See, "Statement of US policy on Indonesia", NSC 5901, 3 February 1959, see *FRUS, Vol. XVII, 1958-1960*, document 177, pp. 334-343.

⁶⁶ For details of presidential regulation No. 10 of 1959 see Mozingo, *op. cit.*, p. 166 n. 13.

⁶⁷ "Vice Premier Chen Yi on World Situation", *Peking Review*, Vol. II, No. 34, 25 August 1959, p. 20.

implementation of controls on foreign-born Chinese would turn out to be more modest than the initial design. However, there was growing anxiety in Beijing over the army's intentions and the risk to both China's international image and its entire relationship with Indonesia if the controls on the overseas Chinese were implemented aggressively.

In October, Subandrio travelled to Beijing with the apparent aim of preserving the bilateral relationship. The meetings between Subandrio and Chen resulted in an eight-point communiqué, which served to outwardly maintain the appearance of amity. They supported their respective territorial claims to West New Guinea and Taiwan, Indonesia supported China's claims to a seat at the UN and they reaffirmed the "extreme importance" of continuing to strengthen their relationship. On the question of the overseas Chinese, they adopted the formula Sukarno used in his Independence Day address.⁶⁸ The private discussions in Beijing were less amicable. According to some accounts, Zhou En-lai subjected Subandrio to a haranguing over the treatment of the Chinese, which left him "deeply shaken".⁶⁹

Beijing's strategy appeared to be to publicly avow friendship towards Jakarta and to privately warn of stern consequences should Indonesia infringe the rights of the overseas Chinese. From China's perspective, the best outcome would be for Sukarno to confront the military and right-wing nationalists to ensure the policy was either abandoned or weakly implemented. The military's defiance in West Java after the release of the presidential regulation posed a challenge to Sukarno. But he evidently calculated the personal political consequences of a clash with the army were greater than a clash with China – his initial reaction to the expulsions was muted.

It left Beijing with no good choices. It could either retreat, leaving the overseas Chinese to their fate, or it could challenge Jakarta, jeopardising a diplomatic relationship that it regarded as vital to its foreign policy objectives. Of these two unpalatable alternatives, it initially chose the latter. The reason owed a great deal to the psychology of the state. China had its own history of foreign subjugation and a central narrative of the Communist Party was the restoration of national power and of national and ethnic pride,

⁶⁸ For the full text of the 11 October communiqué see "Sino-Indonesian Joint Communiqué", *Peking Review*, Vol. II, No. 42, 20 October 1959, p. 12.

⁶⁹ Mackie, "Anti-Chinese Outbreaks in Indonesia," p. 88 and p. 228 n. 20. Also see George McT. Kahin, "Malaysia and Indonesia," *Pacific Affairs*, No. 37 (1964), pp. 253-270.

which had a pan-Sino dimension. These themes had been on display during the 10th anniversary celebrations of the People's Republic in October. The risk to China in accepting Indonesia's discriminatory policies against the overseas Chinese was a loss of prestige and possibly legitimacy in the eyes of the Chinese diaspora, and perhaps its own population. This calculation would have naturally conflated with the competition for allegiance with the KMT-controlled Republic of China.

An editorial in the People's Daily on 12 December provided a flavor of this thinking. It warned Jakarta that it would be a "grave mistake" to believe the overseas Chinese were without support. The days of "old China", when overseas Chinese were often subjected to "discrimination, maltreatment and humiliation by imperialism and local reaction", were now over. It went on:

Since the founding of the Chinese People's Republic, this sad state of affairs has ended forever. A grievous mistake is being committed by those who look at things in the same old way, thinking that the overseas Chinese, as of old, have no support and have no other recourse than to earn their living in the country of their residence, and that the Chinese Government of the 650 million Chinese people will simply look on while their compatriots are subjected to unjustified discrimination and persecution abroad.⁷⁰

The editorial was almost certainly a reflection of official views.⁷¹ Lurid reports from inside Indonesia of the mistreatment of overseas Chinese helped arouse a mood of truculence. The state news agency, *Xinhua*, told readers of the "ruthless and violent methods" of the troops and police in West Java, who in expelling overseas Chinese from the countryside were "firing shots, beating them up, and submitting them to all kinds of humiliations".⁷² The response from Beijing was to encourage Chinese in Indonesia who

⁷⁰ "For an overall Statement of the Question of Overseas Chinese in Indonesia: Renmin Ribao", *Peking Review*, Vol. II, No. 50, 15 December 1959, p.p. 8-11.

⁷¹ With the single exception of this warning, the editorial faithfully recorded verbatim the contents of letters sent from Chen to Subandrio stating official government policy. See also "Full Support for Government Stand on Overseas Chinese Question", *Peking Review*, Vol. II, No. 51, 22 December 1959.

⁷² "Factual Survey: Hsinhua News Agency", *Peking Review*, Vol. II, No. 50, 15 December 1959, p. 11.

found they were suddenly homeless and without a livelihood to migrate to China. Radio Peking ran a series of broadcasts from the middle of December advising these Chinese to return to the “motherland”.⁷³ Beijing also hoped to attract those skilled workers who no longer felt secure in order to benefit the Chinese economy and send a message to Indonesia of the potential economic damage it was inflicting on itself. One Chinese strategy paper outlined plans to encourage 50,000 skilled workers, including factory workers and intellectuals, to migrate so as to “put added pressure on Indonesia”.⁷⁴ Conversely, the strategy document advised against any criticism of Sukarno “by name”, presumably because he still offered the best way out of the crisis.⁷⁵ And, on the ground, Chinese diplomats tried to intervene to prevent evictions and even instructed Chinese to refuse to comply with instructions to leave their homes.⁷⁶ The conflicting policies suggested Beijing was grappling to come up with an adequate response. The idea of a muscular China that could at last assert itself in international relations was undercut by the reality of practical impotence.

Ultimately, China was forced to compromise. Given its international isolation, and its growing conflict with the Soviet Union, the diplomatic costs of a rift with Indonesia complicated the trade-off between nationalistic vigor and foreign circumspection. The bellicosity disguised weakness; it was a bluff for the consumption of Chinese everywhere that the state knew it could not fulfil in diplomatic practice. Throughout the crisis, Beijing hedged, hoping to negotiate a solution while publicly projecting indignation at Jakarta’s failure to see the damage being done to its own interests by saboteurs from within. Chen wrote twice to Subandrio on 9 December and 24 December urging the two countries find a settlement based on the immediate ratification of the Dual Nationality Treaty. He wanted Jakarta to undertake to “protect the proper rights and interests” of overseas Chinese who

⁷³ Mozingo, *op. cit.* p. 171.

⁷⁴ “Recommendations for Preparing a Large Welcome for International Chinese”, 20 December 1959, Guangdong Provincial Archives, Wilson Centre Digital Archive, <http://digitalarchive.wilsoncenter.org/document/118254>

⁷⁵ *Ibid.*

⁷⁶ Mackie, “Anti-Chinese Outbreaks in Indonesia,” p. 90.

remained in Indonesia and help facilitate the safe travel to China of those who wished to leave, permitting them to repatriate their wealth.⁷⁷

Chen feared that if the dispute were allowed to drag on anti-communist and pro-Western forces in Indonesia would win a substantial victory. His letters were sprinkled with warnings that the “imperialists” were taking advantage of the dispute to drive a wedge between the two countries. Chinese politicians fretted that after the failure of the US-sponsored rebellions in Indonesia, the Americans were resorting to “sowing discord and scheming to create bad blood” between China and Indonesia.⁷⁸

Sukarno and Subandrio might well have sensed China’s relative weakness. In response to Chen’s requests for an “overall settlement” of the whole overseas Chinese question, Subandrio agreed only to ratification of the treaty and refused to rescind the ban on small retail and trading businesses. He simply ignored the matter of the residency ban being zealously imposed in regions such as West Java. In justifying Indonesia’s actions, Subandrio questioned the loyalty of the overseas Chinese, referring to their “unpalatable attitude” toward native Indonesians during and after the revolution. Subandrio also insisted on Indonesia’s rights to restrict the movement of Chinese diplomats, who he accused of interfering in the internal affairs of Indonesia by trying to obstruct the removal of overseas Chinese from their homes.⁷⁹ Chen had to be content with the exchange of instruments of ratification of the Dual Nationality Treaty, which occurred in Beijing on 20 January 1960.

The ratification of the treaty, and the creation of a joint committee to manage its implementation, presented the first glimmer of hope for a resolution. China softened its stance and ceased trying to actively encourage the return of the overseas Chinese. In a letter to Subandrio on 15 March, Chen said a “good start” had been made in resolving differences with Indonesia and a “fair and reasonable” settlement of the overseas Chinese

⁷⁷ The full text of the 9 December letter is published in *Peking Review*, Vol. II, No. 50, 15 December 1959, pp. 6-7 and the full text of the 24 December letter is published in *Peking Review*, Vol. II, No. 52, 29 December 1959, pp. 6-7.

⁷⁸ This comment was made by Hu Yu-chih, vice president of the China-Indonesia Friendship Association in an article published in *Renmin Ribao* on 16 December, see “Full Support for Government Stand on Overseas Chinese Question”, *Peking Review*, Vol. II, No. 51, 22 December 1959.

⁷⁹ For Subandrio’s 11 December reply to Chen’s first letter, see Mozingo, *op. cit.*, p. 170, also see Mackie, *op. cit.*, p. 92.

question now could be gradually achieved.⁸⁰ This was an optimistic appraisal because, as he wrote, Chinese reported they were being subject to persistent harassment, especially at immigration exit points where they suffered arbitrary confiscation of personal possessions.

The extent of the army's determination to reduce or eliminate the influence of Chinese commerce in the countryside, and to prevent reconciliation with China, became apparent the following month when the campaign of forced evacuations was reinvigorated. The real end to the crisis did not come until July. The trigger for a resolution was ironic, but probably not surprising: an act of army excess. On 3 July, soldiers opened fire on Chinese resisting expulsion from their homes in Cimahi, West Java. Two women were shot dead and several were wounded.⁸¹ After the Cimahi incident, China delivered another strongly worded protest to Indonesia, calling for a public apology, punishment of the killers and compensation for the families of the victims.⁸² With relations now strained virtually to breaking point, Sukarno had the excuse he was probably looking for to rein in the army. The exact means of the President's intervention is unknown, but his hand is seen in subsequent moves to end the crisis.⁸³ Colonel Kosasih, the regional commander, was shortly after transferred to Central Sumatra, and the forced expulsions ceased.⁸⁴ The army had overplayed its hand.

The crisis had imposed an enormous cost on all parties. In all, 119,000 Chinese chose to accept Beijing's offer of assisted migration to China.⁸⁵ But the diplomatic repercussions were surprisingly short-lived, despite the earlier vehemence of Chinese denunciations of Indonesian policy. By August, Chen was playing down the affair, telling Indonesian journalists: "Our common cause of anti-imperialism and anti-colonialism is a

⁸⁰ "Foreign Minister Chen Yi's Letter to Indonesian Foreign Minister Subandrio," *Peking Review*, Vol. III, No. 12, 22 March 1960, p. 14.

⁸¹ "China Strongly Protests Against Killing of Overseas Chinese at Tjimahi" *Peking Review*, Vol. III, No. 29, 19 July 1960, pp. 18-19.

⁸² *Ibid.*

⁸³ Mozingo argues that after the Cimahi incident Sukarno "left no doubt that he wanted an immediate end to the rift with the local Chinese and Peking". Mozingo, *op. cit.*, p. 178.

⁸⁴ In a sign that the army command was not unhappy with Kosasih's conduct, he was later promoted to general and made Ambassador to Australia.

⁸⁵ The figure 119,000 is quoted in Liu, *op. cit.*, p. 179. The British Foreign Office estimated 41,000 Chinese had been processed for admittance to China by July 1960. British Archives, Secretary of States for the Colonies, Document 192, 10 May 1960.

main concern for us.”⁸⁶ On 15 December, the committee established to implement the Dual Nationality Treaty finally signed an agreement on the procedures for Chinese to resolve citizenship. The symbolic consummation of the new détente came when Chen came to Jakarta in March-April 1961. A photograph from that visit shows Sukarno and Chen dancing in a reception room of the presidential palace. During Chen’s visit, Indonesia and China signed a Treaty of Friendship and a cultural cooperation agreement.⁸⁷ This paved the way for Sukarno to make a state visit to Beijing in June. There, Chen told him: “The overseas Chinese problem is a small matter in the relationship between our two countries... and it has been resolved now”.⁸⁸

To Build the World Anew: Non-Alignment and the New Emerging Forces

There was one diplomatic objective on which Indonesia and China were in hearty agreement. They both wanted to reconvene a summit of Asian and African nations at the earliest opportunity. When Chen visited Jakarta in 1961 at the start of the détente between China and Indonesia, he and Sukarno agreed to rally support for a second Bandung.⁸⁹ The idea of another summit served their separate purposes. Sukarno was increasingly ambitious for international recognition. For China, the convocation of Asian and African leaders would create the opportunity to repeat the success of Bandung, where apparent moderation had allayed fears about its intentions and won it new friends. By 1961, still locked out of the United Nations and facing rising tension with the Soviet Union, China’s foreign policy aimed to recruit supporters in the Third World.

Sukarno hoped an Asia Africa summit would provide a platform to promote his vision of a new philosophical foundation for Indonesian foreign policy. The first glimmer of his thinking had been presented at the United Nations General Assembly on 30 September 1960, several months before Chen’s visit. In a speech entitled *To Build the*

⁸⁶ Liu, op. cit., p. 180.

⁸⁷ The full text of the 1 April joint communiqué from the visit can be found at “Chinese-Indonesian Foreign Ministers Joint Communiqué”, *Peking Review*, Vol. IV, No. 14, 7 April 1961, pp. 7-8.

⁸⁸ Liu, op. cit., p. 180.

⁸⁹ “Chinese-Indonesian Foreign Ministers Joint Communiqué”, *Peking Review*, Vol. IV, No. 14, 7 April 1961, pp. 7-8.

World Anew, Sukarno introduced the idea of a new global dichotomy in which nations were categorised as either “emerging” or “established”.⁹⁰ Underlying this analytical construct was the idea that the established states of the old world, which mostly meant Europe and North America, were complicit in a historic act of injustice and exploitation perpetrated against the new world of emerging states. Sukarno later crafted this, with the Indonesian love of acronym and metaphor, into a titanic struggle between the New Emerging Forces (NEFO) and the Old Established Forces (OLDEFO). It was a companion to, and an extension of, his repeated denunciation of colonialism and imperialism; a world divided between the colonised and the colonisers.

His UN speech was a tentative exploration of this new interpretation of bipolarity. He rejected the idea that capitalism and communism represented the fundamental division of international politics. Instead, he argued the true divide was the clash between the nationalist aspirations of the new states and the reactionary attitude of the old states.⁹¹ Another Asia Africa summit would offer the means to build an international constituency behind these ideas, a constituency Sukarno assumed he was well qualified to lead. But the speech contained much more than Sukarno’s assertion of a world riven by conflict between the new aspirational poor and the old contented rich. It was the most personally insightful, comprehensive and important statement of foreign policy he had made to that point. It revealed a great deal about Sukarno’s state of mind, his self-image and the role he saw for Indonesia on the world stage. In ranging across world affairs, he championed the representation of the People’s Republic of China – “the only real China” – in the UN, signalling his desire to restore relations with Beijing; he appealed for a more inclusive approach to peace and disarmament negotiations following the U-2 fiasco and the failure of the Paris summit; he expressed concern the “clashing interests of the big powers” would result in a war in which the new states might be the battleground; he warned Dutch occupation of West New Guinea was “a colonial sword poised over Indonesia”; and he advocated the relocation of the UN’s headquarters from New York to Asia or Africa.

⁹⁰ George Modelski, *The New Emerging Forces: Documents on the Ideology of Indonesian Foreign Policy*, Department of International Relations, Canberra: Australian National University (1963), p. 3-31.

⁹¹ *Ibid*, p. 10.

Most tellingly, Sukarno portrayed himself and Indonesia as leading lights for Asia and Africa. “I am conscious of speaking now for my Asian and African brothers,” Sukarno declared when he appealed for understanding of the nationalist aspirations of the developing countries.⁹² Sukarno’s notions of leadership were not confined to the new states. He called for the UN Charter to be rewritten to place at its “foundation” Indonesia’s state ideology, *Pancasila*, which he erroneously claimed was the product of millennia of “Indonesian civilisation”.⁹³ The incorporation of the Pancasila in the Charter would make it “stronger and better” and “greatly strengthen the United Nations”.⁹⁴ Sukarno’s hubristic performance clearly signalled he was ready to play bigger role in international affairs.

But as Indonesia and China came together to push for the recall of Asian and African leaders, the Yugoslav and Egyptian leaders, Josip Broz Tito and Gamal Abdel Nasser, were exploring an alternative gathering. A summit of Asian and African states would exclude Yugoslavia and require invitations being sent to several allies of the Cold War protagonists. The solution Tito and Nasser arrived at was to determine participation not on the basis of geography but on adherence to the ideology of nonalignment. There had already been resistance to the idea of another Asia Africa summit, notably from Nehru. The first meeting at Bandung had struggled to reach agreement on the final communiqué and the points of difference between the participants had only widened in the ensuing years. Nehru, who had been an eager sponsor of China’s first foray into multilateral diplomacy, no longer felt so benevolent. Tensions had been growing over demarcation of the Sino-Indian border. But Nehru, the world leader who had introduced the concept of nonalignment, was no more eager for a meeting of nonaligned states than a second Asia Africa meeting because of fears it would aggravate the worsening world security situation following the failure of the Paris summit.⁹⁵

⁹² Ibid., p. 10.

⁹³ Ibid., p. 27 and 19-27. Pancasila, which Sukarno had framed to unify the independence movement in June 1945, had universal application. Given that the idea of Indonesia emerged in the 19th century, it is inaccurate to suggest earlier empires such Majapahit, Sriwijaya, etc were “Indonesian” in the modern sense.

⁹⁴ Ibid., p. 26.

⁹⁵ Jovan Cavoski, “Between Great Powers and Third World Neutralists: Yugoslavia and the Belgrade Conference of the Nonaligned Movement 1961”, in Natasa Miskovic et al (eds.), *The Nonaligned Movement and the Cold War*, London: Routledge (2014), p. 193.

In contrast, Sukarno was an enthusiastic recruit to the idea. When Tito and Nasser issued a joint call for a conference of nonaligned states in April 1961, Sukarno quickly offered to join them as a sponsor. He was more concerned with obtaining a global platform for his leadership and ideas about a world divided between the new states and the old than about the specific modalities of the meeting. Consequently, Indonesia embarked on a dual-track strategy for its multilateral diplomacy. It supported an early meeting of nonaligned countries and pressed for it to be followed soon after by a second Asia Africa meeting, which would remain in Sukarno's mind the main event.

At a preparatory meeting in Cairo in June, Indonesia was influential in determining the criteria for attendance at the nonaligned summit. Participating countries would need to be free of military obligations to the great powers. This meant they had no foreign military bases on their soil, no military alliances or pacts concluded with either of the big power blocs and, if a member of a regional military alliance, the alliance must not have been formed within the context of great power rivalries.⁹⁶ Conveniently for Tito, Nehru and Nasser, the criteria excluded China. The Chinese had long been wary of Tito's attempts to build his stature with developing countries and had opposed the nonaligned summit because they suspected it would play into the hands of the West. Deng Xiaoping, then general secretary of the Chinese Communist Party, had warned the "Yugoslav revisionists were now more dangerous than the Americans".⁹⁷

The Belgrade summit was held between 1 and 6 September. Sukarno, pursuing his ambitions for international leadership, gave the keynote address. By then, he had sharpened his argument about the secondary importance of the ideological conflict between the great powers. "There is a conflict which cuts deeper into the flesh of man – the conflict between the new emergent forces for freedom and justice and the old forces of domination," he said.⁹⁸ Colonialism, he went on, had survived the rush to independence in Asia and Africa after the Second World War to be manifested in other forms of economic and political domination. To Sukarno, the existence of an active conflict

⁹⁶ Ibid, p. 196. There were five conditions set. The other two were...

⁹⁷ "From the Diary of P.F. Yudin, Report of Conversation with the General Secretary of the CC CCP, Deng Xiaoping, 27 May 1959", Wilson Digital Archive, <http://digitalarchive.wilsoncenter.org/document/111506>.

⁹⁸ Modelski, op. cit., p. 35.

between the new states and the old reoriented the nature of threat and provided the justification for a reinterpretation of the meaning of nonalignment. It was not synonymous with neutrality or the passivity of a “buffer state” caught between “the two giant power blocs”.⁹⁹ Sukarno preached activism on the part of the new states to break the “Gordian knots” binding international politics and the adoption of a “common approach” to international challenges.¹⁰⁰

Sukarno’s description of both the core problem of international relations and his ideas for the proper role of nonaligned states reflected a fundamental division of outlook within those countries. The 25 states to attend the Belgrade meeting were roughly divided between moderate and militant camps. India was the leading moderate voice and Indonesia the leading militant. Nehru tried to maintain the focus on securing peace between the USA and the Soviet Union, dismissing “classic colonialism” as already dead. He argued the immediate problem was the state of relations between the “Big Two” and the pressing task of the Belgrade meeting was to help bring them together for meaningful negotiations. In Nehru’s opinion, Sukarno’s approach risked opening up new fronts of conflict and exacerbating global tensions.¹⁰¹ Sukarno’s advocacy of a common approach implied a level of coordination that Nehru opposed.¹⁰²

Nehru’s concern over the fragile state of relations between the great powers was underscored on the eve of the Belgrade meeting when Moscow resumed a series of nuclear weapons tests in defiance of the long-running negotiations for an atmospheric Test Ban Treaty. He had even more reason to be concerned by the reaction of some of the leading nonaligned countries. The host surprised almost everyone with a statement that was tantamount to an endorsement of the Soviet actions. Tito laid much of blame for the Soviet action on the Western powers for failing to curb French testing.¹⁰³ Critics also regretted Sukarno’s “reticent” response.¹⁰⁴

⁹⁹ Ibid.

¹⁰⁰ Ibid.

¹⁰¹ Agung, *Twenty Years*, p. 329.

¹⁰² Sadar Swaran Singh, “Nehru and Nonalignment,” Paper Delivered to UNESCO Conference to Mark 100th Anniversary of Nehru’s Birth, 27-29 September 1989, p. 4.

¹⁰³ S. Vujovic (ed.), *The Conference of Heads of State or Government of Non-Aligned Countries, Belgrade 1-6 September 1961*, Belgrade, Yugoslavia, (1961).

¹⁰⁴ Agung, *Twenty Years*, p. 337.

Tito's position on a range of issues then in contention between the West and Communist bloc colored the responses of those countries to the non-aligned meeting. The USA, initially welcoming of the meeting, felt "keen disappointment" over the role Yugoslavia played. The Soviet Union too reversed course, dropping its hostility to the meeting in the face of Tito's "nonalignment with a strong pro-Soviet tilt".¹⁰⁵

Tito's unexpected move to repair relations with Khrushchev further complicated the task of forging a consensus between moderates and militants in Belgrade. In the end, nonaligned countries were forced to compromise by issuing two closing documents. One was a "Statement on the Danger of War and an Appeal for Peace", which urged fresh talks between the USA and Soviet Union and was favored by Nehru as the meeting's main message. The other was a summation of all the grievances of nonaligned leaders named the "Belgrade Declaration". It contained two core themes – respect for the integrity of new states and the urgency of "complete and general disarmament" of the great powers.¹⁰⁶

From the perspective of Indonesian foreign policy, Belgrade was a success. Sukarno ensured the Belgrade Declaration was sprinkled with references to his thesis that at the heart of global conflict was the clash between the old and new forces and that colonialism "in all its manifestations" was yet to be defeated.¹⁰⁷ His only disappointment was the omission of a specific reference to the status of West New Guinea in the declaration. But, more importantly, he was making visible strides with his ambition to elevate his status and that of Indonesia in international affairs. His ideas about the essential nature of global conflict had gained credibility among many states, especially in Africa, and he was increasingly acknowledged as a spokesman for the Third World.

Sukarno's achievement in Belgrade gave momentum to a new direction in foreign policy. It encouraged him to think in more ambitious and radical terms. Foreign policy shifted away from moderation and balance in the original conception of the *bebas-aktif* policy. Following Belgrade, Sukarno's rhetoric and actions became increasingly anti-Western in tone. They were revisionist in a way that suited China, yet not always the Soviet Union. He continued to press for the convening of a second Asia Africa

¹⁰⁵ Cavoski, op. cit., p. 198.

¹⁰⁶ "Belgrade Declaration", *Summit Declarations of Non-aligned Movement, 1961-2009*, Institute of Foreign Affairs, Kathmandu (2011), pp. 1-6.

¹⁰⁷ *Ibid.*, p. 2.

conference. But it appeared his real purpose was to create a counterweight to the American-led Western bloc and, to a lesser extent, the Soviet bloc. His analysis of the international situation reflected a concern about the crude realities of unchecked power in the international system. It was not capitalism or communism per se that alarmed him. As he had declared in Belgrade, ideology was “not the main problem of our time”; it was a matter for countries to pursue internally and manage peacefully.¹⁰⁸ Unlike Americans, he regarded communism as neither monolithic nor intrinsically threatening. The coincidence of international policy goals between Indonesia and China meant he could look beyond the ideological complexion of the regime in Beijing to the advantages he could obtain from China’s presence in the Asia Africa process.

Although Sukarno tried to couch his advocacy of the rights of the new states in terms of a principled defence of the weak and universal respect for sovereignty, his actual foreign policy decision-making was imbued with a large dose of *Realpolitik*, as his attitude to China suggested. Deng Xiaoping praised him for his sympathetic understanding of China’s takeover of Tibet. In Deng’s words, Indonesia had taken “the best position” among the nationalist countries in Asia, which was “particularly evident in the example of Indonesia’s attitude toward events in Tibet”.¹⁰⁹ Indonesia displayed the same tolerance towards China after it invaded India in October 1962 during their heated border dispute.¹¹⁰ The principles of solidarity among the new states and peaceful co-existence were of less concern to Jakarta on that occasion than the risk the dispute posed to the possibility of holding another Asia-Africa conference.¹¹¹

From the early 1960s, Indonesia clearly adopted a harder demeanor towards achieving its goals. This is exemplified by its advocacy of what Subandrio termed

¹⁰⁸ Modelski, op. cit., p. 43.

¹⁰⁹ From the Diary of P.F. Yudin, Report of Conversation with the General Secretary of the CC CCP, Deng Xiaoping, 27 May 1959, Wilson Center Digital Archive, <http://digitalarchive.wilsoncenter.org/document/111506>

¹¹⁰ Subandrio went so far as to tell the Chinese ambassador that the battle had taught “India a lesson”. Cable from Yao Zhongming, ‘The Sino-Indian Boundary Issue’, 27 November 1962. Wilson Center Digital Archive, <http://digitalarchive.wilsoncenter.org/document/114777>.

¹¹¹ A Foreign Ministry official told Li Jusheng supported measures to calm the Sino-Indian border dispute “hoping that it will create a good atmosphere and enable the second Asia-Africa Conference to be convened”. Cable from Li Jusheng, ‘Report on handing over the Letter of the Premier to Sukarno’, Wilson Center Digital Archive, <http://digitalarchive.wilsoncenter.org/document/114769>. Also see, Agung, *Twenty Years*, p. 361.

“diplomacy as an instrument of revolution”.¹¹² The revolution Sukarno and Subandrio had in mind was the achievement of what they regarded as justice on an international scale. But the idea of revolution inspired diplomatic means as well as ends. It was to provide the intellectual underpinnings of a new coercive diplomacy of *Konfrontasi*, which would be manifest in the great foreign policy challenges of Sukarno’s remaining years – the denouement to the long struggle for control of West New Guinea, completing the missing piece of national sovereignty, and the assertion of Indonesia as a regional leader and, perhaps, a global power.

Alignment Policy: A Critical Assessment

Balancing Risk in Alignment Behavior

The defining event in foreign policy from 1959 was the advent of Guided Democracy. Sukarno became the preeminent figure in foreign policymaking and arguably was free to dictate policy as he saw fit. The impression that Sukarno was in command of foreign policy was reinforced by both the strong personal interest he took in the subject and his increasing profile as the voice of Indonesia as much as the structural shift in power.

There were limits to the power Sukarno exercised. His reliance on the army and the PKI as two mutually-antagonistic pillars of power was one of several arrangements that set boundaries on acceptable policy, especially in the early phase of Guided Democracy. But to understand Indonesia’s alignment behavior after the abrogation of the 1950 constitution it is necessary to understand the preferences and interests of Sukarno. US, Soviet and Chinese efforts to cultivate Indonesia as an ally, or to at least prevent it falling into the opposing camp, centred on winning Sukarno’s personal favor. For all three, the Indonesian president remained an elusive partner. His strategy appeared to be to obtain as many advantages as he could from the great power rivals without sacrificing Indonesia’s freedom to move.

¹¹² Modelski, op. cit., p. 45.

Sukarno's efforts to simultaneously engage the great powers and preserve Indonesia's autonomy were assisted by the broad conditions prevailing at the time. The focus of Cold War tension remained the northern hemisphere. There were troubling developments for global security – the failure of the Paris summit, the second Berlin crisis, and the Cuban missile crisis – but they did not immediately implicate Indonesian security interests. Closer to Indonesia, the growth of American assistance to South Vietnam was a cause for concern. But the brewing crisis in Indochina was yet to transform into full-scale war. Indeed, the arrival of Kennedy in the White House offered the promise of a fresh start. Sukarno's biggest external worry was the continued presence of the Dutch in West New Guinea, which he had characterised at the UN as a “sword” poised over Indonesia. Still, the net effect of international conditions was to produce at most a moderate probability of Indonesia facing direct external threat.

The same could be said of the internal environment. The end of the regional rebellions and the gradual consolidation of Guided Democracy left Sukarno in a strong if not unassailable position as both head of state and of government. He had seen off the political parties. State institutions were gradually tamed. The army, then the strongest of them, had been the leading advocate of Guided Democracy. And, in any case, Sukarno was able to start to whittle away at army influence as he engineered his balancing act between the generals and the PKI.

There are several salient features to the way Sukarno managed the alignment politics of early Guided Democracy. First, alignment was a tool for building Indonesia's national strength. Second, it facilitated Sukarno's efforts to pursue certain critical objectives – namely Indonesia's territorial claim over West New Guinea and an international leadership role for Indonesia at the head of a grouping of new or nonaligned states. Third, it was a means of managing conflicting international and domestic pressures that posed a challenge to Indonesia's independence and the strength of his own grip on power.

In addressing the first of these points, it should be noted that Indonesia's primary motive for alignment was to build internal strength. An essential rationale for the alignment strategies employed in the two years immediately following the adoption of Guided Democracy was the contribution they made to the rapid expansion of the

Indonesian armed forces. This provided for the first time a serious deterrent to foreign intervention or the utilisation of dissident groups by foreign powers. It also allowed Indonesia to back its own objectives with a credible display of power, most importantly the long-frustrated claim to West New Guinea. When it came to the source of material gain, Sukarno was ideologically agnostic. The army itself preferred US equipment. Sukarno simply wanted the best quality and most affordable armaments in sufficient quantities regardless of the supplier.

The second priority was to use alignment, and the power Indonesia accrued from the deft management of it, to pursue certain international ambitions. The growth of Soviet and Eastern bloc supplied weaponry laid the foundation for a more assertive campaign to wrest control of West New Guinea in the years ahead. This was Sukarno's top priority – something he admitted to being obsessed about. But Sukarno had other international ambitions in which alignment politics would play a vital role and that was as a leader of the Third World. There were two main dimensions to his international activism: the first was ideological and the second was material.

The primary focus of the ideological dimension was to promote anti-imperialism and anti-colonialism as the basis of a new order in which the Third World could enhance its security and economic welfare. An essential companion to this was the desire to elevate the status of Indonesia and its leader. This was reflected in Sukarno's hubristic performance at the UN in 1960. The material dimension of Sukarno's activism was to bring together a sufficient number of Third World countries to form a counterbalancing bloc to the US-led Western capitalist and Soviet-led communist blocs. Sukarno did not appear to be too concerned about the modalities, although he probably preferred the Asia Africa countries were the spearhead. Indonesia was historically invested in the Asia Africa process and had better prospects of emerging as its leader. The idea of a third bloc was a further reflection of the *Realpolitik* on display in Indonesia's internal military build-up. The compelling logic was that it could create greater autonomy for Third World states and allow them to avoid becoming a battleground in a Cold War confrontation.

But these internationalist objectives also illustrated the great unpredictability and complexity of alignment politics. Although the People's Republic of China was not in the same league as the USA and Soviet Union when it came to incentives for alignment,

Sukarno saw it as a valuable ally in the pursuit of his international activism. It was unwavering on the right of Indonesia to incorporate West New Guinea. It was just as committed as Indonesia to the fight against imperialism and colonialism. And it was an enthusiastic supporter of the Asia Africa process, including Sukarno's ambitions to see a bigger role for the Third World that challenged the hegemony of the US and Soviet blocs.

But the experience of Indonesia's relations with China was to test Sukarno's skill in managing the overlapping international and domestic risks of alignment policy. Scholars of the period believe the campaigns to force Sino-Indonesia traders out of business and residence in the countryside was an opportunistic move by anti-communists to drive a wedge between the government and the PKI or the government and China.¹¹³ The evidence is circumstantial. There also is ample evidence of improvisation and opportunism in the way the policy was developed and implemented. But there is no doubt it was popular.

If it was the deliberate purpose to wedge Sukarno, rather than simply the result of ad hoc decisions, the instigators had a considerable degree of success. China felt compelled to present a combative response to Indonesia for the sake of its own domestic and foreign policy interests. The PKI faced the choice of opposing the army and government on an issue popular in its own rural strongholds or seeing relations strained with China. Sukarno, despite his growing authority and undoubted popularity, could not afford to take the chance of being portrayed as a defender of Sino-Indonesians against the preferences of the huge *pribumi* majority and key segments of the army. For these reasons, an issue with immense implications for foreign policy was swept along by the current of domestic events.

The President did not want to sacrifice relations with Beijing, and the contribution it could make to his foreign policy agenda, as much as he might have shared *pribumi* concerns over the role of Chinese traders in the economy. So, in the midst of the domestic anti-Chinese campaign, Sukarno attempted to prevent the tide of popular sentiment determining the outcome of foreign policy. In Beijing, Subandrio delivered the important messages that Indonesia backed China's claim to Taiwan and saw the People's Republic as the rightful claimant to the Chinese seat in the United Nations. Jakarta hoped to

¹¹³ Mackie, "Anti-Chinese Outbreaks in Indonesia," pp. 86-87.

disentangle the issue of the treatment of its own Chinese from the emerging partnership with China. In this way, Sukarno sought to balance the risks of policy choices at the domestic and international levels. It was in essence a defensive strategy that had some echoes of Omnibalancing in that it sought to separate a domestic group at the centre of domestic contention from its main foreign sponsor.

Sukarno's dilemma over the China relationship underscores the third important feature of the politics of alignment during this period. A key aspect of the alignment challenge was to reconcile often conflicting international and domestic priorities. Just as in the crisis over the Chinese residency and trading bans, Sukarno had to manage the competition between the USA and Soviet Union for Indonesian allegiance in such a way that it did not inflame domestic tensions or compromise international interests, which included maintaining the freedom to pursue his growing independent international agenda.

In this exercise, Sukarno demonstrated he was becoming more adept and confident at the strategy of competitive bidding, even as it appears to have annoyed Indonesia's suitors. Despite the regional rebellions, and the turn to the Soviet Union as the biggest source of military and economic aid, Sukarno worked to keep the USA engaged. He applied pressure at the point of greatest American sensitivity – the fear Indonesia might drift into the communist camp – to extract what benefits he could. The message was strengthened because of warnings from perceived internal allies of the USA, including respected figures like Djuanda and Nasution, that continued support for rebel holdouts or a revival the rebellions would force Indonesia to accept assistance on the ground from the Soviet bloc.

The benefit Sukarno obtained was to soften US opposition to his leadership. The change in American thinking was reflected in acts designed to personally appease him, like joy riding in a Globemaster and approval to buy the latest and most expensive airliners. It also was reflected in acts with greater strategic significance, including a restoration of aid to the military and pressure on Chiang Kai-shek to drop the Republic of China's support for the remaining rebels in Sulawesi.

Although playing both sides offended sensibilities in Moscow and Washington, it was an effective strategy. From the outside, competitive bidding could be viewed as

cynical, and it was not without some peril. But it served to balance alignment risk not just at the international level, but at the domestic level too.

At the international level, competitive bidding could act as a complement to neutrality. In Sukarno's hands, it was a variation of hedging or hiding. But it was more proactive than those strategies: Sukarno appeared to actively dangle the prospect of aligning with one of the two camps to keep them both engaged in either seeking Indonesia's allegiance or its continued neutrality. Under this scenario, neutrality could be contrived to appear as a victory in the main Cold War capitals. For both Washington and Moscow, it increasingly became enough to deny Indonesia as a prize to the other side. But unlike in a simple hedging or hiding strategy, the act of pitting great power rivals against each other for Indonesia's favor meant it could gain some of the advantages of alignment – substantial economic and military aid, commercial opportunities and support for certain foreign policy priorities – from mutually hostile partners.

At a domestic level, competitive bidding was the foreign policy companion to the balancing act Sukarno conducted between the army and the PKI. By maintaining positive relations with both the Cold War camps, he could hope to at least placate the left and the right in Indonesian politics. If either side pushed too hard on the question of Indonesia's foreign policy alignment, Sukarno could point to demonstrable gains.

Underpinning this period of juggling great power relations, it is possible to construct a straightforward cost-benefit analysis. Given that both the USA and the Soviet Union actively courted Indonesia, and given that Indonesia's own interests were deemed to depend on an increase in material power without a significant loss of policy autonomy, the competitive bidding strategy made sense as long as it could be sustained. Likewise, in the case of China, Sukarno's strategy of appeasing China, while trying to soften some of the harsher features of the anti-Chinese campaign, was a rational means of minimising the inevitable international and domestic costs.

Interestingly, Sukarno attempted to orchestrate a range of alignment strategies in unison. He embraced the fluidity of international politics to adjust Indonesian foreign policy without too much regard for old diplomatic conventions. As he deployed them, competitive bidding, hiding, Omnibalancing and balancing were unpredictable, but not altogether contradictory.

The behavior is most consistent with the hypothesis that a state facing little prospect of loss should adopt alignment strategies that support domestic group or individual preferences and interests in foreign policy. It is expected to employ various smart alignment strategies to maximise the benefits of international cooperation while minimizing the loss of policy autonomy.

The evidence suggests Indonesia faced moderate levels of threat to its security. Although the Cold War produced spikes of anxiety over Berlin and Cuba and nuclear arsenals grew, Indonesia was removed from those conflicts. It was relatively secure within its borders, but still had to be conscious of a repeat of the experience it had in 1958. Sukarno's concerns about the Dutch position in West New Guinea were conflated as an external threat yet it would be hard for him to have concluded this from the size of the Dutch garrison. The domestic environment also presented moderate levels of threat. The defeat of the rebellions and the consolidation of Guided Democracy could give Sukarno confidence that he faced no serious challenge to his presidency.

Still, the hypothesis also suggests that at these times states should prefer to avoid hard strategies like expansion of military capability and overt balancing and bandwagoning options. Indonesia did pursue an aggressive military build-up. And the explanation for this was the acute sense of loss felt over Dutch occupation of West New Guinea. It underscores the reality that it is not always a simple matter to identify whether a decision maker perceives his or her reference point to be one of gains and losses. For this reason, and because of the preference for explanatory simplicity, a rational choice explanation of alignment behavior in this period is preferred to a prospect theory explanation.

Of the other hypotheses, shared ideological beliefs fared best. Sukarno's readiness to embrace NAM and his continued pursuit of an Asia Africa organisation were driven by the belief he could harness those states to the cause of anti-colonialism and the division of the world into the NEFO and OLDEFO. The efforts to minimise the fallout from domestic anti-Chinese activities on the diplomatic relationship with China owed in large part to shared ideological commitments about the conduct of international politics. But shared ideology, while providing meaningful insight into certain alignment choices, does not explain the totality of alignment decisions. The record of alignment choices shows

that pragmatic considerations were of far greater relevance. Even as Indonesia accepted growing levels of Soviet aid, Sukarno and his ministers were anxious to convince the USA that the transfers did not reflect an ideological repositioning in favor of communism.

The pragmatic attitude to the sources of aid also affected the political leverage aid provided the donor country. The USA had been the most consistent source of aid to Indonesia since independence, although levels dropped off in the late 1950s and were sharply overtaken by the Soviet Union and its allies. The consistency of American aid had little impact on Indonesia's determination of the national interest in foreign policy decision making. Sukarno simply switched sponsors when the USA proved reluctant to supply the type of aid he wanted. Equally, the Soviet Union did not reap any immediate reward from its largesse. The generous amounts of civil and military support, including for symbolic projects of little economic value, could be seen as an investment in future relations. But Khrushchev obviously even then has his doubts, expressing dissatisfaction with Sukarno's attempts to play both sides and with the poor apprehension of socialism he saw in the Indonesian government. There is thus modest evidence to support the proposition that aid increases the tendency to align and little evidence for the proposition that it increases the influence of the donor on the policies adopted by the recipient.

The hypothesis that fared worst was in relation to the role of transnational political penetration. The presence of a large ethnic Chinese population, which both the People's Republic China and the Republic of China tried to cultivate, prove a liability to Beijing and Taipei. The pro-KMT lobby in Jakarta became a focus of hostility once Taiwan's role in the regional rebellions became apparent. And the anti-trading and residency bans threatened to derail the work undertaken since the signing of the Dual Nationality Treaty to build international cooperation between Jakarta and Beijing. Rather than proving an advantage for China, the wealth and economic influence of the diaspora made Indonesia wary over the dangers of its resident Chinese acting as a 5th column. Although the Soviet Union and the USA attempted to bolster their influence through various forms of propaganda and cultivation of individuals, the overall impact on government policy was limited. The opposing sides of the Cold War each had their natural constituencies in Indonesia – for the Soviet Union and China it was the PKI and for the USA it was the army and remnants of the political parties that had been associated with the rebellions,

particularly Masyumi and the PSI. But this could only translate into influence to the extent those domestic forces were either in the ascendancy or felt their interests coincided with the foreign powers.

Conclusion

The early years of Guided Democracy saw Sukarno take charge of the broad outlines of Indonesian foreign policy. He more confidently asserted a leadership role for Indonesia in international politics, using forums like the United Nations General Assembly and NAM to do so. Sukarno also started to launch Indonesia on a more radical course in foreign policy, where the idea of strict neutrality under the *bebas-aktif* policy gave way to an interpretation of the world divided between the wealthy established states and the poor emerging states. Nonalignment in this vision of foreign policy was not about staying out of the Cold War and reducing tensions between the USA and Soviet Union, but forging an activist third bloc to advance the interests of the Third World.

But there was a contradiction between Sukarno's ambitions and the reality of Indonesia's national strength. Sukarno and Indonesia continued to need the great powers to contribute to Indonesia's own development even as he criticised them for sponsoring or condoning imperialism and called for a more just international system. The means he used to reduce the risk of capture by foreign powers was to pit them against each other. The hallmark of Indonesian alignment policy during this period was competitive bidding; a pragmatic solution to meeting Indonesia's material needs while preserving its policy autonomy. Although it was to cause some offence to the great power rivals for influence in Indonesia, the policy worked because the zero-sum calculations of the Cold War presented them with the choice of competing or abandoning Indonesia to the other side.

Indonesia simultaneously looked to the future. It drew on the support of the great powers, particularly the Soviet Union, to lay the groundwork for *Realpolitik* balancing. The acquisition of military firepower meant Indonesia was better prepared to defend itself against rebellions and foreign incursions and to pursue its own international ambitions; the paramount ambition being the ouster of the Dutch from West New Guinea. Sukarno extended this balancing activity into alignment politics by conceiving of a new state bloc

founded on either NAM or the Asia Africa conference. Thus, the early 1960s can be seen as the start of a transition in which the growth of military power underwrote a foreign policy where Indonesia could act more independently of the great powers and resist pressure to conform.

Still, the complexities of managing great power relations were evident in Indonesia's relations with China. The crisis over the residency rights of Sino-Indonesians demonstrated the difficulties of balancing the risks in alignment politics simultaneously at the domestic and international levels. Sukarno's solution could be described as a variation of Omnibalancing – acquiescing to action against his local Chinese while trying to appease Beijing. Ultimately, China's desire not to be out manoeuvred in Indonesia by both the USA and Soviet Union led it to make peace and accept the inevitability of discrimination.

The episodes described here provide support for the two hypotheses that domestic group or individual preferences and interests are prioritised when the prospect of state or regime loss is perceived to be low and hard or offensive policies are preferred when the prospect of losses to the regime or state is perceived to be high.

CHAPTER EIGHT

Test of Power: Confrontation Over West New Guinea

Two years after imposing Guided Democracy on Indonesia, Sukarno was relatively secure in office and ready to complete the vision for an Indonesian nation he had laid out in his *Pancasila* speech 16 years earlier. After years of exasperating appeals to the UN and attempts to pressure the Dutch into bilateral negotiations, Indonesia had acquired sufficient power to try to force a solution to its claims over West New Guinea. For Sukarno, and Indonesians generally, the exercise of sovereignty over West New Guinea was the highest foreign policy priority. Although Sukarno was secure at the head of government, victory over the Netherlands would have acted as a vindication of his leadership and even the system of Guided Democracy. The continued Dutch occupation of the territory was regarded as one of the last pieces of unfinished business of the Round Table Agreements of 1949. Passions were so high on this question that Indonesians would have been readily led to war by Sukarno to secure their objective.

The events described in this chapter trace the final stages of Indonesia's campaign to win sovereignty over West New Guinea. It begins with the arrival in the White House of a young President who was ready to bring fresh thinking to the troubled relationship with Indonesia. The key to the recovery of strained ties was deemed to be resolution of the West New Guinea conflict before it became a full-blown military crisis. The chapter then traces the diplomatic negotiations leading to a final resolution of Indonesian claims. It ends with Indonesia at a crossroads, facing the choice between the pursuit of radical "revolutionary diplomacy" or adopting an orthodox Western-led program of economic development.

The chapter concludes by arguing that continued Dutch occupation of West New Guinea represented a critical loss to the state and therefore invited a hard response that entailed high risks. This resulted in a balancing strategy in which Indonesia continued to

expand its military capability and obtained explicit support, including the offer of combat support, from the Soviet Union. But Sukarno cleverly managed Indonesia's alignment posture to maximise the prospects for success over West New Guinea, while minimising the risks. He did this by maintaining dialogue with the USA to keep open the prospect of Washington brokering a peaceful settlement. He held out the hope of improved relations with the USA if it assisted Indonesia's territorial ambitions. In this way, he continued a pattern of playing both sides of the Cold War to the frequent discomfort of both the USA and the Soviet Union.

Diplomacy and War Clouds

A Fresh Start with America: At the Court of Camelot

Five days after John F. Kennedy was sworn in as President, Howard Jones made another pitch to Washington to seek a more positive relationship with Indonesia. Jones, who had long advocated US interests were served by a policy of predictable and generous support to Indonesia, argued the change of administration provided an opportunity to reset relations after the vicissitudes of the Eisenhower years. Jones' overriding concern was that the USA was losing the game for influence in Indonesia to the Communist bloc. "Indonesia is now moving from a neutralist position to one of greater dependency on the bloc," he warned in a telegram to the State Department.¹

Jones' answer was a seven-point program, which aimed to settle the status of West New Guinea, establish a personal relationship between Presidents Kennedy and Sukarno, upgrade the economic and military aid relationship, and remove any doubts that the USA was firmly on the side of anti-colonialism. Although he regarded the implementation of all seven items as essential to success, there clearly was urgency to the first two. A solution to the conflict over West New Guinea would avert the outbreak of a war between the Netherlands and Indonesia in which America's "entire position in Asia would be threatened".² A personal rapport between Kennedy and Sukarno

¹ Telegram from the Embassy in Indonesia (Jones) to the Department of State, 25 January 1961, *FRUS, Vol. XXIII, 1961-1963*, document 143.

² *Ibid.*

unquestionably would “lead to greater US impact on Sukarno’s thinking and attitudes and could exert considerable influence on the course of events in Indonesia”.³ In pursuit of this latter goal, Jones proposed Kennedy write to Sukarno and propose an “informal” meeting at the White House during a planned visit by the Indonesian leader to the USA between 24 and 25 April. It was hoped this would become a turning point in a troubled relationship.

By the start of 1961, two interlinked features of Indonesia’s international relations with implications for the USA were crystallising. The first was that the clash over rightful ownership of West New Guinea was coming to a head. The second was that the attention the Soviet Union had lavished on Indonesia in terms of military and economic aid and diplomatic support since Khrushchev’s 1960 visit was reaping dividends. It put Washington in a bind. It was not ready to match Soviet largesse: American estimates of the rival aid spend was USD 1.1 billion, comprising USD 593 million in military aid and the balance in economic aid.⁴ Competing with the Soviet aid program risked rewarding what the Americans regarded as bad behavior and offending Congress, many of whose leading foreign policy representatives viewed Sukarno as “personally obnoxious”.⁵ Washington could also not match Moscow’s open and unqualified support for Indonesia’s claims to West New Guinea without incurring the anger of close allies the Netherlands and Australia, even if it did regard those claims as either legitimate or expedient, which many did not.

America’s frustration over West New Guinea was compounded by the fact it regarded the Dutch-administered territory as essentially worthless. It had little appreciation of why the Dutch thought it merited the financial and diplomatic burden they had carried since the Round Table Conference of 1949. One description in a paper sent to Kennedy dismissively described West New Guinea as “unexplored mountain-jungle swampland”, inhabited by “semi-nomadic, stone age, Papuan tribesmen, speaking

³ Telegram from Jones to the Department of State, 25 January 1961, *ibid.*, document 144.

⁴ Brief Prepared in the Defence Intelligence Agency, SNIE 55-61: Outlook in Indonesia with Special Reference to West New Guinea, 7 March 1961, *ibid.*, document 151. Hindley provides an extensive comparison of foreign aid based on official contemporary data. See, Donald Hindley, “Foreign Aid to Indonesia and its Political Implications”, *Pacific Affairs*, Vol. 36, No. 2 (1963), 109.

⁵ Telegram from Jones to the Department of State, 25 January 1961, *ibid.*, document 144.

a couple of hundred mutually-unintelligible tongues”.⁶ But there also was little sympathy for the Indonesian argument that the territory was intrinsically and naturally part of the Indonesian state. A common theme in Washington going back to John Foster Dulles was that the Indonesians simply proposed supplanting one form of colonialism for another.⁷ The Melanesians of Papua were viewed as having virtually no bond of either blood or culture with the dominant Malay races of the rest of Indonesia.

Whatever the merits of these opinions, they were irrelevant to American ideas about how the dispute should be resolved. The assessments made in Washington by the various agencies that weighed into the debate in the early weeks and months of the Kennedy administration were based purely on pragmatic strategic calculations. US government agencies were split not over principles of self-determination or the rights of indigenous people, but over how national interests would best be served. The purpose that united everyone in government was the rollback of international and domestic communist influence on the Indonesian government. An expeditious West New Guinea policy was one that best contributed to that end. It was over this pivotal objective the Washington policy community divided. The Central Intelligence Agency’s deputy director for plans, Richard M. Bissell, concluded Indonesian control over West New Guinea would be harmful to US security interests as long as Sukarno remained in power. He warned:

We consider it likely that Indonesia’s success in this particular instance will set in train the launching of other irredentist ventures already foreshadowed in lectures given by Professor Yamin, an avowed extremist, who however, is a member of the Indonesian cabinet close to President Sukarno.⁸

⁶ Memorandum from Secretary of State Rusk to President Kennedy 3 April 1961, *ibid.*, document 158.

⁷ Dulles had told Foreign Minister Roselan Abdulgani at a meeting in Washington in 1956: “The inhabitants are not of the same race as the Indonesians, and from their standpoint the choice appeared to be between Dutch or Indonesian Colonialism.” Memorandum of a Conversation, Department of State, Washington, 17 May 1956, *FRUS, Vol. XXII, 1955-1957*, document 158, p. 271.

⁸ Memorandum from the Deputy Director for Plans, CIA, Richard Bissell to the President’s Special Assistant for National Security Affairs, McGeorge Bundy, 27 March 1961, *FRUS, Vol. XXIII, 1961-1963*, document 155.

Bissell made the prescient observation that Sukarno would portray victory in ousting the Dutch from West New Guinea as a combination of his own leadership, the “unflinching” support of the PKI and the threat of Soviet intervention, regardless of how instrumental the USA proved to be in the outcome. The same tendency to minimise the US contribution would greet any increase in the volume of military and economic aid. “We should assume appeasement will buy us nothing,” he concluded.⁹

At the other end of the spectrum of official opinion lay McGeorge Bundy’s National Security Council team. Robert W. Komer, who has been described as one of the most ambitious of this bright cabal, dismissed Bissell’s position as “sterile oppositionism”.¹⁰ Komer himself was a 15-year veteran of the CIA before being recruited onto Bundy’s staff. He advocated the creation of a mechanism that ensured the transfer of sovereignty over West New Guinea to Indonesia at the earliest date, while preserving a semblance of due process. “I am sure we all agree that Indonesia will eventually get WNG, that we cannot afford to buck Sukarno on this issue while the Soviets back him and that the Dutch will have to give,” he argued.¹¹ All the NSC staff working on the issue adopted the same line. Some in the CIA also shared this conviction. The Deputy Director of Central Intelligence, Robert Amory, argued the USA should abandon its neutrality in favor of Indonesia.¹²

In this debate, the leadership of the State Department and the embassy in Jakarta were close to the NSC position, but they set more store in a defensible process and deference to the idea of self-determination. Their proposal was to place West New Guinea under a UN trusteeship for a fixed period with newly independent Malaya acting as the trustee because it was “the country nearest to Indonesia geographically, linguistically and racially”.¹³ If Malaya proved unable to fulfil the duties of trustee as part of a consortium of countries supplying financial and logistic support, the trusteeship

⁹ Ibid.

¹⁰ Memorandum from Robert W. Komer, the National Security Council Staff, to McGeorge Bundy, 27 March 1961, *ibid.*, document 156.

¹¹ Memorandum from Robert W. Komer to the President’s Deputy Special Assistant for National Security Affairs, Walt Rostow, 5 April 1961, *ibid.*, document 159.

¹² Simpson, *Economists with Guns*, p. 42.

¹³ Memorandum from Secretary of State, Dean Rusk, to President Kennedy, 3 April 1961. *FRUS, Vol. XXIII, 1961-1963*, document 158. Christian Herter advocated this approach in late 1960 after he became Secretary of State on the death of Dulles.

should be managed directly by the UN. The proposal was approved by Secretary of State, Dean Rusk, on 7 April and recommended to Kennedy.

But, regardless of the mechanism, two points were well understood: first, the transfer of sovereignty to Indonesia was inevitable despite disagreement among agencies in Washington over the desirability of West New Guinea's union with Indonesia and, second, American leadership held the key to an eventual resolution. There was undoubted truth to this latter conclusion. Certainly, Indonesia had effectively increased its bargaining power following the failure of successive efforts to have the issue inscribed on the UN agenda. The rapid Soviet-backed military expansion and diplomatic support from Communist bloc and many non-aligned countries gave Jakarta more leverage than at any time since the Round Table Conference. But the cost and operational challenges of ousting the Dutch by force meant an Indonesian invasion of West New Guinea was a poor alternative to diplomacy, despite Sukarno's frequently bellicose rhetoric. And it was obvious to everyone that there would be no diplomatic solution unless the USA played an active role in mediating between Indonesia and the Netherlands.

It was against this background that Sukarno came to Washington in April 1961 for his first meeting with Kennedy. The State Department set four objectives for the Sukarno-Kennedy talks. It hoped Kennedy could charm Sukarno, pandering to his renowned ego, to enliven "the somewhat distant tone" of US-Indonesian relations. It wanted to express "friendly US interest and concern" in the West New Guinea dispute. It sought to ensure Sukarno had a better understanding of the US position in the Cold War. And it wanted to dispel Sukarno's apparent belief the USA opposed him personally and wanted him removed from office.¹⁴

Kennedy accomplished the first of these objectives with ease, based on Sukarno's subsequent account. He acceded to Sukarno's request to be met on arrival at National Airport in Washington, a gesture Sukarno believed would signify to an Indonesian audience the esteem Americans had for him. Kennedy also unveiled a surprise gift – a Sikorsky helicopter of the type used to ferry US presidents from the south lawn of the

¹⁴ Memorandum from Acting Secretary of State Chester Bowles to President Kennedy, 20 April 1961, *ibid.*, document 158.

White House.¹⁵ Sukarno later reflected on the occasion, commenting that Kennedy “understood me”.

One day he took me by the arm and we enjoyed a short, private flight in his helicopter. I was so happy that the President of the United States of America and the President of the Republic of Indonesia were riding around together. Then he asked if I’d be interested in owning a helicopter like this. I still have it. I still have photographs of him and his family in my home.¹⁶

Sukarno was beguiled by such trifling gestures from foreign leaders, which was one of his weaknesses. What’s more, he found the youth and glamor of the Kennedy White House to be an attractive contrast to the straight-laced and dour Eisenhower years. But Kennedy’s conviviality was just a sales pitch that followed the advice of the NSC. The reality was that Kennedy was disdainful of Sukarno’s extravagant rhetoric and indulgent lifestyle. Jacqueline Kennedy recalled she and her husband inviting Sukarno to the private sitting room of the White House for an intimate chat. The First Lady had sought to flatter the Indonesian president by ensuring a volume of his collected artwork was positioned prominently on the coffee table. As they leafed through, Sukarno, seated on the sofa between Mr. and Mrs. Kennedy, displayed delight at the plates of Indonesian women naked to the waist. “I caught Jack’s eye, and we were trying not to laugh at each other,” Jacqueline Kennedy recalled three years later. “He was so terribly happy, and he’d say, ‘This is my second wife, and this was’...” Her dislike for Sukarno was compounded by “a sort of lecherous look” that “left a bad taste in your mouth.”¹⁷

On the subject of West New Guinea, Kennedy proved he was less amenable to the counsel he received from his NSC advisers. During a 90-minute discussion at the White House on 24 April, Kennedy peppered Sukarno with questions on why Indonesia either wanted or felt entitled to claim West New Guinea, whose population was clearly of a different race to the majority of Indonesians. Sukarno at times appeared to struggle with his replies. The following paraphrased exchange from the official record was indicative:

¹⁵ The Soviets had given an Ilyushin Il-18 airliner for presidential travel.

¹⁶ Sukarno, *Sukarno*, p. 296.

¹⁷ “In Tapes, Candid Talk by Young Kennedy Widow”, *The New York Times*, 11 September 2011. Jacqueline Kennedy recorded a series of oral history interviews with Arthur M. Schlesinger Jr. in 1964, which were withheld from public release.

Kennedy: What would the people of West Irian themselves choose?

Sukarno: Indonesia.

Kennedy: Then why not hold a plebiscite to determine this? (At which point, Kennedy added the Dutch would have to accept the result).

Sukarno: Why was this device necessary since the territory had always been Indonesian?

Kennedy: In the case of Hawaii, the people had themselves decided by popular vote that they wished to become Americans.¹⁸

Despite the scepticism implicit in Kennedy's questioning, his administration was moving inexorably in the direction of Indonesia. The growing fear of armed conflict breaking out, the untenable position of the Dutch both politically and militarily, and the American desire to counter Soviet influence all pointed to a deal to transfer sovereignty over West New Guinea to Indonesia at the earliest opportunity. The USA felt obliged to pay deference to the notion of self-determination, given its repeated insistence on this principle in its advocacy of European decolonisation. Some like secretary Rusk were undoubtedly sincere in wanting the Papuans to participate in a genuine act of self-determination. But it was evident from the advice sent to Kennedy from his national security staff that any act of self-determination would have to be designed solely for the purposes of facilitating the transfer of West New Guinea to Indonesia and saving the Netherlands from embarrassment. Robert H. Johnson, a specialist on Asia and already a veteran of the National Security Council when the Kennedy administration was elected, argued US interests were served by an Indonesian takeover. "While we need a formula that will save face for the Dutch by making a bow in the direction of self-determination, we should not in the process delude ourselves or confuse the Indonesians as to our real objective," he wrote in a memo to Rostow.¹⁹ The theme was taken up in Rostow's subsequent advice to the President. He told Kennedy the application of self-determination was "meaningless" because "the stone age-Papuans cannot be prepared for

¹⁸ Memorandum of Conversation between President Kennedy and President Sukarno, 24 April 1961, *FRUS, Vol. XXIII, 1961-1963*, document 172.

¹⁹ Memorandum from Robert H. Johnson of the National Security Council Staff to the President's Deputy Special Assistant for National Security Affairs (Rostow), 18 April 1961, *ibid.*, document 166.

meaningful self-determination during any feasible UN trusteeship period; the problem will simply not sit that long”.²⁰

As the Kennedy administration weighed the best means to ensure a resolution in favor of the Indonesians, the Netherlands too was reappraising its position. The financial costs and security threats that came with continued possession of West New Guinea were a source of growing domestic concern in the Netherlands. Indonesia had broken off diplomatic relations completely in mid-1960 after the Netherlands deployed the aircraft carrier *Karel Doorman* and two destroyers to bolster West New Guinea’s defences. The government of Prime Minister Jan de Quay concluded it was no longer feasible to plan on a long period of Dutch administration leading to self-determination. The degree of Dutch anxiety was reflected in a decision to launch the boldest initiative in the decade since The Hague agreement – one that might have served as the basis of a settlement had it come years earlier.

In September 1961, Dutch foreign minister Joseph Luns proposed turning the administration of West New Guinea over to the United Nations to guide the Papuans to an eventual act of self-determination. This was in principle a significant concession. But Luns, who was persistently truculent in negotiations with the Indonesians, could not countenance eventual Indonesian sovereignty as an outcome from self-determination.²¹ Rather than producing a thaw in relations between Jakarta and The Hague, the effect of the Luns plan was to fuel Indonesian suspicions that the real purpose of the Dutch was to frustrate Indonesia’s territorial claim.²² Subandrio’s response was to declare the only choice available to the Papuans should be the extent of autonomy within the Indonesian state.²³

In late November, the Netherlands prepared to put a resolution to the UN General Assembly to seek endorsement for its approach to relinquishing sovereignty. But facing opposition from Indonesia, it was clear the Luns plan could not muster the two-thirds majority required and the resolution was withdrawn. Two other resolutions were put to

²⁰ Memorandum from the President’s Deputy Special Assistant for National Security Affairs (Rostow) to President Kennedy, *ibid.*, document 197.

²¹ For the Luns plan see, C.L.M. Penders, *The West New Guinea Debacle: Dutch Decolonisation of Indonesia 1945-1962*, Honolulu: University of Hawaii Press (2002), p. 336.

²² Telegram from the Department of State to the Mission to the United Nations (conversation between Subandrio and Rusk), 11 October 1961, *FRUS, Vol. XXIII, 1961-1963*, document 196.

²³ Penders, *West New Guinea Debacle*, p. 338.

the assembly for a vote and each failed to obtain the necessary support. One was a US-inspired compromise, officially proposed by French African states referred as the Brazzaville group. It advocated a two-step approach in which a multi-state commission would review conditions in West New Guinea and pave the way for a period of UN administration.²⁴ Indonesia would have access to the territory and the opportunity to build support for a vote for unification in an eventual plebiscite. A majority of states backed this, but it fell short of a two-thirds majority. The other resolution was proposed by India, supported by Indonesia, which called for bilateral talks. The US supported the first resolution and opposed the second, leading Indonesia to accuse the US of abandoning its erstwhile neutrality for overt support of the Dutch. The UN diplomacy was a debacle. It left the West New Guinea issue in a dangerous limbo and raised doubts about whether the UN could play an effective role in orderly decolonisation. The atmosphere was worsened with provocative statements and actions on both sides. A Dutch decision to change the name of West New Guinea to West Papua and give the territory its own flag on 1 December was particularly inflammatory.

Meanwhile, the diplomatic divide between Indonesia and the Netherlands was simultaneously hardening into a military confrontation. The largely Soviet-enabled build-up of Indonesian armaments had produced by late 1961 the most powerful military in Asia outside China. Each of the three services was dramatically upgraded at a heavy cost to the national budget. Notwithstanding the generous terms of Soviet military aid, the military establishment accounted for almost half of national expenditure by 1961.²⁵ Indonesia's air force was transformed from "a motley collection of World War II-era piston-engine aircraft into a strong modern force."²⁶ There were MIG-19 and MIG-21 fighters and Tupolev and Ilyushin bombers armed with air-to-surface missiles. The navy received six submarines, six destroyers, one Sverdlov-class cruiser, torpedo boats and landing craft. And the army was upgraded with East European small arms, amphibious tanks and artillery and surface-to-air and surface-to-surface missiles. Along with this powerful array of equipment came Soviet advisers and crews. Although Indonesian air force and navy specialists received extensive training in the Soviet Union and eastern

²⁴ Memorandum from the President's Special Assistant for National Security Affairs (Bundy) to President Kennedy, 1 December 1961, *FRUS, Vol. XXIII, 1961-1963*, document 205.

²⁵ Guy Pauker, "The Soviet Challenge in Indonesia", *Foreign Affairs*, Vol. 40 (July 1961) p. 616.

²⁶ Penders, *West New Guinea Debacle*, p. 371.

bloc, submarines and some surface vessels were jointly crewed. The Soviet Military Advisory Group, under the command of an admiral, numbered about 400.²⁷

Indonesia's growing military muscle encouraged belligerence over its claims to West New Guinea. From the end of 1961, the tone of public statements from Indonesian leaders, and Indonesia's actions, became more threatening. There were signs of irascibility and intemperance in Sukarno. On 9 December, Kennedy wrote to Sukarno offering to intercede with the Dutch to try to find a peaceful solution and seeking to discourage Indonesia from resorting to force. In an extraordinary interview with ambassador Jones two days later, Sukarno gesticulated, berated the Dutch and constantly interrupted with emotional outbursts. He had slept little, watching a marathon Javanese morality play until the early morning – a habit when he weighed big decisions. In an apparent reference to Dutch diplomatic manoeuvres, Sukarno declared: "I am fed up to here," gesturing with his hands at eye level. "I can't stand any more of it." He distrusted the Dutch, especially Luns, who he branded as "full of hate" and a "scoundrel". On Dutch promises to relinquish control of West New Guinea, Sukarno, pressing his clenched fists against his temple, said: "I can't believe it. The Dutch won't do it." Sukarno continued in this vein throughout the interview. He refused to accept the Papuans had a right to self-determination, comparing it to giving Texans the choice of seceding from the USA. "You must understand I can't accept self-determination for a part of our territory," he said. The only kind of plebiscite that was acceptable was one that reaffirmed Indonesian sovereignty after a period of Indonesian administration under the United Nations.²⁸ At this time, Sukarno was not in good health, which might have contributed to the histrionics – he was recovering from recent kidney treatment in Vienna.²⁹ Regardless of the cause, he was in a truculent frame of mind. He passed on his thanks to Kennedy for his offer to intercede. But he warned time was running out. "The

²⁷ Pauker, "The Soviet Challenge in Indonesia", p. 615 and Penders, *West New Guinea Debacle*, p. 371. See also, Alexy Muraviev and Colin Brown, "Strategic Realignment or *Déjà vu*? Russia Indonesia Defence Cooperation in the Twenty-First Century, Strategic and Defence Studies Centre, Canberra: Australian National University, Working Paper, No. 411 (December 2008) pp. 5-7.

²⁸ Telegram from the Embassy in Indonesia (Jones) to the Department of State, 11 December 1961, *FRUS, Vol. XXIII, 1961-1963*, document 211.

²⁹ Telegram from the Embassy in Indonesia (Jones) to the Department of State, 18 October 1961, *ibid.*, document 199.

only thing the Dutch understand is force,” Sukarno said. He added: “Go to the Dutch and tell them (that).”³⁰

One of Sukarno’s parting comments to Jones was that the Indonesian people were impatient for progress on West New Guinea and they would think he was “getting soft” if he failed to take a decisive stand.³¹ Sukarno wanted to convey that he was captive of the public mood. The reverse was more the case. By this time, Sukarno was free to dictate foreign policy with little domestic challenge. He had steadily built his authority under Guided Democracy to the point where he indisputably exercised “personal dominance in foreign policy”, nowhere more so than in relation to West New Guinea.³²

A week after his outburst with Jones, on 19 December, Sukarno gave a rallying speech in Yogyakarta where he stoked the mood of jingoism and demonstrated his resolve by sharpening the threat of armed conflict. To a large crowd, he announced the formation of the “Three People’s Command” (*Tri Komando Rakyat* or *Trikora*) with a mission to mobilise all elements of society to wrest control of West New Guinea. The military arm of this operation, named *Mandala*, was created on 2 January. The future president Suharto was appointed as its commander and promoted to major general.³³ Sukarno set the goal of incorporating West New Guinea by Independence Day 1962.

Low-level armed incursions into West New Guinea had been a longstanding Indonesian tactic to test Dutch defences and to establish a security dimension to the dispute. Usually these had been no more than a nuisance to the Dutch and had ended in failure. But the scale and tempo of military operations grew in tandem with Indonesian confidence over the strength of its military and diplomatic position. The efficacy of military measures to achieve such claims was demonstrated by India’s invasion and swift occupation of Portuguese Goa on 17 December 1961.³⁴ The following January,

³⁰ Telegram from the Embassy in Indonesia (Jones) to the Department of State, 11 December 1961, *ibid.*, document 211. Sukarno followed this message with a letter to Kennedy on 17 December in which he described the issue as at “boiling point”. He said he would have no alternative other than to use force if the Netherlands continued to insist on creating an independent Papuan state.

³¹ *Ibid.*

³² Frederick P. Bunnell, “Guided Democracy Foreign Policy: 1960-1965, President Sukarno Moves from Nonalignment to Confrontation”, *Indonesia*, Vol. 2 (1966), p. 38.

³³ Daves, *op. cit.*, p. 469.

³⁴ In his conversation with Jones, Sukarno had referred to “even peaceful India” preparing to use force in Goa. Telegram from the Embassy in Indonesia (Jones) to the Department of State, 11 December 1961, *FRUS Vol. XXIII, 1961-1963*, document 211.

Indonesia attempted to stage one of its most daring raids on West New Guinea. Using three fast torpedo boats, the army planned to insert more than 100 heavily armed soldiers and launch them against Dutch defences at Kaimana, in the Bird's Head region. Before the troops could land, two Dutch destroyers intercepted the force on 15 January. In an exchange of gunfire, one of the torpedo boats sank, killing the deputy chief of the Indonesian navy, Commodore Yosaphat Sudarso.³⁵ The incident ratcheted up tensions between Indonesia and the Netherlands and provoked fears in Washington over the potential for a cycle of escalating naval clashes leading to war. Despite the embarrassing setback, Indonesia persisted with military incursions in increasingly large numbers throughout the first half of 1962.³⁶

In Moscow, Indonesia's growing propensity to employ force was greeted with satisfaction, save for the poor execution. Khrushchev later admitted to trying to coax Indonesia into seeking a military solution to its West New Guinea claim. He recounted telling Subandrio in Moscow that he would be happy to actively support an Indonesian resort to arms against the Dutch.

I said: 'If the Dutch fail to display sober-mindedness and engage in military operations, this is a war that could to some extent serve as a proving ground for our pilots who are flying planes equipped with missiles. We'll see how well our missiles work.'³⁷

Khrushchev spoke to Subandrio in secrecy and assumed his views would be shared with a limited circle in Indonesia. He respected and trusted the former Indonesian ambassador to the Soviet Union. Subandrio endeared himself by speaking Russian well enough not to require an interpreter and encouraging his wife to entertain Soviet officials by occasionally singing Russian songs at embassy receptions. This warm regard compounded Khrushchev's dismay when he claims Subandrio immediately proceeded to the USA where he revealed all the details of their conversation to the State Department. "I was dumbfounded," Khrushchev recalled. Khrushchev used official channels to complain to Sukarno, who was unmoved. Sukarno's apparent support for Subandrio led

³⁵ Daves, *op. cit.*, p. 470 and Penders, *West New Guinea Debacle*, p. 344.

³⁶ Daves, *op. cit.*, pp.471-472

³⁷ Khrushchev, *Memoires*, p. 792.

Khrushchev to conclude Sukarno was “balancing between us and the United States, trying to use both of us to achieve his aims”.³⁸

The outbreak of war between Indonesia and the Netherlands in the remote battleground of West New Guinea would have suited the Soviet Union. It would have driven a wedge between Indonesia and the West and increased Indonesia’s dependency on Soviet military, diplomatic and economic support. The generosity of Soviet military supplies – Indonesia accounted for a third of all Soviet military aid to non-aligned countries – was undoubtedly intended to persuade Sukarno of the viability of a military solution.³⁹ After the January naval clash, Rusk had sent a warning to Sukarno through diplomatic channels that the USA would be forced to oppose Indonesia in the UN should he provoke war with the Dutch.⁴⁰ The USA was conscious its influence in Indonesia was ebbing away in favor of the communist bloc. In October 1961, the US Joint Chiefs of Staff offered a reminder to the National Security Council of what was at stake.

The loss of Indonesia to the communists might well start a chain reaction that would culminate in the eventual relinquishment of the principle US military bases in the Far East, with consequent serious implications for the overall US military posture in the Western Pacific.⁴¹

By the end of 1961, it was clear to the Kennedy administration that the risk of alienating Indonesia outweighed the risk of alienating the Dutch. It was common practice for the Dutch, particularly Luns, to issue warnings about the Netherlands withdrawing from NATO in the event it had to commit larger forces to the defence of West New Guinea. The Dutch warnings had resonated with the State Department, particularly within its European Bureau during the Dulles era, because Europe was seen as the main theatre of the Cold War. But perceptions started to change in the last months of the

³⁸ *Ibid.*, p. 792.

³⁹ Pauker, “The Soviet Challenge in Indonesia”, p. 615. Pauker claims Indonesia was the foremost recipient of Communist bloc aid in the world. The \$1.5 billion in economic and military credits it had received by 1961 outstripped the \$1.3 billion received by China in the years before the Sino-Soviet split. *Ibid.*, p. 613.

⁴⁰ Telegram from the Department of State (Rusk) to the Embassy in Indonesia, 15 January 1962, *FRUS, Vol. XXIII, 1961-1963*, document 221.

⁴¹ Memorandum from the Joint Chiefs of Staff to Secretary of Defence Robert McNamara, 13 October 1961, *ibid.*, document 198.

Eisenhower administration following the death of Dulles. One memo read by Kennedy put the trade-off succinctly: no issue was more important in relations between Indonesia and the USA than West New Guinea, whereas a whole network of interests bound the USA to its allies the Netherlands and Australia.⁴² In other words, the Netherlands and Australia would get over it, especially if they were convinced that the transfer of control over West New Guinea would play a critical role in reducing the drift towards communism in Indonesia. As a result, by early 1962, US strategy aimed to bring Indonesia and the Netherlands together for direct talks, mediated by a third party, but with the ultimate goal of ensuring Indonesia would obtain control of the territory within a relatively short time. A mechanism would have to be found for the Netherlands to “save face” via an interim UN administration and a fig leaf act of self-determination.

There was some urgency attached to reaching a settlement. US intelligence calculated that Indonesia would have sufficient military strength and evidence of Dutch intransigence by the end of 1962 to give Sukarno his *casus belli*.⁴³ The window for negotiations was thus limited to the first several months of the year. Kennedy’s national security advisors recognised pressure would need to be placed on both sides to make concessions, although preponderantly on the Dutch, as they were being asked to relinquish a great deal more of their original negotiating position. But getting the two sides to the negotiating table after years of mutual distrust would test the diplomatic skills of the Kennedy administration.

Indonesia and the Netherlands were divided over two fundamental issues. Sukarno would agree to bilateral talks only on the basis he could be assured of the outcome in advance. His pre-condition was that any talks focus on the modalities of the transfer of administration of West New Guinea to Indonesia. Dutch policy, largely dictated by Luns, was to insist Papuans should have the right to decide their own future. Although the Dutch did not oppose the transfer of administration, they insisted it would have to be to a third party, preferably the UN. An act of self-determination would follow

⁴² Memorandum from Johnson to Bundy, 18 December 1961, *ibid.*, document 215. The record shows Kennedy saw the memo while in Palm Beach on 19 December.

⁴³ The CIA were aware Indonesia was gearing up for “large scale attacks” by the middle of the year. Indonesian forces were believed likely to “eventually overwhelm” Dutch forces in West New Guinea, leaving the possibility the Indonesian military would be “alienated” from the USA for 10 to 20 years. Memorandum from the Director of Central Intelligence’s Assistant (Knoche) to Director of Central Intelligence McCone, 22 May 1962, *ibid.*, document 269.

after a suitable period. They could not countenance the “surrender” implied by a direct transfer of administration to Indonesia.

The first task of the Kennedy administration was to try to get the two sides to drop their pre-conditions. But this was purely based on the US assumption that once the talks were underway an agreement could be reached over the transfer of administration to Indonesia after a brief *interim* period under third party administration. A period of third-party administration would produce the face saving mechanism deemed necessary to satisfy the minimum Dutch negotiating position. In principle, the Dutch accepted they could no longer maintain sovereignty over West New Guinea. But the De Quay government attached sufficient importance to its domestic standing and its international prestige to risk the possibility of a military confrontation rather than cave in to Indonesian demands for a direct transfer of administration. The Kennedy administration was baffled by the apparent Dutch willingness to risk hostilities over a territory it no longer wished to administer. Kennedy and his advisers wanted the Dutch to focus on what the USA regarded as the “larger picture” – the strategic position of the free world in Asia versus the Communist Bloc.⁴⁴ But there also were some fundamental questions at the tactical level. Could West New Guinea be viable as an independent state? Would Indonesia give up if West New Guinea became independent? Was there any satisfactory outcome possible other than the transfer of administration to Indonesia with the guarantee of later self-determination?⁴⁵ The answers all inexorably pointed to Indonesian control over West New Guinea.

No Choice at All: Winning West New Guinea

In February 1962, the USA took a gamble on direct high-level intervention to try to break the deadlock and set up a process by which Indonesia could be seen to legitimately obtain sovereignty over West New Guinea. The US President appointed his brother, Attorney General, Robert Kennedy, as an emissary to encourage both sides to drop their preconditions and enter negotiations on the practicalities of the Netherlands

⁴⁴ Memorandum from Robert W. Komer of the National Security Council Staff to President Kennedy, 28 February 1962, *ibid.*, document 242.

⁴⁵ *Ibid.* These were some of the questions Komer proposed Kennedy put to Luns.

relinquishing sovereignty. But the Kennedy mission only served to underscore how intractable the dispute had become and the dangers of it erupting in major war.

Meeting Sukarno for 90 minutes in Jakarta on 14 February, Kennedy could not get him to compromise. Even as Kennedy hinted strongly that the USA would press for an outcome that would satisfy Indonesia, Sukarno insisted repeatedly on “greater assurance” that the negotiations would not fail.⁴⁶ The Kennedy visit is in some quarters portrayed as a positive turning point in the US efforts to find a peaceful resolution of the West New Guinea dispute.⁴⁷ This probably overstates its significance and Kennedy’s ability as a diplomat.

The most memorable aspect of the visit was an episode in a second meeting with Sukarno at the Bogor Palace on 18 February when Kennedy either lost his temper, or confected a loss of temper, with Sukarno. The trigger was Sukarno’s refusal to commit on whether he would pardon and release the jailed CIA pilot Allen Pope, who was then under a sentence of death. Kennedy allegedly stood and raised his voice with Sukarno, demanding to know whether Sukarno would keep an undertaking to release Pope made during his meetings in Washington with President Kennedy the previous April. Kennedy apparently had been angered by Sukarno’s comment at their 14 February meeting that he would “bargain” Pope’s release for an assurance of US pressure on the Dutch.⁴⁸ When Sukarno refused to be drawn on when he would release Pope at their second meeting, Kennedy raised his voice and asked Sukarno: “Could you tell me whether you are going to stand by your promise to the President of the United States?” Dissatisfied, Kennedy stood, challenged Sukarno over whether he was “a man of his word”, and walked out on to a balcony.⁴⁹

It is hard to assess the impact this had on Sukarno’s willingness to accede to the US request to him to drop pre-conditions on negotiations with the Dutch. In a meeting

⁴⁶ Telegram from the Embassy in Indonesia (Jones) to the Department of State, 14 February 1962, *ibid.*, document 231.

⁴⁷ This was the view of Kennedy’s biographer. See Arthur M. Schlesinger Jr., *Robert Kennedy and His Times*, New York: Houghton Mifflin (1978), p. 570.

⁴⁸ Telegram from the Embassy in Indonesia (Jones) to the Department of State, 14 February 1961, *FRUS, Vol. XXIII, 1961-1963*, document 233.

⁴⁹ A detailed account of this meeting can be found in Schlesinger, *op. cit.*, pp. 571-573. Sukarno pardoned Pope in June and allowed him to return to the USA. Subandrio claimed Sukarno had already reached this decision at the time of the Kennedy visit but did not want to be seen as responding to US pressure.

the following week with Jones, Sukarno suggested he would “get over” his injured feelings, but he was adamant he would not agree to Robert Kennedy’s no-conditions proposition as the starting point for talks.⁵⁰

The Americans found the Dutch to be equally obstinate. At a meeting in Washington on 2 March, Luns surprised President Kennedy by telling him the Dutch wanted to reinforce the fleet in West New Guinea with two destroyers and two submarines based on intelligence of an impending Indonesian attack. The deployment would almost certainly have derailed the proposed talks. In a strenuous appeal for Dutch moderation and flexibility, Kennedy warned Indonesia was in danger of going communist if war broke out. “This would be a disaster for the free world position in Asia and would force us out of Vietnam,” he told Luns. Kennedy added too great an emphasis on the “future of the Papuan population” obscured the bigger obligation the USA and the Netherlands shared to Asia and “free Europe”. Keeping Indonesia out of the hands of the communists was a bigger moral obligation to both countries than allowing the Papuans to determine their own future. “From a strategic point of view, we believe that West New Guinea as such is of little consequence,” he said.⁵¹ A Kennedy aide later referred to it as a “painful” meeting, revealing the Dutch position to be “tough and pinheaded”.⁵²

The trouble for the USA in acting as broker of West New Guinea’s future was that both the Indonesians and the Dutch had created little room for compromise with their own publics. Years of political animosity and insults, of economic expropriations and expulsions, and of military manoeuvres and provocations, created an atmosphere in which negotiations over matters as simple as procedural points posed the potential for a loss of national prestige. But the reality that the two countries were marching inexorably into a war as much out of wounded pride as principle or material gain must have provided sufficient motive to pause, even for two old politicians as wilful as Sukarno and Luns. Just as they appeared to be on a path to a violent showdown, they pulled back. Indirect contacts between Indonesian envoys and influential Dutch citizens in European capitals, especially Bonn, played a role in encouraging both sides to soften their resistance to

⁵⁰ Telegram from the Embassy in Indonesia (Jones) to the Department of State, 20 February 1962. *FRUS, Vol. XXIII, 1961-1963*, document 236.

⁵¹ Memorandum of Conversation (Kennedy and Luns), 2 March 1962, *ibid.*, document 244.

⁵² Memorandum from Robert W. Komer of the National Security Council Staff to the President’s Special Assistant for National Security Affairs (Bundy), *ibid.*, document 245.

unconditional negotiations.⁵³ To remind them of the risks, the USA had deliberately kept both sides guessing about how it would respond in the event conflict erupted. But the legacy of distrust would make a solution elusive.

On 4 March, Jones cabled Washington with the surprise news that Sukarno, at US instigation, had agreed to preliminary talks with the Dutch without pre-condition, as long as it was understood that the transfer of administration over West New Guinea would be the first item raised by the Indonesians.⁵⁴ The Dutch agreed to the talks as long as they were held in the presence of a third party. Both sides favored some degree of secrecy. Sukarno had the most reason to avoid disclosure. He had appealed to jingoism and marshalled the army and people for an impending armed conflict. He did not want to risk another humiliation by staking too much on a negotiated solution. Moreover, the PKI, happy with the tone of militancy that brought Indonesia closer to the Communist bloc, were likely to portray a willingness to negotiate as weakness. The Soviet Union too would have been disturbed by news of negotiations after the quiet urging for Indonesia to remain resolute in its demands and resort to an armed solution if necessary.

All this constrained the range of acceptable outcomes from the talks. The window for compromise was small and would require significant concessions, mostly from the Dutch. Having stirred bellicose sentiments at home, Sukarno needed something that looked like a decisive victory. Indonesia's bottom line was to achieve recognition of its sovereignty over West New Guinea with as little delay as possible. It opposed self-determination in principle – Sukarno claimed the idea had been “invented” by the Dutch to frustrate Indonesia; he asserted Indonesian sovereignty should have been automatic in 1949; and he was concerned the conduct of a plebiscite raised the question of whether the same right might be demanded by other regions of Indonesia.⁵⁵ For the Dutch, the avoidance of a direct transfer to Indonesia and the conduct of a genuine plebiscite were equally essential outcomes.⁵⁶ Talks finally started in secret on 20 March at a 19th century

⁵³ For an account of the back-channel contacts, see Penders, *The West New Guinea Debacle*, pp. 347-348.

⁵⁴ Telegram 1586 from the Embassy in Indonesia (Jones) to the Department of State, 4 March 1962, *FRUS, Vol. XXIII, 1961-1963*, document 246, n. 1.

⁵⁵ Telegram from the Mission to the United Nations to the Department of State (record of conversation between Sukarno and US ambassador to the UN, Adlai Stevenson), 16 September 1961, *FRUS, Vol. XXIII, 1961-1963*, document 191.

⁵⁶ The Dutch cabinet approved this position on 22 December. See, Penders, *The West New Guinea Debacle*, p.343.

mansion near the town of Middleburg, Virginia, 80 km west of Washington. Ellsworth Bunker, a distinguished US diplomat, lawyer and businessman was chosen to mediate. But the difficulty of reconciling the two positions meant it would take many months of arduous meetings before a settlement could be reached. Hanging over the affair was the constant threat that failure of negotiation inevitably meant war.

During the opening round of talks, the lead negotiators for the two countries – Adam Malik, Indonesia’s ambassador to Moscow, and Herman van Roijen, the Netherlands ambassador to Washington – were under such constraints from their respective capitals they were incapable of meaningful dialogue. Malik was authorised only to discuss the transfer of administration of West New Guinea to Indonesia in broad terms and the consequent normalisation of diplomatic relations. His lack of authority precluded discussion of items that were “essential to agenda formulation”. Van Roijen was there to discuss the nature of an interim administration and a plebiscite to ascertain the wishes of Papuans, not give the Indonesians a blank cheque.⁵⁷ The talks quickly came to a standstill and were broken off.

The stalemate in talks between the disputants threw responsibility back on their American hosts to find a way forward. Kennedy’s national security advisers fretted the “crisis” would shift to “a new stage of escalation”. “We are already so involved as middlemen, and risk to US strategic interests so great, that we can’t afford not to apply whatever pressures are necessary to bring the parties back together,” Komer observed.⁵⁸ Kennedy wrote to both Sukarno and de Quay urging them to return to the talks. To de Quay, he warned of the “dire consequences of a Netherlands-Indonesia war in the Pacific that neither the Netherlands nor the West could win”.⁵⁹

It was left to Bunker to draft a proposal to break the impasse. The position he adopted clearly favored Indonesia. He advocated a period of UN administration lasting no longer than two years, after which Indonesia would assume administration of West New Guinea. In the second year, UN officials would be gradually replaced with Indonesian officials. After an unspecified period of Indonesian administration, Papuans

⁵⁷ The initial negotiating positions were spelled out by the Under Secretary of State Ball. Telegram from the Department of State to the Embassy in Indonesia, 21 March 1962, *FRUS, Vol. XXIII, 1961-1963*, document 250.

⁵⁸ Memo from Komer to Bundy, 28 March 1962, *ibid.*, document 252, p. 1860.

⁵⁹ Excerpt of letter from Kennedy to de Quay, 31 March 1962, *ibid.*, document 252, n. 4.

would be permitted “freedom of choice” over whether to join the Indonesian state or adopt some other sovereign arrangement.⁶⁰ From an American perspective, the Bunker plan was a means of handing West New Guinea to Indonesia while saving the Netherlands the embarrassment of making a direct transfer of authority. Sukarno was quick to agree to resume talks on this basis. But Luns exploded when he saw the details, sending a message to Rusk that he was “shocked and dismayed”.⁶¹ He was certainly correct in concluding an exercise of free choice after years of Indonesian administration would be a “mockery”.⁶² He wanted the UN administration to remain in place until a plebiscite was conducted. He managed to convince the Dutch cabinet to resist American pressure to cave into the Indonesians and hold out for stronger guarantees of Papuan rights.

After the Bunker plan was given to the parties, there was no turning back for the USA – it had effectively taken a position in favor of an early transfer of administration to Indonesia with only perfunctory regard for the right to self-determination. It had no choice other than to mount increasing pressure on the Dutch to concede to Indonesia’s core demands. The Dutch continued to prevaricate, seeking guarantees of various Papuan rights as a precondition for relinquishing the territory first to the UN and then to Indonesia. US officials viewed Dutch concern for Papuan welfare with some cynicism, referring to political “tricks” such as the development of an “ersatz Papuan independence movement” and arranging a visit by a Papuan delegation to the UN.⁶³

Dutch delaying tactics produced an atmosphere of heightened crisis. Indonesia stepped up airborne drops of troops inside West New Guinea during late April and May. Although all of these ended in failure, they kept pressure on the Dutch. Indonesia also pressed ahead with preparations for a full-scale invasion scheduled for 14 August codenamed Operation *Djayawidjaya* (Glorious Victory) and the Dutch reinforced its West New Guinea garrison with ships, aircraft and troops.⁶⁴ There were lingering doubts

⁶⁰ For the details of the Bunker plan see, Telegram from the Department of State (Rusk) to the Embassy in the Netherlands, *ibid.*, document 254.

⁶¹ For the full statement to Rusk see, Telegram from the Embassy on the Netherlands to the Department of State, 3 April 1962, *ibid.*, document 256.

⁶² Penders, *The West New Guinea Debacle*, p. 362.

⁶³ Memorandum from Robert W. Komer of the National Security Council Staff to the President’s Special Assistant for National Security Affairs (Bundy), 24 April 1962, *FRUS, Vol. XXIII, 1961-1963*, document 260.

⁶⁴ For an account of the invasion preparation see Daves, *The Indonesian Army*, p. 474.

over whether Sukarno really wanted a peaceful settlement.⁶⁵ A military victory would have enhanced his stature within Indonesia and among many non-aligned countries and the Communist bloc. But his army commander, Nasution, harbored doubts about the costs and the ability to sustain a large force with long and exposed supply lines. Nasution was wise to be cautious. Unknown to him, the Netherlands had established an impressive signals intelligence capability operating on Biak Island that had intercepted Indonesian operational communications of invasion preparations. Indonesian forces would have attacked without the element of surprise and, even if eventually successful, would probably have suffered heavy losses.⁶⁶

By early July, the impending threat of a full-scale Indonesian invasion, and growing domestic opinion in the Netherlands in favor of extricating the country from the burden of West New Guinea, had convinced de Quay and Luns there was no alternative to adopting Bunker's framework for a settlement. The parties returned to Middleburg. But this time it was the Indonesians who were obdurate, insisting on various concessions before they would seal an agreement. Indonesia now insisted on hastening the transfer of administration to ensure it occurred by the end of 1962 on the flimsy pretext that Sukarno had promised this in a speech. It also was resisting strong UN oversight and control of an act of self-determination. Subandrio told van Roijen privately that he regarded the UN conditions as representing excessive intervention and a degree of control that would be "humiliating to the Indonesian people". There was an element of intimidation in Indonesia's stance. When van Roijen resisted, Subandrio said he would return to Jakarta. Pressed on whether this constituted a decision to break off the talks, Subandrio simply shrugged his shoulders.⁶⁷ The implication of Indonesia walking away from the talks was that a resort to armed force would inevitably follow.

The surprising Indonesian intransigence on the cusp of a long-cherished victory fanned US concerns that Indonesia preferred to either win control of West New Guinea in an armed showdown or humiliate the Netherlands at the negotiating table. A final US

⁶⁵ Robert Kennedy expressed these doubts to Subandrio. See, Memorandum from Attorney General Kennedy to the President's Special Assistant for National Security Affairs (Bundy), 24 July 1962, *FRUS, Vol. XXIII, 1961-1963*, document 277.

⁶⁶ Wies Platje, "Dutch Sigint and the Conflict with Indonesia 1950-1962", *Intelligence and National Security*, Vol. 16, No. 1 (2001), pp. 305-307.

⁶⁷ Van Roijen conveyed this encounter to Rusk. See Memorandum of Conversation (Rusk and van Roijen), 26 July 1962, *FRUS, Vol. XXIII, 1961-1963*, document 279.

push to seal an agreement then ensued. Kennedy called Subandrio to a meeting at the White House and issued a blunt warning of severe consequences for Indonesia if it were to forsake a peaceful course when the opportunity of victory was so close. Precisely what Kennedy said during the 27 July meeting is not clear, but Bunker observed the President had “scared the living daylights out of Subandrio”.⁶⁸ Rusk offered a sanitised account in which Kennedy told Subandrio the world would not understand a resort to violence at this late stage. A better flavor of the conversation came from Subandrio himself who later admitted with wry enjoyment that he had only been threatened twice in his professional life – once in Beijing by Mao and Zhou Enlai and once in Washington by Kennedy.⁶⁹ Subandrio was apparently reluctant to convey the substance of his conversation with Kennedy to Sukarno and requested Kennedy send Sukarno a letter. This was a gentler communication; an appeal to compromise, couched in a “flowery appeal to Sukarno’s ego”.⁷⁰ The flattery and pressure produced results. On receiving Kennedy’s letter, Sukarno agreed to a settlement. But his assent came at the price of several final compromises – the Indonesian flag would fly alongside the UN flag from 1 January 1963, the UN would be free to transfer administration to Indonesia from 1 May if it chose, and an act of free choice could be held as late as 1969. With this final twist of pressure and humiliation for the Dutch, all that was left were the formalities.

A Lesson in Power: The Aftermath of the West New Guinea Victory

For the great powers, the issue of sovereignty over West New Guinea was from the start about Indonesia’s alignment in the Cold War rather than the merits of respective territorial claims or the manner of decolonisation. The terms on which Indonesia obtained control over West New Guinea were far less important to the USA than the fact that the transfer occurred without the outbreak of war. If the Dutch were annoyed, that

⁶⁸ Bunker’s comment was recorded by Komer in a letter to Bundy. See, *ibid.*, document 281, n. 1.

⁶⁹ Subandrio told Jones this in early August. See Telegram from the Embassy in Indonesia (Jones) to the Department of State, 3 August 1962, *ibid.*, document 285. The threat in Beijing presumably refers to Subandrio’s visit during the crisis over the Chinese residency and trading bans.

⁷⁰ Memorandum from Robert W. Komer of the National Security Council Staff to the President’s Special Assistant for National Security. Affairs (Bundy), 30 July 1962, *ibid.*, document 282.

was bearable compared to the bigger goal of avoiding Indonesia's drift into the Communist camp. Subandrio admitted Indonesia could not have secured its diplomatic victory without US help, so Washington might have even hoped to obtain some small measure of gratitude from Jakarta.

On the other hand, the Soviets stood to gain from continued tension over West New Guinea. They could portray the West New Guinea dispute as a case of Western powers uniting to deny the aspirations of newly decolonised states. If the dispute came to a clash of arms, then the Soviet Union would see Indonesia pulled more closely into its orbit. Certainly, Indonesian dependence on Soviet military and economic aid would have increased. The country was already being steadily bankrupted by arms expenditures, creating a debilitating cycle in which foreign economic aid was essential to keep the economy afloat. The Soviet Union could feel reasonably confident it was winning the contest for influence in Indonesia. News of the peaceful settlement altered those calculations, causing alarm in Moscow. Its ambassador to Jakarta Nikolai Mikhailov was instructed to seek an explanation from Sukarno. Mikhailov allegedly irritated Indonesians with his imperious tone and warnings about falling into an "American trap".⁷¹

The US-brokered settlement of the West New Guinea dispute avoided an escalating war between Indonesia and the Netherlands.⁷² Subandrio had told Robert Kennedy in July that war would involve the use of Soviet personnel and weapons and could not be restricted to the local area.⁷³ The lesson Indonesian leaders took from the West New Guinea campaign was over the value of force in international relations. Diplomacy alone, without military pressure, had historically failed to secure Indonesia victory. As Sukarno later recalled in his memoir, the military factor was key to convincing the Dutch and the Americans to cede to Indonesian demands.

Always they sneer Sukarno is a big bluffer. Well, let them see the build-up of arms ringing Irian and the ships in the water ready to attack and the concentration of troops primed to move at my command. Let them report

⁷¹ Penders, *The West New Guinea Debacle*, 369-371.

⁷² The most detailed description of the invasion force can be found in Wies Platje, "Dutch Sigint and the Conflict with Indonesia 1950-1962", pp. 305-306.

⁷³ Memorandum from Attorney General Kennedy to the President's Special Assistant for National Security Affairs (Bundy), 24 July 1962, *FRUS, Vol. XXIII, 1961-1963*, document 277.

Sukarno doesn't just talk a good game, but that he's set to go to war. It was like magic. Immediately the Dutch attitude changed. Even the United States of America began smiling out way.⁷⁴

Indonesia had pleaded its case diplomatically since 1950 with no success. The acquisition of Soviet armaments enabled dialogue and demarches to be buttressed by coercion. Indonesia could finally give substance to its advocacy of revolutionary diplomacy. This became manifest in the term it used for its policy in West New Guinea – *Konfrontasi* or Confrontation. This novel addition to the vocabulary of international relations obtained its definition through the diplomatic improvisation of Sukarno himself, its chief architect. It represented a new style of passive-aggressive interstate contention, employing a mix of “threats, brinkmanship and play-acting, which could be modulated at will to a pitch of fierce hostility at one extreme or, at the other, of patient acquiescence while waiting for favourable opportunities to resume the long-term struggle...”⁷⁵ The experience left a profound impression on Sukarno. His contemporary reflection was that “national struggle is a matter of strength, a matter of ‘formation and the utilisation of power’... and not at all a matter of ‘begging’.”⁷⁶

There were lessons for domestic politics too. Sukarno saw the way he could use his decisive victory against the Dutch, without the necessity of fighting a major war, to bolster his own position within the Indonesian power structure. He emerged from the West New Guinea settlement with enhanced stature and prestige and a freer hand to dictate the terms of the country's political life. Even as the West New Guinea negotiations haphazardly worked their way to a conclusion, Sukarno had manoeuvred out of the way the only national figure capable of presenting any rivalry to his authority, army commander Nasution. A combination of personnel and structural changes to the

⁷⁴ Sukarno, *Sukarno*, p. 288. Mandala military commander Suharto also later claimed it was only with the military operation “that diplomacy finally brought Irian Jaya into the fold” of the republic. “Washington then realised the strength of the Indonesian military and put pressure on The Hague to relent rather than risk a full-scale war,” he said. See Paul. F. Gardner, *Shared Hopes, Separate Fears: Fifty Years of U.S.-Indonesian Relations*, Boulder, Colorado: Westview Press (1997), p. 178.

⁷⁵ Mackie, *Konfrontasi*, p. 126.

⁷⁶ The comment was made during the 1960 Independence Day address, when Sukarno could already perceive the impact confrontation was starting to have on both the Dutch and US attitudes to the future status of West New Guinea. See Sukarno, “Like an Angel that Strikes from the Skies”, *Toward Freedom and the Dignity of Man*, pp. 108-109.

armed forces ensured the “institutional power of the army was effectively reduced” in Sukarno’s favor.⁷⁷ The principle beneficiary, apart from Sukarno, was the PKI. The army remained hostile to the PKI, but domestic trends were starting to move in a direction after the West New Guinea settlement that allowed the party to become more active in politics, commensurate with its huge membership base.⁷⁸

By late 1962, Sukarno had been domestically and internationally empowered by his West New Guinea victory. But he faced a momentous choice: should he focus on a pressing domestic agenda of economic development or should he harness the revolutionary spirit of the West New Guinea campaign to pursue an adventurous international policy, especially in opposition to colonialism and imperialism? The former path would bring Indonesia back to the West; the latter path would consolidate the inroads made by the communist powers. The answer Sukarno gave to that question in the coming months would shatter any US illusions that West New Guinea would be a turning point in a troubled relationship.

Alignment Policy: A Critical Assessment

Balancing Risk in Alignment Behavior

At the end of 1961, Sukarno was confident that conditions were right for a resolution of Indonesia’s oldest and greatest foreign policy objective. Indonesia had acquired the military capability and cultivated the international relationships to back its demands for the transfer of sovereignty over West New Guinea with coercion if necessary. Sukarno used these powers to full effect. His newly-crafted policy of Confrontation served to intimidate the Dutch, raise the price of its continued occupation, and prise it away from its main Western ally, the USA.

International conditions were conducive to the effectiveness of this coercive diplomacy. The failure of the Paris Summit, the raising of the Berlin Wall and the Sino-

⁷⁷ Sundhaussen, op. cit., p. 165. For a discussion of the implications of the restructuring of the armed forces see *ibid.*, pp. 162-166.

⁷⁸ In June 1964, Aidit boasted PKI had three million members. An account of the growth of the PKI and its associated entities can be found in Guy J. Pauker, “Communist Prospects in Indonesia”, Memorandum RM-4135-PR, Santa Monica: Rand (1964), pp. 17-33.

Soviet conflict sharpened the competition among the great powers for influence in Indonesia. Both the big communist powers openly supported Indonesia's claim to West New Guinea. The success of the Belgrade conference to launch the Nonaligned Movement had broadened the base of support for Indonesia's claim. This made the longstanding US policy of neutrality between the Indonesian and Dutch claims, which in fact favored the status quo, increasingly untenable. The death of the obdurate John Foster Dulles, the end of the Eisenhower administration, and the arrival of a younger, more imaginative, President in Kennedy contributed to a responsive policy climate in Washington. The mentality of US policymakers was to do whatever was necessary to prevent Indonesia drifting into the communist camp.

Certainly, tensions over international security had sharpened since May 1960 after the downing of Gary Powers' U2 had led to the abandonment of the Paris Summit of the four nuclear powers. But growing conflict in Vietnam aside, Indonesia's immediate region caused Jakarta few security anxieties. Sukarno could pursue his ambitions in foreign policy without fearing that he might face a serious external threat. Moreover, he could potentially harness the renewed enthusiasm of the great powers to enlist Indonesia as an ally.

Domestic conditions were conducive to a final resolution of the West New Guinea grievance too. Support for Indonesia's claims came from across the political spectrum. Although the army might have had worries about the dangers and costs of an armed solution to the dispute, it could not appear less nationalistic than the rival PKI. Passions had been stirred among the public to the point where war against the Netherlands would have been greeted enthusiastically. Sukarno had been principally responsible for creating this fevered mood, despite his claims to being forced along by popular sentiment. The PKI also was beneficiary and instigator of the wave of jingoism that had been inspired by Sukarno's creation of the *Trikora* and *Mandala* commands and subsequent military manoeuvres. War might have suited the PKI. It would have driven a wedge between Indonesia and the West, requiring the USA to choose between a NATO ally and the most strategically important state in Southeast Asia. It also would have required the army to focus its energies and resources on a tough campaign in Indonesia's east at a time when it still exercised martial law powers that enhanced its authority in domestic politics. The

only downside for the PKI would have been a quick military victory that provided the army with even greater stature.

But newly-acquired military power was the real source of Indonesia's confidence in pressing its claims to West New Guinea. The rapid growth in the quality and quantity of offensive naval and air weapons for the first time gave Indonesia a credible invasion force. Sukarno seized on Indonesia's status as a regional military power to shift away from what he characterised as the beggar diplomacy of bilateral negotiations with the Dutch and appeals for UN intervention to an implacable insistence on the unconditional surrender of sovereignty. The anxiety this created in Washington and The Hague, and its eventual success in delivering Indonesia its objective, was vindication of the decision soon after the advent of Guided Democracy to acquire military firepower. For the first time, Indonesia could inject an element of *Realpolitik* into its foreign policy.

In the process, Sukarno weakened the *bebas-aktif* policy but the results gave him all the justification he needed. Still, the old wariness of dependency on any of the great powers remained. As the level of Soviet equipment and personnel grew, Sukarno kept open the dialogue with the USA aimed at finding a political solution to the West New Guinea dispute. He cleverly used American anxiety over the growing closeness of Indonesia to the Soviet Union to maximise his leverage. The threat of explicit alignment with the Soviet Union thus put pressure on the USA to work harder to avoid losing Indonesia to communism or seeing a country it wanted to befriend going to war with an ally it might have to defend. Indonesia encouraged the USA to believe that a pro-Western or more strictly neutral orientation to foreign policy was possible if a diplomatic solution to the status of West New Guinea could be found. Sukarno underscored this with his desire for a good personal relationship with Kennedy, which he clearly regarded as important. To Khrushchev's chagrin, Subandrio, with Sukarno's apparent approval, went so far as to brief the USA on Soviet plans to assist Indonesia in the event of war.

Competitive bidding, therefore, continued to play a critical role in Indonesian strategies for obtaining great power support for its foreign policy objectives alongside what could be characterised as hiding or hedging to reduce the loss of policy autonomy. In trying to draw the USA away from the Netherlands, Indonesia also practiced a wedging strategy. The range of strategies demonstrated Sukarno's desire to use both great power camps to serve his own ends. For while the Soviet Union was the vital

source military aid, the USA held the key to a diplomatic solution. By playing on US fears Indonesia increased the likelihood of winning control of West New Guinea without the resort to arms. The Soviets might have been irked by Indonesia's persistent habit of pitting the great powers against each other, but there was little it could do short of ceding ground to the USA. In the aftermath of the West New Guinea crisis, Indonesia did take steps that encouraged the belief it would veer to the West by focusing on economic development that followed a US-drafted script. This was the cause of some annoyance to the Soviet Union.

In all these events, China was left a bystander. It had been consistently vocal in its support of Indonesia's claim for West New Guinea. But it had no material contribution to make to the outcome. It looked on as Moscow claimed victory in this phase of the Sino-Soviet conflict and the USA won kudos for being the diplomatic ringmaster of a peaceful transfer of sovereignty. Yet the realisation that the Soviets and the Americans had gained an advantage in the competition for Indonesian favor added impetus to Chinese efforts to restore relations damaged by the bitter affair over residency and trading bans on Sino-Indonesians. In the year after the West New Guinea settlement, Beijing would seek to step up campaigns of elite cultivation and propaganda within Indonesia in response. Its eagerness to challenge the position of the rival great powers is testament to the effectiveness of how Sukarno constructed the competition.

In the calculus of balancing risk, Sukarno's handling of the culmination of the West New Guinea campaign highlights the importance of how a prospective gain or loss is framed and how risks are assessed. The enormous significance Indonesia attached to wresting control of West New Guinea from the Netherlands meant there was little doubt that plans for a full-scale invasion would have been enacted had the Middleberg talks failed. For Indonesia, the status quo represented a loss that was equivalent to foreign occupation of its sovereign territory. It elicited a visceral response from Indonesians of all political persuasions that Sukarno later equated to losing a limb. This meant Sukarno was prepared to adopt high-risk policies to meet his objective.

But even as Sukarno adopted an increasingly belligerent tone, pushing the Dutch for concessions after he had secured the essence of victory, the use of armed force was always a last resort. The big risks were to Indonesia's international relations rather than to the regime's domestic standing. A war over West New Guinea would have forced

Indonesia into dependency on the Soviet Union, pitched Indonesia into a confrontation with the West, and might have alienated some of its friends in the Third World, especially those close to the USA. There was the potential for a revival of the kind of interference Indonesia had experienced during the regional rebellions. Most importantly, the balancing act Sukarno had been conducting between the communist and Western blocs would have been shattered. Although what Kennedy said to Subandrio at their White House meeting on 27 July 1962 is unknown, US threats clearly had a bracing effect. In short, the acquisition of West New Guinea was non-negotiable. A violent solution was an option. Access to the means of warfare required a close relationship with the Soviet Union. But diplomacy was the wiser course for other than altruistic reasons.

The episode shows there are benefits to both a rational choice and psychological analysis of Sukarno's decision-making process. While the above sequence of events can be accounted for by calculation of costs and benefits, it is only by grasping the deep emotions informing decision-making that it is possible to comprehend the level of risk Sukarno was prepared to take. The incorporation of West New Guinea was central to the idea of national identity that Sukarno had crafted in his 1 June 1945 speech in which he unveiled the *Pancasila*. Its continued occupation by the Dutch was a manifest loss. The Dutch did not pose a security threat to Indonesia in the conventional sense, despite Sukarno's fanciful attempts to portray the small Dutch garrison as a colonial "sword" poised over Indonesia. It was Indonesia in its attempts to gain control of West New Guinea that was posing the only serious threat to regional peace.

Yet, as already noted, the willingness to adopt hard policies implies risk acceptance, not a preference for risk taking. Sukarno's ability to adopt a tough line on West New Guinea was greatly enhanced by the relatively conducive conditions facing the security of the state and regime at the time. This allowed him to pursue an alignment strategy aimed at maintaining policy autonomy – competitive bidding, coupled with hiding or hedging – while obtaining the policy objective without the resort to force. So, while Indonesia strengthened its alignment with the Soviet Union to become one of the biggest recipients of Soviet military aid, it did not wish to sacrifice policy flexibility or be seen to cast its lot with one side of the Cold War. The alignment policy of Indonesia, therefore, was short of explicit balancing, although the military build-up amounted to internal balancing.

The resolution of the West New Guinea conflict thus lends some support to the hypothesis that when the prospect of critical loss is perceived to be high states should prefer hard policies, including alignment strategies with firm commitments. There also is some evidence to support the fourth hypothesis that the strength of a state's balancing response escalates in tandem with the prospect of incurring loss, manifesting in a tightening of alignment commitments and attempts to grow state power. If Indonesia's behavior is assessed over a longer period, it is clear that attempts to find a diplomatic solution via the UN had generated increasing frustration. The desire to use military power to strengthen Indonesia's bargaining position over West New Guinea correlates closely with perceptions that there was little likelihood of diplomacy succeeding. In other words, the resolution of the West New Guinea conflict was not simply a by-product of growing military power, but a primary motivation for the acquisition of that power. Covert US support for the regional rebellions also surely provided another strong incentive to strengthen state power. Closer alignment with Soviet Union was the indispensable corollary of that activity.

Less evidence can be found to support the other three hypotheses on aid, ideology and transnational penetration. The strongest evidence can be found in support of aid. The necessity to obtain military and economic aid to underwrite the growth of national power and prosperity left Indonesian leaders no choice other than to cultivate relations with the great powers. Because of Sukarno's reluctance to rein in the PKI to the satisfaction of the USA and to openly declare himself to be anti-communist, Indonesia was forced to rely on the Soviet Union for the bulk of that assistance. But the generous Soviet assistance did not result in Indonesia complying with Soviet preferences. Khrushchev admitted his chagrin over way Indonesia continued to engage with the USA and reveal Soviet offers to commit to combat operations. Soviet annoyance was compounded when Indonesia agreed to a diplomatic settlement that would ensure at least part of the kudos for the transfer of West New Guinea to Indonesia was shared with the USA.

Even less explanatory weight can be attributed to ideology and transnational penetration. The major ideological theme of Indonesian foreign policy was anti-colonialism and anti-imperialism. In the early 1960s, it shared that priority with more radical states in the Third World and with China. The Soviet Union supported individual

cases of decolonisation or irredentist demands. But it had no interest in Sukarno's attempts to portray the world as divided between the established industrial states and the new developing states. From the Indonesian perspective, the alignment with the Soviet Union was a pragmatic decision to obtain the resources needed to increase national power; from the Soviet perspective, it was about gaining a strategic advantage over the USA and China. Likewise, there is little basis on which to attribute any explanatory weight to national penetration. It is not easy to measure the impact of the information and propaganda efforts of the great powers, including the blandishments offered to Sukarno personally. In the case of the Soviet Union, the Khrushchev visit and Sukarno's reception in Moscow certainly eased the way for Soviet aid. But these considerations were secondary to the main goal of building the national strength necessary for Indonesia to achieve its own foreign policy priorities.

Conclusion

Indonesia won control of West New Guinea because for the first time it was capable of backing diplomacy with credible military force. The acquisition of that force required an increasingly close alignment with the Soviet Union. On one level, it represented a classic act of internal balancing in which the principle adversary was the Netherlands, but memories of the regional rebellions acted as motivation for the military expansion too. The necessity of closer alignment with the Soviet Union to obtain access to aid required Indonesia to move away from a strict interpretation of neutrality and the *bebas-aktif* policy. But on another level Sukarno sought to offset the risk of capture by the Soviet Union by persisting with the smart strategy of competitive bidding. This strategy also served to keep alive channels for a diplomatic settlement over West New Guinea.

Underpinning the military build-up and the competitive bidding strategy were judgments about risk. The critical nature of the conflict over West New Guinea meant Indonesia was prepared to take exceptional risks to succeed. But it sought to minimise unnecessary risk by keeping its options open for a negotiated outcome and an improved relationship with the USA. This latter prospect would be important if foreign policy was

reoriented to support economic development after the objective of incorporating West New Guinea was accomplished.

The pattern of risk taking supported the first hypothesis that the prospect of critical losses would encourage risk taking and strong alignment commitments. But the experience also demonstrated that the use of alignment strategies was not mutually exclusive. Internal balancing and competitive bidding were used in tandem to mitigate the risk of pursuing an uncompromising approach to the takeover of West New Guinea. In this, Indonesia was undoubtedly assisted by relatively benign domestic and international conditions.

CHAPTER NINE

Confronting Malaysia

The Sukarno years reached a climatic point between 1963 and 1965. Flushed by the victory to claim West New Guinea, Sukarno faced a choice between diverting his ebullient energy to arguably the biggest national challenge – the parlous state of the economy – or to the pursuit of further foreign policy adventures. Since the advent of Guided Democracy, Sukarno had gained stature as a world figure, particularly among Nonaligned and Asia-Africa states. Foreign policy was a field that gave him the kind of grand platform he most enjoyed. Not surprisingly, he chose the latter path.

More by circumstance than design, Sukarno took Indonesia on an ill-fated venture to defeat the creation of a new state of Malaysia to be formed out of the remnants of Britain's Southeast Asian empire. This chapter charts the diplomacy and military actions that gave the policy of Confrontation, developed in the campaign over West New Guinea, its fullest expression. It describes the events leading up to Indonesia's decision to oppose Malaysia and depart from an American-drafted script to stabilise the economy. It outlines how Confrontation evolved as a diplomatic and military practice and the events leading to a fundamental rupture in relations with the West. It then provides an account of Indonesia's gradual entry into a "symbolic alliance" with China.

The chapter argues that Sukarno attempted to maintain policy autonomy and maximise benefits to the state by persisting with the strategy of competitive bidding between the great powers. But after Confrontation against Malaysia was launched, and as the stakes in the conflict grew, Indonesia was drawn into a policy of hard balancing. In the absence of support from other great powers and nonaligned states, Sukarno turned to China in an alignment made for pragmatic reasons, but which he characterised as a natural ideological fit. Although explicitly aligning with China was a potentially dangerous move for both international and domestic reasons, Sukarno by then had invested so much in Confrontation that any alignment that might help him obtain his objectives in opposing

Malaysia was deemed worth the risk. The pattern of alignment was consistent with predictions of a hardening of alignment posture in tandem with the prospect of incurring critical losses.

Opening Salvos

Confrontation: The Search for Motive

Within months of the West New Guinea settlement, it was apparent that the proponents of economic repair and regeneration would encounter a serious challenge from those who stood to gain from the path of revolutionary diplomacy. Sukarno himself appeared to drift between those two poles. But eventually it would be the revolutionary road that would win, dictating the most fundamental shift in the orientation of Indonesian foreign policy and its alignment since independence. This shift would profoundly affect the course of domestic as well as international politics and, in many ways, determine the fate of Sukarno's leadership.

The catalyst for a further shift in Indonesia's foreign policy away from its declared neutrality was the decision by Malaya and Britain to create the independent state of Malaysia, encompassing Malaya – independent since 1957 – and the British colonial remnants of Singapore, North Borneo¹, Sarawak and the sultanate of Brunei. Indonesia rejected this formulation, although it followed a similar logical pattern to the creation of the Indonesian state itself.²

No single foreign policy event in the 20 years of crisis that followed Indonesia's declaration of independence would have more effect on its patterns of alignment. It sharpened ideas about the uses of alignment and the nature of international politics that had been forming in Sukarno's mind since the late 1950s. It allowed for the extension of

¹ North Borneo was later renamed Sabah Province.

² While it could be argued the Malay and Chinese inhabitants of the peninsula had little ethnographically in common with the inhabitants of the northern Borneo territories, they could be hardly less different in those terms than the Papuans from the rest of Indonesia. There was also a substantial Chinese population already resident in Sarawak and North Borneo. The commonality between the formation of Indonesia and Malaysia is that they followed pre-existing colonial borders.

concepts he had trialled during the West New Guinea campaign. It led to the final abandonment in practice of the *bebas-aktif* policy. It recast, at least for Sukarno, the meaning of nonalignment. And it produced a clearer understanding of Indonesia's place in the world, of the nature and limits of state power, and of how state power could be applied. But it also exposed the cleavages in the political elite over the broad conduct of Indonesia's international relations.

Plans to create Malaysia out of the disparate pieces of British colonial property on the Malay Peninsula and Borneo began to take shape from May 1961. In a speech in Singapore, the Prime Minister of Malaya, Tunku Abdul Rahman, acknowledged the possibility of an eventual "understanding" between Malaya, Britain and its remaining colonies in the area.³ The Tunku had initially been wary of the idea of a merger of these territories. His reticence was overcome when a sharp rise in communist activity in Singapore evinced fears over the emergence of a "Chinese Cuba" on Malaya's doorstep.⁴ During the course of that year, the idea of Malaysia gathered momentum to the point where a definite date was set for it to be founded – 31 August 1963.

At first, Indonesia appeared sanguine at the prospect of a new, and relatively large, neighbor, comprising lands that it regarded as "ethnologically and geographically" closer to it than Malaya. Subandrio told the UN General Assembly on 20 November 1961:

We are not only disclaiming the territories outside the former Netherlands East Indies, though they are of the same island, but – more than that – when Malaya told us of its intentions to merge with the three British Crown Colonies of Sarawak, Brunei and British North Borneo as one Federation, we told them that we had no objections and that we wished them success...⁵

The circumstances of Subandrio's speech were not suited to an expression of sincere opinion. He then was campaigning for Indonesia's claim to West New Guinea and anxious to convince doubters of "Indonesia's honesty and lack of expansionist intent".⁶ In

³ Mackie, *Konfrontasi*, pp. 38-41.

⁴ *Ibid.*, p. 38.

⁵ Quoted in Hamilton Fish Armstrong, "The Troubled Birth of Malaysia", *Foreign Affairs*, Vol. 41, No. 4 (1963), p. 683.

⁶ *Ibid.* Letter published in *The New York Times* on 13 November 1961.

fact, Indonesians had long harbored misgivings about British plans for the future of its colonies in maritime Southeast Asia. Mohammad Hatta claimed he had argued against Malaysia as far back as November 1949 during a dinner in Johore Baru with the British High Commissioner in Southeast Asia, Malcolm MacDonald. Hatta then feared the high proportion of Chinese in the British colonies, and their relative economic success compared to Malays, would see any new state combining the colonies become “a second China, dominated both politically and economically by the Chinese”.⁷ Hatta said that as Prime Minister he had ordered his diplomats to lobby for the formation of three separate states as “one of the most important aspects of our Government’s foreign policy”.⁸

The Tunku understood Indonesian misgivings. From the time Malaya achieved independence in 1957, it had acted to assert Malay dominance of local politics and assuage concern over its strategic role in the region. Malaya had avoided following Britain into SEATO despite relying on the Anglo-Malayan Defence Agreement as the main pillar of its external security. Under a revised defence agreement covering Malaysia, the Tunku had extracted a commitment from Britain not to use its bases at Singapore for SEATO purposes.⁹ Then again, Indonesia was unlikely to be comfortable with the way Malaysia’s defence arrangements would entrench Britain’s presence in Singapore, especially in consequence of the role played by British personnel and facilities there during the regional rebellions of 1958. And, despite pledges from Kuala Lumpur to practice foreign policy independence, the Tunku’s government was firmly anti-communist.¹⁰

Despite a mix of recent and longstanding reasons for apprehension in Indonesia about uniting the Malay peninsula and the Borneo territories, there was little inkling the

⁷ Mohammad Hatta, “One Indonesian View of the Malaysia Issue”, *Asian Survey*, Vol. 5, No. 3 (1965), p. 140. According to Hatta, MacDonald revealed the British preference was for one state rather than three.

⁸ *Ibid.*, p. 141.

⁹ For Malaya’s objections to SEATO, see for example London Talks: Minutes of the First Meeting Held at Admiralty House at 11 a.m. with Mr. Macmillan in the Chair, 20 November 1961, *British Documents on the End of Empire*, “Malaysia”, A.J. Stockwell (ed.), Series B, Vol. 8, Institute of Commonwealth Studies, University of London, London: TSO (2004), document 79, pp. 245-249.

¹⁰ With the aid of British forces, Malaya had recently defeated a 12-year communist insurgency – a victory presumably welcome to the Indonesian army and fellow anti-communists, but sure to earn the enmity of the PKI and its numerous supporters. See, R. W. Komer, “The Malayan Emergency in Retrospect: Organisation of a Successful Counterinsurgency Effort”, Advanced Research Projects Agency, R-957, Santa Monica, CA: Rand (1972).

creation of Malaysia might cause serious trouble until the end of 1962. The situation changed with an incident on 8 December in the Sultanate of Brunei. Armed supporters of the Brunei People's Party (*Partai Rakyat*), led by its left-leaning chairman A.M. Azahari, staged a revolt aimed at creating an independent state of North Borneo, with the Sultan of Brunei as its constitutional monarch. On the surface, it was Lilliputian rebellion, rapidly suppressed by British forces. But the failed uprising evoked sympathy in Indonesia for what was depicted as a native rebellion against colonial authority. Leftist and nationalist groups staged mass rallies, portraying the Malaysia project as a neo-colonialist exercise, contrary the wishes of the people.

At a governmental level, the build-up of sentiment in Indonesia in support of the rebellion crystallised with a statement from Subandrio on 20 January that Indonesia would “adopt a policy of confrontation against Malaya” because it was acting as an agent of “neo-imperialism and neo-colonialism”.¹¹ This was the first hint that Indonesia might try to replicate the type of pressure tactics employed in the West New Guinea campaign. But at that stage, Subandrio's statement, coming in response to vague Malayan claims that Indonesia had actively assisted Azahari, reflected Indonesian indignation more than a fully, or even partially, elaborated policy. Indeed, contemporary observers found it hard to define exactly what policy Indonesia was pursuing over Malaysia such were the ambiguities.¹²

In the first months of 1962, the consensus in Washington was that Sukarno remained committed to restructuring the economy, or at least there was an overwhelming desire to believe he would. Officials clung to this position even as Sukarno gradually ratcheted up public criticism of the Tunku's plans. In early January 1963, British diplomats in Jakarta delivered a demarche over Sukarno's remarks at a rally that Indonesians who did not support the rebels in Brunei were “traitors to their own souls”.¹³ Yet while the British became increasingly agitated over the potential for Indonesia to complicate their

¹¹ Matthew Jones, *Conflict and confrontation in South East Asia, 1961-1965: Britain, the United States, Indonesia and the creation of Malaysia*, Cambridge, UK: Cambridge University Press (2002), p. 126.

¹² Donald Hindley, “Indonesia's Confrontation with Malaysia: A Search for Motives”, *Asian Survey*, Vol. 4, No. 6 (1964), pp. 904-913.

¹³ Mackie, *Konfrontasi*, p. 124.

decolonisation and exit plans in Southeast Asia, the Americans were determined to stick to the policy of economic collaboration with Indonesia.

The reluctance to alienate Indonesia was evident from the hostility that Kennedy's circle of national security advisers exhibited to anyone who doubted the country was sincere in carrying out economic reform and who proposed a tough response to the emerging policy of Confrontation. The influential Under Secretary of State for Political Affairs, Averell Harriman, literally "blew up" when he read a paper prepared for RAND Corporation by Guy Pauker, a renowned scholar of Indonesia. Pauker had warned the continued Soviet-sponsored build-up of Indonesia's military strengthened the PKI and contributed to expansionist tendencies. He had advocated the USA take a tough line in resisting Indonesian attempts to speed up the transfer of administration in West New Guinea and in preventing what he feared would be an attempt to absorb Malaya, the Borneo territories and Portuguese Timor.¹⁴

Despite the hostility such ideas evoked, the suspicion that the acquisition of West New Guinea had not entirely sated Indonesia's appetite for territory was widespread at the time. US intelligence sources detected preparations in late 1962 and early 1963, after the settlement of the West New Guinea issue, for an invasion and takeover of the small Portuguese outpost on the island of Timor, half of which belonged to Indonesia. A memo to Harriman in February 1963 informed him: "We are aware of the fact that they are undertaking certain preparatory measures directed against Portuguese Timor... While it appears that the Indonesians have not yet decided upon a timetable of action, intelligence reports and Indonesian actions during the last year indicate that preparations are in an active state."¹⁵ Some years later, Nasution and Roselan Abdulgani confirmed a proposal for an invasion had been drawn up by army commander Yani and taken to cabinet on 16 August 1962, the day after the agreement to transfer West New Guinea was announced. Sukarno had rejected the idea because he had no intention of giving himself "a headache similar to

¹⁴ Memorandum from Robert W. Komer of the National Security Council Staff to the President's Special Assistant for National Security Affairs (Bundy), 16 January 1963, *FRUS, Vol. XXIII, 1961-1963*, document 300.

¹⁵ Memorandum from Rostow to Harriman, "Indonesia and Portuguese Timor", 5 February 1963, the NSA, George Washington University, pp. 6-7. Accessed at <https://nsarchive2.gwu.edu/NSAEBB/NSAEBB174/423.pdf>

the one caused by West Irian".¹⁶ More plausibly, he was not then ready to risk another major clash with the Western powers for a prize of dubious merit.¹⁷

Regardless of whether Indonesia then actually harbored any ambitions to takeover Portuguese Timor, one Indonesian army officer expressed his views on how such a territorial incorporation could be managed without the resort to force. "If the people of Timor today or tomorrow started a revolution... we would support them... After independence, if they want to stay independent, fine... If they want to join Indonesia, we will talk it over."¹⁸ Although Indonesia persistently denied territorial ambitions, there was a suspicion that this kind of formula might also be applied to the British Borneo territories. That was certainly the view of the British Foreign Office. Alec Douglas-Home, the Foreign Secretary, believed Sukarno's "ultimate objective" was to "round off his empire" by absorbing the three British Borneo territories.¹⁹

Related to the depiction of Indonesia as an expansionist state was the idea it sought strategic primacy in Southeast Asia, making it a potential rival to Western powers. One US intelligence estimate on 20 February, concluded the "real motives" for Sukarno's anti-Malaysia position were probably "a desire to extend hegemony over Malay peoples and advance his ambitions for great power status".²⁰

One of the reasons for the proliferation of concerns that Indonesia harbored expansionist aims or sought hegemony in Southeast Asia was the ambiguity of its motives

¹⁶ Bilveer Singh, "Soviet-Indonesian Relations, 1945-1968", unpublished PhD dissertation, Canberra: Australian National University (August 1986), pp. 207-208.

¹⁷ After the Indian action in Goa, it was tempting to see Portuguese Timor as a scrappy loose end to the task of securing Indonesia's borders. US intelligence believed invasion preparations continued despite Sukarno's purported reaction in Cabinet. See, Memorandum from Rostow to Harriman, "Indonesia and Portuguese Timor", pp. 3-4.

¹⁸ Quoted in Bernard K. Gordon, "The Potential for Indonesian Expansionism", *Pacific Affairs*, Vol. 36, No. 4 (winter 1963-1964), p. 392. Brig. General Mokoginta made the comment in an interview with *The Washington Post* reporter Warren Una, published 10 May 1963.

¹⁹ Telegram from Lord Home to Theophilus Peters, British charge in Manila, 2 August 1963, Stockwell, *British Documents on the End of Empire*, document 202, p. 543.

²⁰ Special National Intelligence Estimate, SNIE 54/59-63, 20 February 1963, *FRUS*, Vol. XXIII, 1961-1963, document 330. As was common with formal intelligence advice to the President the Central Intelligence Agency; the intelligence organizations of the Departments of State, Defence, the Army, and the Air Force; and the National Security Agency participated in the preparation of the estimate. All members of the U.S. Intelligence Board concurred with it with the exception of the Representatives of the Atomic Energy Commission and Federal Bureau of Investigation who abstained because the subject was outside their jurisdiction.

for opposing Malaysia. But there were other compelling explanations for Indonesia's behavior beyond the desires to acquire territory, of which it had ample quantities at a time when the population numbered 92.5 million, or to dictate the foreign policy of its neighbors. Confrontation could be easily ascribed to a combination of other interconnected international and domestic perceptions and realities.

At the international level, it could be argued that Indonesia saw the creation of Malaysia as a threat to its external security. It also could be argued Indonesia was motivated by a genuine philosophical-ideological belief that Malaysia was not a manifestation of true independence, but an exercise in neo-colonialism and a means for Britain to continue to exert military and economic power in the region. At the domestic level, the launch of another foreign adventure was a fillip to popular morale at a time of increasing economic hardship. He also could use it as a tool of internal power management to direct the energies of the political forces arrayed around him and restrain the intense competition between them, especially the army and the PKI. From a personal perspective, the waging of an inspirational international campaign enhanced Sukarno's prestige at home and abroad, and contributed to a sense of national pride.²¹

In all likelihood, each of the popular international and domestic theories explains the beliefs of different actors at different times. The record suggests the motives of the key actors – principally Sukarno – evolved as the crisis over Malaysia dragged on. From their public and private statements and actions, it becomes increasingly hard to disentangle individual motives, which might serve as a guide to behavior. Indonesia's policy looks less a reflection of a master narrative and more an example of improvisation and opportunism.

Of the above explanations for Indonesia's decision to oppose the joint British-Malay scheme for decolonisation, it is worth considering the idea of Malaysia-as-threat in somewhat more detail. Whether or not Indonesian policymakers genuinely perceived a threat, or simply played on the theme of threat as a convenient means of justifying their actions, threat in various guises litters the discourse of the time. Less than a month after Subandrio first suggested Indonesia might invoke a policy of confrontation, Sukarno told

²¹ In canvassing the numerous motives asserted from Confrontation, Mackie identified three categories of theory – “expansionist, diversionist and ideological”. Mackie, *Konfrontasi*, p. 326.

a rally in Jakarta that the country was “being encircled” and added his voice to the calls for confrontation against Malaysia.”²²

If there were genuine fears for Indonesian security, the persistence of British bases under the Anglo-Malaysian Defence Agreement was likely to be taken as proof that colonial institutions could outlive a formal transfer of sovereignty. As Jamie Mackie saw it, the idea of encirclement was potentially authenticated by the activities of “the Americans with their bases in the Philippines and the Australians, who were allowing the British V-bombers to use Darwin.”²³ This was one dimension of threat; more commonly threat was viewed in political and ideological terms as a struggle against “interference, intervention, sabotage, and subversion”.²⁴

Indeed, Indonesia had ample experience of the threat from within. There also was the risk that Malaysia would become a beacon for Indonesians disaffected with Sukarno’s revolutionary road. Malaya was already outperforming Indonesia economically and this success might have provided the basis for some uncomfortable comparisons with the performance of Guided Democracy. Malaya's deputy prime minister and foreign minister Tun Abdul Razak told Kennedy at a meeting at the White House in late April that Malaya's relative success in creating national prosperity was a “blow to Indonesian pride”.²⁵

Hatta’s earlier warnings about Malaysia also pointed to the wide range of threat perceptions. Hatta’s worries about a “second China” reflected Indonesia’s own difficulties in managing relations between the *pribumi* and the ethnic Chinese. Hatta believed a Malaysia dominated from within by its Chinese “would probably become an accomplice and an ally of mainland China, since it was well known that expatriate Chinese customarily maintain a strong feeling of kinship with their home country”.²⁶ Regardless of whether China did harbor ambitions for influence in the area, in Hatta's conception the basis of the

²² Modelski, *New Emerging Forces*, pp. 74-75. The speech was made to the opening of the conference of National Front committees on 13 February 1963. In another example of the threat narrative, Nasution described Malaysia as a “direct threat” in speeches while touring the border regions in Kalimantan. Mackie, *Konfrontasi*, p. 156.

²³ *Ibid.*, p. 205.

²⁴ *Ibid.*

²⁵ Memorandum of Conversation, Tun Adbul Razak and President Kennedy, 23 April 1963, *FRUS*, Vol. XXIII, 1961-1963, document 331.

²⁶ Hatta, “One Indonesian View of the Malaysia Issue”, pp. 140-141.

Malaysian state, and how it allied itself, was not just a matter of high politics between states. It also had implications for Indonesia's internal security and stability.

President for Life, Sukarno Weighs His Options

In the early months of 1963, Sukarno appeared uncertain about how vigorously he wanted to prosecute the case against Malaysia. He conducted an awkward balancing act between placating anti-Malaysia sentiment within Indonesia and adhering to the demands of economic reform. To satisfy the opponents of Malaysia, he engaged in niggling gestures against Kuala Lumpur and sardonic commentary on the Tunku. Malayan delegates were excluded at Indonesia's behest from some minor Asia-Africa events. The first serious probe by armed Indonesian "volunteers" across the border into Sarawak came near the Tebedu checkpoint in April. But Sukarno simultaneously laid the foundation for economic stabilisation measures that would have a harsh effect on his political base. On 28 March, he unveiled an Economic Declaration, or *Dekon*, to provide a "legal and moral" basis for economic policy.²⁷ Then, on 26 May first minister Djuanda released a series of economic regulations that followed an International Monetary Fund (IMF) formula for austerity measures aimed at tackling runaway inflation.²⁸

The effect of the IMF program was to reduce subsidies and force up the price of many basic goods and services. From the perspective of international relations, the significance of economic stabilisation was to make Indonesia more dependent on Western sources of capital. The IMF and Western donors were ready to offer substantial assistance to Indonesia, but on the condition the government would focus on economic rather than foreign policy priorities.²⁹

²⁷ Farabi Fakhri, "The Rise of the Managerial State in Indonesia: Institutional Transition During the Early Independence Period", unpublished PhD thesis, Leiden University (2014), p. 312. As Fakhri points out, the political effectiveness of the *Dekon* was undermined by compromises designed to satisfy Sukarno's ideal of a NASAKOM coalition. The PKI found enough of its own ideas in the document to later accuse economic technocrats of straying from Sukarno's principles.

²⁸ Annual inflation never dropped below 100 percent in the final years of Guided Democracy. Between 1961 and 1966, food prices increased 40 times, causing enormous hardship to the population. See *ibid.* p. 316.

²⁹ *Ibid.* p. 328. For a detailed account of prevailing economic conditions and the measures in the 26 May regulations see *ibid.*, pp. 311-349.

Preoccupied with managing the domestic politics of a painful economic adjustment, Sukarno at first appeared to follow the West's preferred script. He cautiously embraced a Philippines initiative in March for the Malaysia question to be addressed in officials' talks under the umbrella of the Association of Southeast Asia (ASA).³⁰ Kuala Lumpur, wary of being forced into concessions over its timetable for unifying the three regions, was tentative, but convinced to participate in part by the desire to clarify why Indonesia was objecting to Malaysia. An ASA conference on 4 April set in motion a series of conferences under the umbrella of the three ethnic Malay states – a so-called Maphilindo grouping. The Philippines had its own interests in the creation of Malaysia. It maintained a historic claim to the territory of Sabah, administration over which the Sultan of Sulu had ceded to the British North Borneo Company in 1878.³¹

Although the 4 April conference skirted the issue of Malaysia, it succeeded in creating a pathway to a peaceful settlement. Senior officials from the Maphilindo states were to meet again within days, to be followed a month later by their foreign ministers. Still, the ambiguities typical of Indonesian foreign policy at this time persisted: a week later the incursion at Tebedu occurred and within the month, during a visit to Indonesia by Chinese President Liu Shao chi, Sukarno rehearsed a stridently anti-Malaysia position to a public rally. Indonesia followed this with a request for a delay in the foreign ministers' talks from mid-May to early June, leaving in doubt whether any meeting would be held.

Then, as if to underscore the mercurial character of Indonesian policy, Sukarno just as abruptly softened his public approach to the Tunku to coincide with the release of the 26 May economic regulations, inviting the prime minister to a meeting in Tokyo.³² In the convivial climate of Japan's late Spring, the pair resolved to press ahead with the foreign ministers' meeting between 7 and 11 June as a prelude to a possible summit of heads of government. The sudden shift in Sukarno's attitude was confirmed by a decision to resolve

³⁰ The ASA was an initiative of the Tunku. Between 1961 and 1963, Malay, Thailand and the Philippines enlisted to the organization. See Donald E. Weatherbee, *International Relations in Southeast Asia: The Struggle for Autonomy*, 2nd. Ed, Singapore: ISEAS (2010), p. 73.

³¹ The Philippines believed sovereignty should revert to it as the successor state to the sultanate once Britain relinquished rights held by the company. See *ibid*, p. 138.

³² Sukarno and the Tunku met on 31 May and 1 June.

a long-running dispute with the USA over the treatment of oil companies operating in Indonesia.³³

It is hard to escape the conclusion that at this point Sukarno's decision making was mostly tactical, short-term and based on maximising his room to manoeuvre within the shifting confluence of domestic and international affairs. And yet the evident progress on a solution to the Malaysia dispute and the rights of foreign oil companies produced the hope, if not absolute conviction, that Indonesia had turned a corner and was ready to tackle its manifold economic problems in earnest. The ardent Washington advocates of engagement with Indonesia could point to real evidence that after years of turmoil, Indonesia was finally getting its house in order. During May 1963, Indonesia also finally ended seven years of martial law, internal order having been restored by the army a year earlier. The People's Consultative Assembly (MPR) commemorated the formal transfer of administration over West New Guinea.³⁴ And, in a burst of gratitude, the MPR declared Sukarno President for life.

The Maphilindo diplomacy was to produce some dividends. It generated optimism that differences could be managed, and Malaysia brought into existence, in a manner that addressed Indonesia's objections. The foreign minister's talks in Manila in June carried forward the momentum from Tokyo, confirming "complete agreement" on four key aspects of the Malaysia problem.³⁵ First, the ministers agreed the three countries should share primary responsibility for maintenance of stability and security in the region to keep it free from subversion - an apparent concession to Indonesian concerns over the alliances Malaya had with Britain and the Philippines had with the USA. Second, they agreed to explore Philippine President Diosdado Macapagal's plan for the Malay states to form the

³³ Memorandum from Michael V. Forrestal of the National Security Council Staff to President Kennedy, 10 June 1963, *FRUS, Vol. XXIII, 1961-1963*, document 309. This document describes the successful outcome of negotiations in Tokyo on 29 May between Sukarno and Wilson W. Wyatt, Kennedy's envoy on the issue.

³⁴ Sundhaussen, *Road to Power*, p. 166. Martial law, referred to as a "state of war and siege", lasted from March 1957 until May 1963. Its end came with the defeat of the Darul Islam, the PRRI-Permesta rebellions and the Republic of South Malacca (RMS) rebellion. Sukarno had declared the previous August that the end of internal security challenges and the victory over West New Guinea enabled him to focus on economic problems.

³⁵ Government of Indonesia, "Why Indonesia Opposes British-Made 'Malaysia'", Jakarta: Government of the Republic of Indonesia, (September 1964), p. 33.

Maphilindo organisation. Third, they agreed the Philippines claim to Sabah should not be prejudiced by acquiescence to the formation of Malaysia. Fourth, they agreed on the principle of self-determination, although what that exactly meant was open to interpretation by all the parties. It was Malaya's commitment to ensure the views of the people of North Borneo were "ascertained by an independent and impartial authority" that had enabled Indonesia and the Philippines to hold out the prospect "they would welcome the formation of Malaysia".³⁶ But the foreign ministers agreed to leave the details of how local opinion would be assessed to a summit of leaders to be held in Manila by the end of July.

The manner of determining the opinion of the residents of the Borneo territories, and its bearing on the eventual outcome, was to become a source of furious disagreement between the signatories to the Manila Accord. Britain was determined to adhere to a tight timetable for the establishment of Malaysia. It was clear both London and Kuala Lumpur regarded the mention of self-determination in the Manila Accord as no more than a perfunctory obligation. A month after reaching a comfortingly vague agreement in Manila on the form of popular consultation, the Tunku went to London where the British and Malay governments reaffirmed their intention to found Malaysia on 31 August and to extend the Anglo-Malayan Defence Agreement to the new state. The so-called London agreement immediately drew a hostile reaction from Indonesia. On 10 July, a day after it was signed by the Tunku and Prime Minister Harold Macmillian, Sukarno launched into another tirade, disparaging the Malay Prime Minister as a man who did not keep his word.³⁷ The plan for a leaders' summit looked increasingly in doubt.

In a later analysis, the Indonesian government accused the British of interference in the negotiations, which resulted in the "spectacle of agreements reached in good faith being broken almost before the ink was dry on the signatures".³⁸ But, for the Indonesians, there was another, likely bigger, reason to object to the London agreement. Article VI gave Britain the right to use its Singapore bases, as it "may consider necessary for the purpose of assisting in the defence of Malaysia, and for Commonwealth defence and for the

³⁶ For the full text of the accord, see *ibid.*, Manila Accord, Annex I, pp. 121-124.

³⁷ Mackie, *Konfrontasi*, p. 154.

³⁸ Government of Indonesia, "Why Indonesia Opposes British-Made 'Malaysia'", p. 34.

preservation of peace in Southeast Asia”.³⁹ The wording eliminated a requirement of the 1957 Anglo-Malay Defence Agreement to seek the consent of the host government to deploy British forces. This virtually unfettered right to use the Singapore bases, and a self-appointed remit to preserve the peace in Southeast Asia, was accompanied by an appendix to the London agreement that gave Britain 999-year leases over several of its navy, air and army facilities.⁴⁰

It was acknowledged in London that the military and strategic imperatives behind the creation of Malaysia far outweighed other determinants. A paper prepared for the British cabinet in early 1963 found it “inescapable that our defence expenditure in the Far East is now out of all proportion to our economic stake there”.⁴¹ Still, Britain regarded the maintenance of its Singapore bases as “vital to the discharge” of all its formal and informal alliance obligations in the region, including SEATO, the defence of Malaya, the forward defence of Australia and New Zealand and the defence of Hong Kong and other remaining colonies.⁴² It also regarded its ability to exercise influence over the policies of the USA in Asia as inexorably linked to the presence of British forces in Singapore; a case of showing “we are sharing the load”.⁴³ And it had come to the conclusion that Malaysia offered not only the best means of ensuring a viable future for Singapore and the North Borneo territories, but also “the best prospect of keeping our base”.⁴⁴

It therefore should have come as no surprise that one of the principal criticisms Indonesians levelled at Malaysia was the nature of the new Anglo-Malay defence arrangements. The extraordinary thousand-year leases on the bases and the freedom of action granted to Britain in their use, presumably in support of SEATO, permitted Indonesia to claim, with some justification, that Malaysia was a “British neo-colonialist

³⁹ “United Kingdom of Great Britain and Northern Ireland and Federation of Malaya, Sarawak, North Borneo and Singapore, Agreement Relating to Malaysia”, London, 9 July 1963, *United Nations Treaty Series*, (1970), accessed on 5 February 2016 at <https://treaties.un.org/doc/publication/unts/volume%20750/volume-750-i-10760-english.pdf>

⁴⁰ *Ibid.*, pp. 193-206.

⁴¹ “Defence of the Far East about 1970”, memorandum from Sir Arthur Snelling to Cabinet Oversea Coordinating Committee, 19 March 1963, Stockwell, *British Documents on the End of Empire*, document 166, p. 459.

⁴² *Ibid.*, p. 462.

⁴³ *Ibid.*, p. 460.

⁴⁴ *Ibid.*, p. 462.

project”.⁴⁵ Having fought a revolution against colonialism, it was certainly an affront that a fading colonial power should reserve for itself the role of policeman. Whether Indonesia sought territorial aggrandisement or regional hegemony, as many Britons and Americans thought, it seems clear that it expected at the very least to assume a leadership role for the Malay or littoral states of Southeast Asia.

The irony of Indonesian hostility to the creation of Malaysia was that it provoked Britain to redouble its military commitment to Southeast Asia just as pressures were mounting to reduce the size of the deployment east of Suez. The growing cost of maintaining in Singapore a force equal to one quarter of Britain's total military strength raised inevitable questions over the economic or strategic value of such a large deployment so far from home. According to a review presented to the British Cabinet in March 1963, there were strong doubts “expressed by the Prime Minister, Ministers and officials about the whole scale of our defence effort in the Far East”.⁴⁶

Confrontation presented Britain with a “second front” in Southeast Asia, which required a military response and drew its attention away from containing communist China.⁴⁷ Whitehall believed Britain needed to concentrate on containing Indonesia, while the USA assumed that responsibility in relation to communist China. It certainly suited the USA to leave Britain to handle Indonesia’s opposition to Malaysia. Dean Rusk, the Secretary of State, had told Lord Home during SEATO talks in Paris on 7 April that the problem of Indonesia’s attitude to Malaysia was something for Britain, Australia and New Zealand to handle. The USA wanted to “take a back seat” – a position some high-ranking British officials found “disappointingly negative”.⁴⁸

⁴⁵ Government of Indonesia, “Why Indonesia Opposes British-Made ‘Malaysia’”, p. 23.

⁴⁶ Defence in the Far East about 1970: Memorandum by Sir A. Snelling for the Official Oversea Coordinating Committee, 19 March 1963, Stockwell, *British Documents on the End of Empire*, document 166, pp. 459-460.

⁴⁷ “‘Future Defence of Malaysia’: Minute from Lord Home to Mr. Macmillan”, 16 April 1963, *ibid.*, document 169, p. 478.

⁴⁸ *Ibid.*, p. 477.

Black September: The Failure of Maphilindo Diplomacy

It was against the backdrop of British concern over the implications of its military commitments to Malaysia, deep mutual suspicion of the motives of the respective parties, and the complexities of regional alliance politics, that the Maphilindo leaders were to meet in Manila to resolve their differences over acceptable terms for the formation of Malaysia. But a firm British conviction that there was no alternative for the future of its Borneo colonies than to federate with Malaya, and a belief that any delay to the formation of the federation could jeopardise the whole project, left the Tunku limited room to negotiate.⁴⁹ British disinterest in Indonesia's views on when or if Malaysia would be formed were clearly signalled by the decision to designate 31 August as "Malaysia Day" in the London agreement. Predictably, Indonesia regarded this as an act of "bad faith", which negated the results of the earlier foreign minister's meeting.⁵⁰

Nonetheless, after considerable uncertainty, Sukarno agreed to attend the leaders' summit between 30 July and 5 August. Over the course of that week, Sukarno, the Tunku and Macapagal were to flesh out several agreements. The central issue was how to satisfy Indonesia's demand for self-determination. The Tunku had the task of winning agreement to a mechanism for ascertaining the opinion of the peoples of the Borneo territories that did not entail either a plebiscite or a referendum. The debates among the three leaders on the matter of Bornean opinion were rancorous and only resolved after frantic negotiations with UN Secretary General U Thant. The eventual agreement was founded on a simple trade off: the Tunku agreed to a short delay in the declaration of the Malaysian federation in exchange for Indonesia dropping demands for a ballot of Bornean citizens.

The delay of Malaysia Day deeply perturbed Whitehall.⁵¹ But it was grudgingly accepted as a gesture to show allies and the UN – not Indonesia – that Britain was being

⁴⁹ Britain's reasons for wanting to avoid delays in creating Malaysia had more to do with internal tensions within the states of the proposed federation than with Indonesian hostility. As early as December 1961, Colonial Office officials had urged Malaysia "should not be prolonged a day longer than is absolutely necessary". See, Letter from Lord Selkirk to Macmillian, *ibid.*, document 87, p. 264.

⁵⁰ Government of Indonesia, "Why Indonesia Opposes British-Made 'Malaysia'", p. 34.

⁵¹ For British objections to any delay in the formation of Malaysia, see Manila Summit: Cabinet Conclusions, Stockwell, *British Documents on the End of Empire*, document 200, pp. 541-542.

reasonable. While the summit was underway, Kennedy had sent a telegram to Macmillan urging him to agree to briefly postpone Malaysia Day to avoid the collapse of the talks, despite recognising that “kow-towing to Sukarno is a risky enterprise”.⁵² Britain had no intention of deviating from plans to form Malaysia regardless of what others judged Bornean opinion to be. Fortunately for Britain and Malaya, Indonesia had agreed to a formula that simply required U Thant to verify that local council elections held in North Borneo and Sarawak in late 1962 and early 1963 were free and fair and a reflection of the desire of voters to federate with Malaya. U Thant confirmed that UN teams could carry out the assessment before mid-September.⁵³

The flaws in the Manila compromise were soon revealed.⁵⁴ The UN ascertainment of Bornean opinion proceeded against a backdrop of squabbling over the size and activities of observer delegations. It was also marred by evidence that Britain and Malaya were determined to create Malaysia regardless of what the UN mission uncovered. The Tunku made the irrevocability of the Malaysia plan patently clear to the Colonial Office soon after the signing of the Manila agreements, conveying his “absolutely firm undertaking” to proceed on “whatever later date may now be agreed” with London. His own preference was to declare Malaysia on 16 September “irrespective of the nature of the (UN) Secretary General report”.⁵⁵ An amendment was duly made to the London agreements and signed in Singapore by representatives from Britain, Malaya, Singapore, North Borneo and Sarawak on 28 August. Surprisingly, this provocative act did not immediately elicit protests from Jakarta, but it did later.⁵⁶

⁵² Telegram from President Kennedy to Prime Minister Macmillan, 3 August 1963, *FRUS, Vol. XXIII, 1961-1963*, document 333.

⁵³ For an account of the debate over Bornean self-determination in Manila, see Mackie, *Konfrontasi*, pp. 157-165. For details of local elections and politics in North Borneo (Sabah) and Sarawak, see *ibid.*, 61-76.

⁵⁴ A full text of the agreement can be found at, “Philippines, Federation of Malaya and Indonesia, Joint Statement”, Manila, 5 August 1963, *United Nations Treaty Series*, (1965), accessed on 5 February 2016 at <https://treaties.un.org/doc/publication/unts/volume%20550/volume-550-i-8029-english.pdf>

⁵⁵ Telegram from Sir G. Tory to Mr. Sandys, reporting the Tunku’s attitude, 9 August 1963. *Ibid.*, document 211, p. 550. The British had also applied pressure on the Tunku to stay firm on the date of Malaysia Day. See, Manila Summit: Cabinet Conclusions, 1 August 1963, *ibid.*, document 200, p. 542.

⁵⁶ Mackie, *Konfrontasi*, p. 174. Malaya sent Inche (later Tan Sri) Ghazali bin Shafie, the permanent secretary of the Department of External Affairs, to Jakarta on 29 August, the day the new founding

When U Thant announced the findings of the UN mission on 14 September, he paused to note the “misunderstanding, confusion and even resentment” caused by the decision to fix a date for the establishment of Malaysia before he had reached and announced his conclusions. He also expressed “regret” about the speed of the consultation. But the Secretary General granted his imprimatur: he was in “no doubt about the wishes of a sizeable majority of the peoples of these territories to join the Federation of Malaysia”.⁵⁷

The next day after a meeting of Sukarno's Supreme Operations Command (*Komando Tertinggi* or KOTI) Indonesia announced its refusal to recognise the new state, prompting a sharp escalation in the diplomatic conflict.⁵⁸ On 16 September, rowdy, stone-throwing protestors rallied at the British and Malayan embassies in Jakarta. That day, Subandrio told the ambassador in Jakarta of newly-constituted Malaysia “you have no status here”.⁵⁹ On 17 September, Kuala Lumpur withdrew its ambassador and gave Indonesian diplomatic personnel seven days to pack and leave. The Indonesians used this act to claim it was Malaysia that severed diplomatic relations. Following the decision to break diplomatic ties, the Tunku, was allegedly seen stamping his feet on Indonesian state symbols at a demonstration in Kuala Lumpur.⁶⁰ In Jakarta, workers, mostly PKI-affiliated, started a campaign to takeover British enterprises.⁶¹ On 18 September, events in Indonesia upped the ante again. In a more violent demonstration, a mob of about 5000 sacked and

date for Malaysia was announced. Rather than protest this action, Subandrio repeated a suggestion to hold the first Maphilindo consultation in Kuala Lumpur in October as a gesture of friendship from Sukarno to the Tunku. It took five days for Jakarta to send an official protest to Kuala Lumpur, describing the Malaysia Day announcement as a “unilateral action”, which violated the Manila agreements.

⁵⁷ Report of the UN Mission to Malaysia, 13 September 1963, Stockwell, *British Documents on the End of Empire*, document 225, pp. 574-578.

⁵⁸ KOTI was a kitchen Cabinet headed by Sukarno as Commander in Chief.

⁵⁹ The Origins and Formation of Malaysia, FCO Research Department Memorandum, 10 July 1970, Stockwell, *British Documents on the End of Empire*, Appendix, p. 658.

⁶⁰ The Indonesians made a great hubbub over this incident, although Kuala Lumpur claimed the Tunku was bodily lifted onto the Indonesian flag by young demonstrators. See Mackie, *Konfrontasi*, p. 188.

⁶¹ The most prominent of the seizures involved Shell Oil Company facilities, but British banks and trading companies were also targeted. See *ibid.*, pp. 191-192.

burned the British Embassy. Elsewhere, the homes and cars of British residents were attacked in what had the appearance of orchestration.⁶²

The next morning, Sukarno, in a “savage mood”, launched a tirade against the Tunku. “When did a head of state ever grind his heel into the state seal of another nation?” he asked Ambassador Jones, who had come to the palace seeking an expression of contrition and guarantees there would be no repeat of the violence.⁶³ The government did release a statement expressing regret, but it was far from the unequivocal apology the State Department demanded.⁶⁴ By 21 September there was no turning back. On the recommendation of a government economic committee, the Supreme Economic Command (*Komando Tertinggi Operasi Ekonomi* or KOTOE), Sukarno agreed to cut trade and financial contacts with Malaysia. This effectively put an end to the economic stabilisation plan. By 24 September, the USA had decided to halt aid earmarked for plan and urge the IMF to do the same.⁶⁵ The new mood of belligerence was crowned on 25 September when Sukarno told a rally in Yogyakarta that Indonesia would “crush” (*ganjang*) Malaysia.⁶⁶

Around this time, Sukarno claimed to have told Jones: “Indonesia has been duped and humiliated in the eyes of the world.” He was “infuriated,” he recorded, by the “high-handed announcement” of a date for Malaysia Day while the ascertainment was still in its opening stages.⁶⁷ Sukarno claimed not to fear Malaysia itself – its population was too small. But he did point to the British bases as a pervasive threat. His views on this are worthy of elaboration:

Fresh in our minds are those demonstrations of foreign pilots who operated from bases surrounding us - bases like that in Singapore; British territory; territory governed by Tunku Abdul Rahman, an avowed anti-Indonesian who protected,

⁶² See Mackie, *Konfrontasi*, pp. 188-189.

⁶³ Telegram from Jones to State Department, 19 September 1963, *FRUS, Vol. XXIII, 1961-1963*, document 314.

⁶⁴ *Ibid.*, n. 1.

⁶⁵ US officials were uncertain how hard to press Indonesia. Ambassador Howard Jones counseled moderation in order to retain access and buy time. He viewed it a “serious mistake” to publicly attack or isolate Sukarno. See Telegram from the State Department to the Embassy in Indonesia, 24 September 1963, *FRUS, Vol. XXIII, 1961-1963*, document 316, n. 1.

⁶⁶ Sukarno, “Crush Malaysia”, in Modelski, *New Emerging Forces*, p. 80.

⁶⁷ Sukarno, *Sukarno*, pp. 301-301.

subsidised, and still shelters in Kuala Lumpur many rebels who revolted against me in 1958. Is that not ground for us to be on our guard, particularly when these colonies which ring us have been hastily and hostilely cemented together by steamroller tactics?... Have we not to safeguard our borders?⁶⁸

These calculations would resonate as the events of September 1963 transformed Confrontation from a largely diplomatic dispute, interspersed with periodic low-level military forays, to something much more perilous for all parties. In consequence for alignment, the impact of Confrontation became greatest in the period after this as Sukarno and Indonesia gradually turned away from the West to more sympathetic partners in the Communist and socialist world. Despite determined American efforts to pull Indonesia back to its idea of a more virtuous path, the die was cast in September, symbolically sealed by the demise of the economic stabilisation program. The long brooded over risk of Indonesia falling into the Communist camp started to appear in the West to be disturbing real.

Living Dangerously: Breaking with the West

The 'Third Camp': China Edges Out its Rivals

From the start, China exhibited sympathy for the cause of the rebels in Brunei.⁶⁹ It also was the only major state to openly support the use of aggression in resolving the dispute. Beijing saw in Confrontation an unrivalled opportunity to consolidate its often-fraught relationship with Jakarta while simultaneously driving a wedge between Indonesia and the West. The orientation of the PKI, which gradually shifted away from Moscow to Beijing during the early phases of Confrontation, meant the consolidation of the diplomatic relationship also would enhance the standing of its strongest domestic ally in Indonesia. Moreover, the rationale for the consolidation fitted with China's then prevailing

⁶⁸ Ibid., pp. 302-303.

⁶⁹ See, for example, the statement of the statement of the Chinese Committee for Afro-Asian Solidarity on the "just demand" of the Brunei people, quoted in "Uprising in Brunei", *Peking Review*, Vol. 5, No. 51, 21 December 1962.

worldview. China's theories about revolutionary liberation movements in the Third World and the universal struggle against imperialism had an essentially militaristic component to them. This presented another benefit to China: the events generating closer ties suited China's purposes better than those of the Soviet Union. Not only could China edge out Western influence, it might be able to edge out Soviet influence too.

Under Khrushchev, the Soviet Union was far more concerned about the status quo in Europe than the cause of anti-imperialism. Caught between doves and hawks in the Kremlin, Khrushchev was alternately hard line and moderate in his relations with the West. This resulted in various overtures to the USA during the Eisenhower years, before things turned sour over the downing of Gary Power's U-2 and later, under Kennedy, over the Bay of Pigs, the missile crisis and the Berlin Crisis. The period of increased US-Soviet tensions had coincided with Sukarno's decision to force a resolution of the West New Guinea issue. But after Cuba and Berlin, the attempts at détente were revived and reached a peak in July-August 1963 with the establishment of a hot line between the Oval Office and the Kremlin and the signing of the Limited Nuclear Test Ban Treaty between the USA, Britain and the Soviet Union.⁷⁰

These initiatives, and especially the NTBT, sharpened the Sino-Soviet split. Beijing saw it as evidence that Moscow was prepared to strike an accommodation with the West that jeopardised Chinese security interests.⁷¹ A flavor of the thinking was captured in a *People's Daily* editorial that claimed the "tripartite treaty is aimed at tying China's hands" and was evidence of a "U.S.-Soviet alliance against China pure and simple".⁷² But there were deeper, and more longstanding, differences fuelling the Sino-Soviet split.

⁷⁰ The series of initiatives in the second half of 1963 represented a distinct relaxation of tensions between Washington and Moscow, but in Rusk's view did not amount to a "détente". See Address by Secretary Rusk, Foreign Policy and the American Citizen, *The Department of State Bulletin*, 30 December 1963, p. 994.

⁷¹ China at the time was developing its own atom bomb which it intended to test. See, Thomas C. Reed and Danny B. Stillman, *The Nuclear Express: A Political History of the Bomb and its Proliferation*, Minneapolis, MN: Zenith (2009), pp. 84-112.

⁷² *Renmin Ribao* [*People's Daily*] editorial reprinted as "A Betrayal of the Soviet People", *Peking Review*, Vol. 6, No. 32, 9 August 1963, p. 11.

Among them were starkly different views over whether to agitate for rebellions against colonial or Western-oriented regimes in the Third World.⁷³

It meant that by late 1963, when tensions over the formation of Malaysia started to peak, the Soviet Union had lost its appetite for encouraging a collision between Indonesia and the West. The general trend of de-confliction would have a significant impact on the approaches of the two big communist powers to Confrontation. Moscow's emerging détente with Washington and the complexities of Sino-Soviet relations counselled moderation. In contrast, Beijing pinned its hopes of breaking out of foreign policy isolation and challenging US and Soviet dominance on the creation of a "third camp".⁷⁴ Membership of this international united front would be determined by opposition to the two big global powers rather than a shared ideology or a common vision of what would replace bipolarity. Still, until September 1963, it remained unclear how hard Indonesia would press its grievances over Malaysia and whether it might be receptive to Chinese overtures.

From the outbreak of the rebellion in Brunei, China had cast the issue in terms of a global anti-imperialist crusade. Although Chinese rhetoric matched Sukarno's Manichean vision of New Emerging Forces versus Old Established Forces, the lack of clarity over his intentions for most of the following year, while the Maphilindo diplomacy played out, meant there were limits to how effectively China could use the Malaysia dispute to nurture closer relations. On a visit to Indonesia in April 1963, the chairman of the People's Republic, Liu Shao-chi, praised the country for rejecting the "neo-colonialist scheme of Malaysia".⁷⁵ But the official communiqué from the visit – the first by a Chinese head of state to an Asian country – only made passing mention of Malaysia. Nonetheless, the seeds of an alliance were there in a common view of several global issues – the communiqué supported the struggles of the North Vietnamese and the North Koreans for "reunification",

⁷³ See Mozingo, *Chinese Policy*, pp. 126-128 and pp. 131-134; also see Buszynski, *Soviet Foreign Policy and Southeast Asia*, London: Croom Helm (1986) pp. 13-14.

⁷⁴ Mozingo, *Chinese Policy*, p. 206. Mao also articulated this thesis as the promotion of an "intermediate zone" between the USA and Soviet Union comprising an odd mix of states whose only common feature was that they were on the periphery of great power politics and potential casualties of great power manoeuvres. See TK... Mao and intermediate zone...

⁷⁵ "A Visit for Friendship, Unity and Peace", *Peking Review*, Vol. 6, No. 16, 10 April 1963, p. 9. Foreign Minister and Vice Premier Chen Yi accompanied Liu on the visit.

opposed outside intervention in the Sino-Indian border dispute, and voiced sympathy for the “gallant Cuban people”.⁷⁶

The signs of accord aside, China would require forbearance in dealing with Indonesia. Less than a month after the signing of the communiqué, anti-Chinese riots broke out again on Java, causing widespread property destruction and several deaths. To Sukarno and the Chinese, it was an obvious attempt to sabotage any partnership between Jakarta and Beijing. They blamed counter revolutionary forces – code for anti-communist elements in the army and Muslims linked to groups such as the outlawed Masyumi. Regardless, fears of a Sino-Indonesian alliance were then premature. An alliance would have to wait for Indonesia to decisively part ways not only with the USA, but also the Soviet Union. The events of September 1963 provided the first real prospect of such an irreconcilable rupture occurring.

The USA’s need to preserve relations with allies Britain and Australia, the hostility the US Congress directed at Sukarno personally, and the desire to avoid rewarding bad behavior, dictated that it take a firm line against the escalation of Confrontation. Some of the verbal attacks on Sukarno were extreme and, reaching his ears, caused him deep injury. Terms like “dictator”, “blackmailer”, and “junior grade Hitler” were bandied about in Congress.⁷⁷ But the USA was not about to surrender its position in Indonesia. There were still a good number of Kennedy advisers who counselled against denigrating or isolating Sukarno. Taunts and insults, it was reasoned, would only force him into the hands of the communists. Kennedy had been planning a trip to Asia in the early part of 1964. An offer to add a stop in Indonesia to the itinerary was viewed as one of the best forms of remaining leverage available to Washington.

When Jones called on Sukarno in early November prior to returning to Washington for consultations, he found the President effusive over the idea of a Kennedy visit. He promised he would give Kennedy “the grandest reception anyone ever received here”. Sukarno made an effort to allay any worries that might scupper the visit, repeating he had

⁷⁶ The full text of the 20 April communiqué can be found in “Sino-Indonesian Joint Statement”, *Peking Review*, Vol. 6, No. 17, 26 April 1963, pp. 11-12.

⁷⁷ Simpson, *Economists with Guns*, p. 97.

no expansionist aims in Malaysia, no plan to give the PKI a cabinet seat, and no desire to use military force against Malaysia.⁷⁸ While Kennedy publicly appeared to face off against Sukarno, making the exaggerated claim at a press conference on 14 November that the USA had “suspended” all aid to Indonesia, he continued to entertain ways of avoiding an irreconcilable break.⁷⁹

In Washington on 19 November, Jones and Kennedy met at the White House where they discussed a possible package of inducements to bring Sukarno back to the negotiating table with the Tunku. In exchange for agreeing to settle the Malaysia dispute peacefully, withdraw Indonesian forces from the border in Borneo and cease support for guerrilla activity, the USA would use its influence to ensure the success of a Maphilindo dialogue, resume economic stabilisation aid, increase rice aid and plan a presidential visit to Indonesia at the earliest opportunity.⁸⁰

But three days later Kennedy was assassinated and the USA suddenly had a President far less inclined to give Sukarno the benefit of the doubt. Almost immediately, new President Lyndon B. Johnson had to start to address Indonesia policy by virtue of a meeting at the White House with Indonesian Defence Minister Nasution, described to him by the State Department as the closest thing the USA had to a friend at “Sukarno's court”.⁸¹ Nasution had come straight from Moscow where Khrushchev had feted him with “red carpet treatment”.⁸² The talks at the White House allowed Nasution to air well-rehearsed grievances over the manner and outcome of the UN ascertainment, but at least they did

⁷⁸ Telegram from Embassy in Indonesia (Jones) to the Department of State, *FRUS, Vol. XXIII, 1961-1963*, 4 November 1963, document 319.

⁷⁹ “The President’s News Conference”, 14 November 1963, The American Presidency Project, University of California, accessed at <http://www.presidency.ucsb.edu/ws/index.php?pid=9519>. Aid unconnected to the economic stabilisation program and military aid, other than weapons and ammunition, continued to flow to Indonesia. Kennedy also criticised Indonesia by publicly naming it as one of a number of countries engaged in “needless hostilities” that absorbed “precious resources that their people require”. See “Remarks at the Dinner of the Protestant Council of the City of New York”, 8 November 1963, *ibid.*, accessed at <http://www.presidency.ucsb.edu/ws/index.php?pid=9515&st=Indonesia&st1>.

⁸⁰ Memorandum of Conversation (Kennedy and Jones), *FRUS, Vol. XXIII, 1961-1963*, 19 November 1963, document 320.

⁸¹ Quoted in Editorial Note, *ibid.*, document 322. Nasution was in Washington for a visit planned before Kennedy's death. He thus became the Indonesian representative at the Kennedy funeral on 25 November and the first to have a dialogue with Johnson.

⁸² *Ibid.*

elicit Indonesia's interest in a return to negotiations.⁸³ Elsewhere, Nasution made the more revealing observation to his American hosts that Malaysia would not be a viable state and "would fall under domination of resident Chinese and thus provide [a] Communist Chinese beachhead".⁸⁴ The Nasution visit served to reinforce the view that the USA needed to keep a "foot in the door" in Indonesia via the maintenance of some level of aid.⁸⁵

But then two things happened. First, in mid-December, the Foreign Assistance Act was amended to require the President to sign a determination that aid to Indonesia was in US national interests before it could be released.⁸⁶ This substantially curtailed the President's flexibility in adjusting aid flows to meet foreign policy priorities. And, second, confrontation took a turn for the worse after Indonesian troops and irregulars launched the first major assault on military positions inside British Borneo, at Kalabakan, on the night of 29 December.⁸⁷ The problem of Indonesia and confrontation thus became one of the first big international tests for Johnson.

The action at Kalabakan no doubt served to deepen Johnson's suspicions about Sukarno. His thinking was strikingly illustrated in a telephone conversation on 2 January with Secretary of Defence, Robert McNamara. As the raid on Kalabakan continued to play out, with British and Malaysian forces hunting the infiltrators, Johnson told McNamara he

⁸³ Memorandum of Conversation (Johnson and Nasution), Washington, 29 November 1963, *ibid.*, document 323.

⁸⁴ Telegram from the Department of State (Rusk) to the Embassy in Indonesia, 7 December 1963, *ibid.*, document 324.

⁸⁵ Summary Record of the 521st National Security Council Meeting, 7 January 1964, *ibid.*, document 8.

⁸⁶ The amendment was the work of Republican congressman William Broomfield. In order to receive aid Indonesia had to provide assurances of peaceful intentions and the President had to determine aid grants were in the US national interest. See Usha Mahajani, "Soviet and American Aid to Indonesia, 1949-1968", *Papers in International Studies*, Athens, Ohio: Ohio Center for International Studies (1970), pp. 23-25.

The Kennedy and Johnson administrations had been fighting Congress over attempts to slash the size of the foreign aid vote. While Congressional attempts to restrain aid to Indonesia had specific intent in relation to Jakarta's foreign policy, they reflected a general congressional turn against foreign aid. See Our Obligations to the Family of Man, Remarks by President Kennedy, *The Department of State Bulletin*, 25 November 1963, Washington DC: US Government Printing Office, pp. 806-810; and President Johnson and Secretary Rusk Urge Full Appropriations for Foreign Aid, *ibid.*, 30 December 1963, pp. 999-1004.

⁸⁷ For an account of the Kalabakan raid, see Nick van der Bijl, *Confrontation: The War with Indonesia 1962-1966*, Pen & Sword: Barnsley, UK (2007), pp. 94-98. The toll of eight Malaysian soldiers killed, including a company commander, and 16 wounded was the greatest number from a single attack on Commonwealth forces during confrontation.

“ought to be impeached” if he signed the determination for an aid allocation to Indonesia in 1964.⁸⁸ Describing Sukarno, Johnson said: “When you let a bully come in and start raiding you in your front yard, if you run, he'll come in and run you out of your bedroom the next night.”⁸⁹ The President's personal distaste for Sukarno would conflate with events on the ground in 1964 to produce a significant hardening of US policy towards Indonesia. At the start of that year, Rusk wrote to the embassy in Jakarta that US-Indonesia relations had reached a “point of crisis”.⁹⁰

Meanwhile, the Soviet Union too struggled with a dilemma. If Moscow reprised the support it demonstrated for Indonesia's brinkmanship over West New Guinea, it might pay the price of disturbing its emerging détente with the USA, irritating countries like Egypt and India that had recognised Malaysia, and facing accusations it was advocating the export of rebellion.⁹¹ This last point had been one of the fundamental differences over global strategy that contributed to the Sino-Soviet split. If, on the other hand, the Soviets condemned Indonesia's actions, it risked abandoning Indonesia to the China camp. It walked the same fine line as the USA.

But Moscow's disapproval of Confrontation could be measured by its tepid response. It made “no official public statement” on confrontation akin to the stance it took over West New Guinea. Soviet media devoted little coverage to it. And there were no further arms transfers, “not even small-scale ones”.⁹² The irony of all this was that the USA and Soviet Union - each still in competition for influence in Jakarta - shared a similar attitude to Sukarno's priorities and a similar fear of turning Indonesia over to China's sphere of influence.

⁸⁸ Telephone Conversation Between Johnson and McNamara, *FRUS, Vol. XXVI, 1964-1968*, document 1. Congress had earlier passed an amendment to the Foreign Assistance Act requiring a presidential determination that it was in the national interest for aid to be dispersed.

⁸⁹ *Ibid.*

⁹⁰ Telegram from the Department of State (Rusk) to the Embassy in Indonesia, 4 January 1964, *FRUS, Vol. XXVI, 1964-1968*, document 2.

⁹¹ For an account of the Soviet Union's position on confrontation see Singh, “Soviet-Indonesian Relations, 1945-1968”, pp. 208-212.

⁹² *Ibid.*, p. 212.

Living Dangerously

The course of events in 1964 would only compound American and Soviet fears that China was edging them out of the competition for influence. While Sukarno appeared to entertain the idea of a peaceful settlement at the start of the year, the window for negotiation gradually closed. That year, the militancy evident in the outburst after the declaration of the UN's findings deepened and became a pattern. The USA made its last meaningful attempt at reconciliation in January when Johnson dispatched a reluctant Attorney General Robert Kennedy to the capitals of the protagonists. Kennedy's initial distaste for this mission was compounded by the fact Sukarno was one of the world leaders he most disliked.⁹³ But the animus was set aside and in a meeting in Tokyo on 17 January Kennedy managed to win Sukarno's agreement for a ceasefire. A halt to "military confrontation" would be announced within days in Jakarta if Kennedy could obtain a commitment from the Philippines and Malaysia for tripartite talks.⁹⁴

Kennedy accomplished three things on his 13-day mission: by winning agreement to a ceasefire, he exploited an inchoate desire among the Maphilindo states to find a dignified way out; he kept Washington's influence in Jakarta alive; and he had started a process that might have allowed Johnson to sign an aid determination without sparking a row with Congress. But lasting solution could only come from the parties themselves, without being dictated by outside great powers. The idea of an "Asian solution", as it was repeatedly described in Washington, was not without risks to the West. Britain feared the price of peace might be Malaysia's acquiescence to ending the Anglo-Malaysia Defence Agreement and terminating the Singapore bases. It preferred an Asian solution that was tempered by discreet Western guidance.⁹⁵ Rusk had remarked to the NSC that there was more "involved in Indonesia with its 100 million people than is at stake in Vietnam".⁹⁶ The

⁹³ Arthur M. Schlesinger, *Robert Kennedy and His Times*, New York: Houghton Mifflin (1978), p. 582.

⁹⁴ Telegram from the Embassy in Japan (Reischauer) to the Department of State, 17 January 1964, *FRUS, Vol. XXVI, 1964-1968*, document 17.

⁹⁵ Telegram from the Department of State to the Embassy in Indonesia, letter from Foreign Secretary R.A. (Rab) Butler to Rusk, 21 January 1964, *ibid.*, document 24.

⁹⁶ Summary Record of the 521st National Security Council Meeting, 7 January 1964, *ibid.*, document 8.

USA shared Britain's concerns about the fate of alliances: a minimum requirement of for the Kennedy initiative was that the “basic orientation [of] Malaysia and Philippines as members [of the] Free World system of alliances must not be compromised in fact or by implication”.⁹⁷

As it transpired, such an Asian solution proved elusive. When the Maphilindo foreign ministers met in Bangkok on 5 to 10 February to pave the way for a leaders' summit, they quickly became bogged down over the meaning of the ceasefire agreement. The Malaysians wanted all Indonesian forces withdrawn from their side of the border in Borneo; the Indonesians interpreted the ceasefire as a stand-fast order. The differences dragged on into a second round of foreign ministers' talks in Bangkok on 2 to 4 March where Malaysian foreign minister Razak insisted Indonesia withdraw its forces.⁹⁸ Failing to receive a commitment from Subandrio, he declared the talks at an end. Razak went to the airport, but was persuaded to get off his plane and return to the city to await developments.⁹⁹ The Malaysians then declared the ceasefire dead because of what they claimed were repeated violations by the Indonesians. Despite the relatively manageable military threat Indonesia posed at that point, suspicions over the sincerity of Jakarta's commitment to a peaceful settlement were hard to dispel.

The principal American fear was that the failure of the Bangkok peace efforts, leading to the escalation of Confrontation into open warfare, would draw US forces into direct action against Indonesia and an irrevocable breach in the bilateral relationship. It would have opened a second rear front for the USA in Southeast Asia as it fought in Vietnam. The mechanism for a commitment of US armed force would be the ANZUS Treaty with Australia and New Zealand. On his return home, Kennedy had publicly

⁹⁷ Telegram from the Department of State (Rusk) to the Embassy in Indonesia, 31 January 1964, *ibid.*, Document 28. Rusk also saw the preservation of the alliance system as entailing the maintenance of Western bases and forces.

⁹⁸ The second Bangkok conference was delayed from 25 February at Indonesia's suggestion because of the on-going disagreements over the ceasefire.

⁹⁹ Memorandum from Michael V. Forrestal of the National Security Council Staff to the President's Special Assistant for National Security Affairs (Bundy), 5 March 1964, *ibid.*, document 35.

warned that ANZUS obligations could be triggered, meaning that “the war, without any doubt, can and will spread if it continues”.¹⁰⁰

The trouble in Bangkok ensured the Attorney General’s peacemaking enjoyed short-lived success. In March, Indonesia and Malaysia had reached an impasse that boiled down to this: Indonesia would not withdraw its forces from Malaysian soil without a clear understanding Kuala Lumpur would then agree to discuss Indonesia’s substantive concerns and the Malaysians did not wish to talk until Indonesia carried out the withdrawals.¹⁰¹ There was a growing feeling in Washington that its goodwill, and even its capacity to help, was being exhausted.

Thinking increasingly turned to the prospect of life after Sukarno, and what might be done to hasten that day. On the eve of the second Bangkok conference, Rusk had put his name to State Department advice that it was time for US officials in Jakarta to reach out to the army with the aim of seeking increased pressure on Sukarno from that quarter for a shift in Indonesian foreign policy.¹⁰² Rusk feared the full resumption of Confrontation would instigate a “complete breach between Indonesia and the free world” and perhaps see the country wind up as a “suppliant of the bloc”.¹⁰³ The notion of the physical ouster of Sukarno, although unstated, loomed in the background. In a meeting between Jones and Nasution on 6 March, the defence minister “avoided like the plague any discussion of the possibility of a military takeover, even though this hovered in the air throughout the talk”.¹⁰⁴ Jones, probably the strongest US advocate of accommodating Sukarno, dropped pregnant hints of US support for the army in the event of such a crisis. It was yet another marker that US policy was at tipping point.

The extent of the deterioration was demonstrated within days. Giving testimony on the Indonesian aid program to a congressional committee in late March, Rusk declared the

¹⁰⁰ The full transcript of White House press conference is in “Attorney General Kennedy Completes Mission to the Far East”, *The Department of State Bulletin*, 25 November 1963, p. 241. Sukarno also was warned of the treaty implications in private.

¹⁰¹ Memorandum from Robert W. Komer of the National Security Council Staff to the President's Special Assistant for National Security Affairs (Bundy), 11 March 1964, *FRUS, Vol. XXVI, 1964-1968*, document 36.

¹⁰² Telegram from the Department of State (Rusk) to the Embassy in Indonesia, 3 March 1964, *ibid.*, document 33.

¹⁰³ *Ibid.*

¹⁰⁴ *Ibid.*, n. 4.

administration would provide no new aid to Indonesia as long as it maintained its belligerence over Malaysia. The Secretary of State's comments were immediately, and widely, reported in Jakarta. At a public ceremony in Jakarta on 25 March, Sukarno pointed at Jones, seated metres from him, and said: "There is one country threatening to stop its foreign aid to Indonesia. That country thinks it can scare Indonesia. I say go to hell with your aid."¹⁰⁵ The context of Sukarno's comments – that it was a rejection of aid as a tool of American influence rather than a rejection of American aid itself – has been often overlooked in the retelling.

But behind the scenes hopes of peace had not completely faded. On 17 March, at a meeting in Jakarta with Jones, Sukarno and Subandrio agreed to a formula hatched by the Philippines Foreign Secretary Salvador Lopez that essentially called for "disengagement" of forces – to be read as gradual withdrawal – in parallel with a renewal of political discussions, concluding in a leader's summit. The only proviso they attached was that the process be kept secret; if there were any disclosure, Indonesia would deny the existence of an agreement.¹⁰⁶ Sukarno's insistence on secrecy enabled him to appear sanguine in private and truculent in public. A day later, Nasution had confidentially expressed the view that Sukarno needed to continue confrontation "in order to induce his people to accept [the] hardships of [the] current economic situation".¹⁰⁷ Nasution acknowledged he was keeping a back-channel open to the Malaysian army to avoid confrontation escalating into open conflict.

The mixed messages in March 1964 made it hard for anyone trying to make sense of Indonesian policy. Two weeks after dismissing US aid, Sukarno played down the severity of Confrontation in a meeting with Jones, casually suggesting that, "the whole mess can be cleared up by one simple act".¹⁰⁸ All Sukarno said he wanted was for the Tunku to allow some room for a compromise. As he put it: "Tell the Tunku to put a little

¹⁰⁵ "Sukarno Says US Can Go to Hell with Aid", *Reuters*, 25 March 1964.

¹⁰⁶ Telegram from the Department of State (Rusk) to the Embassy in Malaysia, 17 March 1964, *ibid.*, document 39.

¹⁰⁷ Jones spent 90 minutes with Nasution on 18 March, see Telegram from the Embassy in Indonesia (Jones) to the Department of State, 19 March 1964, *ibid.*, document 40.

¹⁰⁸ Telegram from the Embassy in Indonesia (Jones) to the Department of State, 10 April 1964, *ibid.*, document 41.

water in the wine.”¹⁰⁹ His position was that he would prefer to see Sarawak and Sabah as free nations within the framework of Maphilindo, but if those two provinces demonstrated a clear desire to join Malaysia, implying a further ascertainment, Sukarno too would recognise Malaysia.

These quiet signals served to keep negotiations alive despite the impasse reached in Bangkok over the meaning of ceasefire. Indeed, by then, Sukarno appeared more eager than the Tunku to keep talking. The Tunku’s confidence in Malaysia’s capacity to resist confrontation grew during 1964 and received a boost on 25 April when parliamentary elections in Malaysia gave his Alliance Party a resounding victory.¹¹⁰ This represented more than personal vindication for the Tunku; it rebutted Indonesian claims that the federation was unpopular and imposed from the top. The result probably reduced the ability of the Tunku to offer concessions, even if he had the inclination.¹¹¹

Yet, once again, prodded by outside parties, Malaysia and Indonesia agreed to a leaders’ summit set for Tokyo in mid-June. The price was a token concession: pro-Indonesian guerrillas would begin to withdraw simultaneously with the opening of leaders’ talks; compliance was to be monitored by Thai observers.¹¹² Neither side wanted to be accused of being the instigator of a terminal break. Both Indonesia and Malaysia were vying for the status of aggrieved party in the eyes of the world, particularly the nonaligned and Afro-Asian states. Britain too was softening somewhat. On a visit to Manila in May, Rab Butler, the Foreign Secretary, told Macapagal that Britain endorsed the concept of an Asian solution and would accept Malaysia being part of Maphilindo.¹¹³ At the same time, the USA was showing a little impatience with the Tunku. Rusk told Australia’s Minister

¹⁰⁹ Ibid.

¹¹⁰ The Alliance Party won 89 of 104 seats and 58.5 per cent of the vote. Elections were not held in Singapore, Sarawak or Sabah. Dieter Nohlen, Florian Grotz & Christof Hartmann (2001) *Elections in Asia and the Pacific: A Data Handbook, Volume II, South East Asia, East Asia and the Pacific*, Oxford University Press (2001), p. 152.

¹¹¹ Deputy Prime Minister and Defence Minister Tun Abdul Razak allegedly dissuaded the Tunku from lowering preconditions for a summit with Indonesia to simply agreement in principle for the withdrawal of Indonesian forces. See Jones, *Conflict and Confrontation*, p. 265.

¹¹² Mackie, *Konfrontasi*, pp. 230-231. Mackie describes the arduous process of bringing the parties together.

¹¹³ Memorandum from the Executive Secretary of the Department of State (Read) to the President's Special Assistant for National Security Affairs (Bundy), attaching Paper for Consideration by the NSC, 9 May 1964, *FRUS, Vol. XXVI, 1964-1968*, document 48.

for External Affairs, Garfield Barwick, that the Johnson administration was “not going to put in boys from Nebraska and Kansas just because the Tunku won’t go to a meeting”.¹¹⁴ The idea that Indonesia and Malaysia were each borne to the Tokyo talks by a desire not to be seen as spoiler came with the corollary that both had little in the way of genuine compromise to offer.

When the leaders gathered on 20 June, the rancour surfaced quickly. They met for a single day and issued a communiqué comprising eight points, three of which were taken up in thanking various parties for assistance. The brevity and emptiness of the communiqué pointed to the depth of discord. The only meaningful initiative was Macapagal’s proposal for a four-member Afro-Asian Commission to study the problems between Malaysia, Indonesia and the Philippines and submit recommendations to solve them. Sukarno agreed to this proposal and to abide by the commission’s recommendations. The Tunku agreed only on the condition “all acts of hostilities against Malaysia must cease forthwith”.¹¹⁵ They asked their foreign ministers to study the proposal further. But overall the differences probably had been sharpened in Tokyo. A posture of “injured righteousness”, on Malaysia’s part, and “arrogant and meretricious” statements and a 19 June cross-border attack by guerrillas, on Indonesia’s part, contributed to a sour atmosphere.¹¹⁶

The failure of the summit to settle on a convincing roadmap for peace set in train a series of events that would see Indonesia become increasingly alienated from the West. Following the Tokyo summit, the State Department instructed Jones to inform Sukarno that the current trend of events placed “the basic fabric of our relationship in jeopardy”.¹¹⁷ The problem was not just Malaysia, but a persistent anti-American propaganda campaign

¹¹⁴ Telegram from the Embassy in the Philippines to the Department of State, 17 April 1964, *ibid.*, document 43. Sukarno arrived in Tokyo on 8 June, but the Tunku delayed a decision on whether to attend and did not finally reach Tokyo until 14 June, see Mackie, *Konfrontasi*, p. 232.

¹¹⁵ Department of State, *American Foreign Policy: Current Documents 1964*, Washington DC: Historical Office, Bureau of Public Affairs (1967), document IX-64, pp. 898-899. The proposal called for three members of the commission to be chosen by each of the disputants and a fourth by the other three chosen members.

¹¹⁶ Telegram from the Department of State to the Embassy in Indonesia, 24 June 1964, *FRUS, Vol. XXVI, 1964-1968*, document 51.

¹¹⁷ Telegram from the Department of State (Ball) to the Embassy in Indonesia, 11 July 1964, *ibid.*, document 54.

inside Indonesia and several foreign policy stances Jakarta had taken that were sympathetic to the communist bloc.¹¹⁸ When he was confronted with these views, Sukarno came across as impatient and irritable.¹¹⁹

The Johnson administration then took an action that would prove decisive: it reinforced its displeasure with Sukarno by inviting the Tunku for a meeting at the White House. In a one-on-one meeting with the Tunku on 22 July, Johnson offered Malaysia military training and loans for weapons purchases. The statement at the end of the visit deliberately avoided mention of Indonesia by name; instead it referred to the activities of a “neighboring state in violation of the territorial integrity of Malaysia.”¹²⁰ But Johnson committed the US support to a “free and independent Malaysia” and publicly confirmed the offer of military cooperation.¹²¹

The Indonesian riposte came on in its Independence Day in both words and actions. In a combative speech, Sukarno shifted the tone of domestic politics and foreign policy further to the left. Speaking directly to an imagined Western audience, Sukarno referred to himself as a “comrade in arms” with various anti-Western nationalists and leftists, including Mao Zedong, Ho Chi Minh, Kim Il Sung and Fidel Castro. He described himself at one point as “a friend of the communists” and went on to declare the southern parts of Korea and Vietnam as “not free”.¹²² Earlier, on 10 August, Indonesia had provided official diplomatic recognition to Hanoi in a calculated slap at Washington. The Independence Day speech was the occasion on which Sukarno famously proclaimed 1965 as “*Tahun Vivere Pericoloso*” (the year of living dangerously). Certainly, that prophetic description fitted the American interpretation of where Sukarno was taking Indonesia. Following the speech, a US intelligence analysis concluded that Sukarno’s “long-range intent will remain unchanged: get the US out of Southeast Asia.”¹²³

¹¹⁸ These included statements in support of North Vietnam and the Viet Cong and recognition of the Kim Il Sung regime in Pyongyang.

¹¹⁹ *Ibid.*, n. 5.

¹²⁰ Department of State, *American Foreign Policy: Current Documents, 1964*, document IX-65, pp. 899-900.

¹²¹ *Ibid.*

¹²² Excerpts from President Sukarno’s Independence Day Speech, 17 August 1964, CIA CREST.

¹²³ Current Intelligence Memorandum, OCI No. 2217/64 [Prepared in the Office of Current Intelligence of the CIA], 20 August 1964, *FRUS, Vol. XXVI, 1964-1968*, document 62.

On the same morning Sukarno delivered his speech, a mixed force of 108 Indonesian paratroopers and marines and irregulars landed at Pontian, in Johore state, on the Malay Peninsula. *Operation Liver*, as it was called, was the first strike into Western Malaysia and signalled a sharp escalation in the military dimensions of confrontation. *Operation Lilac*, in which 96 paratroopers were dropped at Labis, also in Johore, followed on 2 September.¹²⁴ Both these operations were failures. But they raised alarm over the prospect of major operations against Malaysia. Kuala Lumpur decided, with the urging of Whitehall, to refer the issue to the UN Security Council and Britain drew up plans for the possibility of retaliatory attacks on Indonesia.¹²⁵

Simultaneously, the USA came under more direct pressure in Indonesia. On 15 August, the USIS library in Yogyakarta was seized and ransacked. The PKI and its affiliated unions threatened takeovers or boycotts of US private interests. And Sukarno gave his blessing to a movement to ban American films and other forms of Western cultural penetration. A US Senator – John Tower, a Texas Republican – injected another element into this febrile mix by sponsoring an amendment to the Foreign Assistance Act banning all US assistance to Indonesia, including military training.¹²⁶ It passed the Senate with overwhelming support and, although later buried by the administration, the damage was done as much by Tower's public comments and media coverage as the amendment itself – US aid was already very small.

The events of July to September 1964 were the culmination of a long hollowing of the US-Indonesia relationship. The failure of US diplomacy to prevent the sharp militarisation of Confrontation in September 1963, and the coincident end of the economic stabilisation plan, can be cited reasonably as the tipping point. But the series of events in the second half of 1964 took the relationship to a low point from which it did not recover

¹²⁴ Ministry of External Affairs, Malaysia, *Indonesian Aggression Against Malaysia, Volume II*, (1965) pp. 2-3.

¹²⁵ British plans included commando raids on the Riau islands and air strikes against Indonesian air force bases, see Jones, *Conflict and Confrontation*, pp. 270-271. The British Far East command had produced a tentative list of seven potential targets for retaliation based on four criteria. Those criteria were that the target must be related to the Indonesia attack, must be militarily useful, would produce minimum casualties, and be least likely to produce escalation. See, Telegram 1837 from the Department of State to the Embassy in the United Kingdom, *FRUS, Vol. XXVI, 1964-1968*, document 73, n. 2.

¹²⁶ For a discussion of the Tower Amendment, see Simpson, *op. cit.*, pp. 134-135.

for the remainder of Sukarno's time in office. With the estrangement between the USA and Indonesia and the Soviet Union at best lukewarm on Confrontation, Sukarno was left with few choices in the search for friends and allies.

Exiting the UN: Indonesia Goes It Alone

By the start of 1965, Indonesia looked increasingly isolated. It could count on little sympathy, even within the Asia-Africa group for its hard line over Malaysia. One of the few sources of reliable support was China and a small number of states headed by like-minded, radical regimes. Indonesia was locked on a path that would drive it further away from its old sources of aid and political support – the USA and Soviet Union. One major signpost of the new trajectory in Indonesian foreign policy came in January when Indonesia dramatically withdrew from the United Nations. Sukarno appeared to take this bold decision alone in response to the appointment of Malaysia to a one-year seat on the UN Security Council from 31 December in fulfilment of a longstanding agreement.¹²⁷ Although the decision was naturally welcomed on the left of politics, the army, fearing Indonesia's isolation from all the major Western powers, was opposed. Even Subandrio, usually in lockstep with Sukarno on foreign policy, admitted it caused him some sleepless nights.¹²⁸

There were two immediate consequences to the Indonesian withdrawal from the UN. It gave momentum to a developing relationship with China, then also excluded from the world body, and it invigorated the promotion of Sukarno's concept of the division between New Emerging Forces and Old Established Forces. Foreign Minister Chen Yi greeted the decision as “a lofty and just revolutionary move”.¹²⁹ The Chinese had reason to celebrate. From the start of 1965, it was increasingly apparent that Indonesia and China

¹²⁷ The selection of Malaysia to split the normal two-year term with Czechoslovakia following a deadlocked vote dated back to 1963. But Sukarno's grievances dated back several years and were amplified in his 1960 speech to the UN General Assembly. The “stunned” expression on the face of Subandrio when Sukarno broke the news of his plans to a meeting of KOTI in late December betrayed the foreign minister's own surprise. Franklin Weinstein, “The Uses of Foreign Policy in Indonesia”, PhD thesis, Cornell University, (1972), p. 593, n. 51.

¹²⁸ *Ibid.*, p. 593, n. 52.

¹²⁹ “Vice-Premier Chen Yi Acclaims Indonesia's Action”, *Peking Review*, Vol. 8, No. 3, 15 January 1965, p. 4.

were headed towards a “symbolic alliance”.¹³⁰ In the early stages, the accord between them was largely limited to coordination of foreign policies. But over time the military implications would become increasingly clear. The official policy of nonalignment was to be a screen behind which the reality of Indonesian foreign policy was communist sympathising.

In tandem with Indonesia’s exit from the UN, Sukarno intensified his campaign to secure the leadership of those states he counted among the New Emerging Forces. On 7 January, he announced plans to found a Conference of the New Emerging Forces (CONEFO) with a headquarters complex to be built in Jakarta.¹³¹ Initially, the only other members were China, North Korea and North Vietnam. But Sukarno hoped to establish a rival to the UN comprising a mix of Asia-Africa and NAM states.¹³²

For Beijing, the prospect of a concord with Indonesia was a reward for years of patient diplomacy. It had made a deliberate decision to cultivate Indonesia in the aftermath of the Sino-Soviet conflict. There were several reasons for pursuing this strategy. The two main ones were to reduce its isolation in the context of the dispute with the Soviet Union and to give impetus to efforts to break US and Soviet dominance of the international system at a time when China lacked nuclear weapons.¹³³ This latter ambition was articulated in Mao Zedong’s conception of “two intermediate zones” – the first in Asia, Africa and Latin America and the second comprising parts of Europe – where he asserted countries were unhappy with the US-Soviet bipolar order and their attempts “to dominate the world”.¹³⁴ Mao’s analysis underpinned a Chinese policy of supporting indigenous communist parties

¹³⁰ Quiko, “The Role of Foreign Minister Subandrio”, p. 57. The term “quasi alliance” has been used more recently in Taomo Zhou, “Ambivalent Alliance: Chinese Policy Towards Indonesia, 1960-1965”, *The China Quarterly*, Vol. 221 (2015), p. 208.

¹³¹ This building later became the home for the Indonesian House of Representatives (DPR) and People’s Consultative Assembly (MPR).

¹³² For an account of the Indonesian departure from the UN and the establishment of CONEFO, see Alistair M. Taylor, “Sukarno: First United Nations Drop-Out”, *International Journal*, Vol. 20, No. 2 (1965), pp. 206-213; also see Sukarno, *Conefo: Satu Nasakom Internasional*, Department Penerangan, Jakarta, (1965).

¹³³ See, Zhou, “Ambivalent Alliance”, p. 212.

¹³⁴ Mao Zedong, “There are Two Intermediate Zones”, September 1962, Translation from the Ministry of Foreign Affairs of the People’s Republic of China and the Party Literature Research Center, eds., *Mao Zedong on Diplomacy* (Beijing: Foreign Languages Press, 1998), 387-389.

Wilson Center Digital Archive, accessed at <http://digitalarchive.wilsoncenter.org/document/121207>.

in non-communist states and seeking friendship with states espousing revolutionary ideologies. Indonesia presented China with an immensely valuable partner in the quest to attain its two big foreign policy goals because of its strategic importance and large communist party. A strong Sino-Indonesian partnership also could contribute directly to Chinese security by presenting a more formidable challenge to US and European power in Southeast Asia. It could “counterbalance the American military presence across China’s southern border in Vietnam and Laos”.¹³⁵

But the formation of the Sino-Indonesian alliance was a slow process that had both international and domestic dimensions. It was far from inevitable Sukarno would place Indonesia so explicitly in alignment with China, even as he frequently adopted positions China favored. Indeed, Chinese Foreign Ministry officials in Jakarta and Beijing frequently doubted whether Sukarno was serious about an alignment. This was evident on several occasions in 1964. When Indonesia accepted the Kennedy proposal for a ceasefire with Malaysia, Chinese officials suspected Sukarno was searching “for common interests with the reactionaries in Malaysia and the Philippines”.¹³⁶ This, of course, would be a setback for Chinese diplomacy, which aimed to drive a wedge between Indonesia and the West.

Even after the rupture in relations between Indonesia and the USA in mid 1964, China was dubious about whether Indonesia was ready to defy the established great powers. An interesting illustration is the politics surrounding the explosion of China’s first atomic bomb on 16 October 1964. The praise from Indonesia for China’s feat was effusive. Sukarno personally offered his congratulations to the Chinese ambassador.¹³⁷ But Indonesia was less enthusiastic about a proposal from Zhou Enlai the day after China’s

¹³⁵ Zhou, op. cit., p. 212. Some more sceptical observers believed a Sino-Indonesian alignment served the purpose of eventually carving East Asia into spheres of influence under its two most populous states. According to Agung, the goal of Indonesia and China was “to terminate the Western presence in Asia and to emerge, themselves, as the two leading powers in Asia, each with a sphere of influence”. Agung, *Twenty Years*, p. 414.

¹³⁶ Zhou, op. cit., p. 215. This quotes an intelligence briefing sent from Jakarta to Beijing on 2 February 1964. Taomo Zhou obtained Chinese Foreign Ministry files for the years between 1961 and 1965 when they were declassified in 2008. But the ministry re-classified and closed the files in 2013.

¹³⁷ “World Acclaims China’s Nuclear Success”, *Peking Review*, Vol. 7, No. 43, 23 October 1964, pp. 9-10.

nuclear test for a conference of all nations to consider “the complete prohibition and thorough destruction of atomic weapons”.¹³⁸ Regarding this to be impractical, Subandrio instead suggested to Chinese ambassador Yao Zhongming that China join the UN Conference on Disarmament in Geneva. With China denied a seat at the UN, it was bound to find the idea of negotiations under the aegis of a UN agency unacceptable. The episode is revealing not for the minor disagreement over the tactics of international negotiation, but for how furiously the Chinese Foreign Ministry reacted to Subandrio’s rebuff. In a cable to provide instructions to Yao on 27 October, the Foreign Ministry lashed at Subandrio for “collaborating with the imperialists” in a conspiracy to oppose Chinese nuclear tests. “We have to resolutely destroy his trickery,” the cable advised.¹³⁹ All this underscored the ambivalence felt by friend and foe alike over where Indonesia was headed, and also the capriciousness of Indonesian diplomacy – only a few months later Indonesia itself was out of the UN.

But Sukarno’s publicly declared foreign policy doctrine was for the most part in tune with Chinese thinking. At the time of the Chinese nuclear test, he was on an extended trip abroad in which he attended the second NAM leaders’ summit in Cairo, leaving Subandrio at home as acting President.¹⁴⁰ In Cairo, he had hoped to cajole NAM into adopting a strong anti-imperialist message compatible with his New Emerging Forces doctrine and simultaneously isolate Malaysia. He used his speech to heads of government on 6 October to depict confrontation as a global battle against imperialism and colonialism, of which the Malaysia dispute was only a part. This exhorted NAM leaders to grasp that the battle between the new revisionist states and the old reactionary states of the industrialised West could not be waged passively but necessitated the resort to arms.

Although Sukarno suffered a setback in the final conference declaration, which called for states to “respect frontiers” and refrain from “all use or threat of force” against another’s territory, his radical reinterpretation of nonalignment would have been very

¹³⁸ For the full text of Zhou’s statement see, “Premier Chou Cables Government Heads of the World”, *ibid.*, p. 6.

¹³⁹ Cable from the Chinese Foreign Ministry: ‘Ambassador Yao, Please Set and Appointment with Subandrio’, 27 October 1964, Wilson Center Digital Archive, accessed at <http://digitalarchive.wilsoncenter.org/document/121563>. Obtained and translated by Taomo Zhou.

¹⁴⁰ The NAM Summit was held between 5 and 10 October 1964. Sukarno was abroad from 17 September to November 5.

gratifying to Chinese ears.¹⁴¹ Sukarno dismissed the doctrine of “peaceful coexistence”, which had been lauded as the diplomatic triumph of Bandung a decade earlier, in favor of a formulation that challenged the very essence of nonalignment. “Peaceful coexistence must be, and always will be, practiced in the concrete condition of the balance of forces,” he said. “There will be peaceful coexistence between the developing countries and the imperialist states *only* when we can face them *with equal strength*.”¹⁴² To that end, he suggested the nonaligned states effectively club together as a third bloc.

Both Indonesia and China would have preferred to convene a second Asia-Africa conference in place of a NAM summit, which excluded China. Countries, including India, happy with that state of affairs, had diplomatically outmanoeuvred them by convening the Cairo conference. Sukarno was annoyed, yet he was obliged to attend. That, coupled with the fact Indonesia arguably suffered a rebuff over Confrontation, meant Cairo for him was in many respects a disappointment. The summit declaration notably made no mention of Malaysia despite offering comment on several global flashpoints. But the summit did confirm to an international audience the extent to which Indonesia was adopting “the Chinese line”.¹⁴³ A circular US State Department memorandum to several diplomatic posts observed: “[The] present Indonesian environment [is] probably more hostile to the West than almost any outside China and its satellites.”¹⁴⁴

The momentum for closer Sino-Indonesian relations was demonstrated again the following month when Sukarno made a surprise overnight visit to Shanghai, which prompted a series of diplomatic exchanges of increasing intensity. In Shanghai on 4 November, Sukarno and Zhou held talks that appear to have laid the basis of the Sino-Indonesian entente. No record of that meeting has emerged. But US intelligence gathered some insight from sources in Jakarta. It concluded the Chinese had sought to encourage the intensification of Confrontation with what amounted to a USD 50 million “bribe to

¹⁴¹ “Cairo Declaration”, *Summit Declarations of Non-aligned Movement, 1961-2009*, Institute of Foreign Affairs, Kathmandu (2011), pp. 17-18.

¹⁴² Sukarno, *The Era of Confrontation, Address to the Second Conference of Nonaligned Countries*, Cairo, 6 October 1964, Jakarta, Department of Information (1965), p. 27. Quoted in Agung, *Twenty Years*, p. 349. Italics in original.

¹⁴³ Agung, *Twenty Years*, p. 351.

¹⁴⁴ Circular Telegram from the Department of State to Certain Posts, 22 October 1964, *FRUS, Vol. XXVI, 1964-1968*, document 78.

keep Sukarno in tow”. The long-term, interest-free loan included USD 10 million to be paid to Sukarno personally.¹⁴⁵

From the public statements and reports at the time it seems clear Sukarno and Zhou reached agreement to closely coordinate their foreign policies, such as a joint push to convene a second Asia-Africa conference, and to seek ways to cooperate in other fields. The Shanghai talks have been described as Sukarno’s “first step toward the Chinese camp”.¹⁴⁶ It was surely a critical juncture in an evolutionary process of aligning with China. He probably had been goaded along this path by the less than resounding reception his ideas received at the NAM summit. He also was no doubt genuinely impressed by what China’s nuclear weapon test might mean for the power equation in Asia. But partnership with China inevitably would come at a cost. He would lose the flexibility he had long enjoyed in playing the great powers off against each other.¹⁴⁷

For the Chinese, Sukarno’s overture was a significant victory and they moved quickly to exploit the opening. Chen Yi flew to Jakarta on 27 November for a week of talks with Sukarno and other ministers. At the end of the visit, they issued a joint press statement that committed the parties, more explicitly than ever before, to international collaboration. They acknowledged the two countries had reached “common understanding” on a range of international issues and would strive to find ways to synchronise their foreign policies. China offered its “full support” to Indonesia in its conflict with Malaysia.¹⁴⁸ This meant that by the time Indonesia withdrew from the UN the following January, China was poised to exploit the opportunity to move to what state media termed “a new phase in Sino-Indonesian comradeship in arms”.¹⁴⁹

¹⁴⁵ Ten Years of Chinese Communist Foreign Policy: Section II South and Southeast Asia, CIA CREST, 9 April 1968, p. 39. To put the amount paid to Sukarno for personal disbursement in perspective it would be the equivalent of USD 77.4 million in 2017.

¹⁴⁶ Mozingo, *Chinese Policy*, p. 208.

¹⁴⁷ There is a theory that Sukarno believed his moves to align with China would force the USA to drop support for Malaysia in order to win Indonesia back. The CIA reported on two occasions in 1965 that Sukarno had privately expressed this view. But if Sukarno held this opinion it was surely a misreading of the souring US mood, which meant it was highly likely to reject such blackmail tactics. See William A. Redfern, “Sukarno’s Guided Democracy and Takeovers of Foreign Companies in Indonesia in the 1960s”, PhD Thesis, University of Michigan (2010), p. 376.

¹⁴⁸ “China-Indonesia Joint Press Release”, *Peking Review*, Vol. 7, No. 50, 11 December 1964, p. 4.

¹⁴⁹ *Renmin Ribao* [People’s Daily] editorial reprinted as “New Phase in Sino-Indonesian Comradeship in Arms”, *Peking Review*, Vol. 8, No. 6, 5 February 1964, p. 8-9.

With Indonesia out of the UN, Sukarno was eager to establish a formal basis for the relationship with China. On 23 January, Sukarno dispatched Subandrio to Beijing where the foreign minister removed any remaining doubt over where Indonesia stood in the Cold War. “We have a common enemy – imperialism headed by the United States and Britain,” he told a banquet in the Great Hall.¹⁵⁰ Subandrio might have experienced misgivings over Indonesia’s departure from the UN and repeatedly reassured American visitors that he would strive to contain domestic communism, but by the start of 1965 he was a fervent convert to alignment with China.

The mission Sukarno sent him on was to obtain explicit undertakings from the Chinese over military support should Confrontation escalate. According to the CIA’s sources in Jakarta, the aim was to seek a “military pact which could be publicised and, as a consequence have a greater deterrent effect than any dialectical (or phoney) promises the Chinese might make privately”.¹⁵¹ Chen Yi had spoken of the availability of a force of 15 divisions that could be deployed to the Malaysia conflict through Indonesia when he visited Jakarta in November-December. But this would have been hard for China to logistically support and, perhaps, just as hard for Sukarno to sell, especially to his own military. A commitment in the event of a crisis appears to have been preferable to a large pre-emptive deployment.¹⁵² In the end, Subandrio only extracted a commitment for China “to send ‘some’ guerrilla warfare instructors, to train Indonesian troops, and some equipment for the army and marine corps”.¹⁵³ China was averse to overextending itself. Indonesia’s Deputy Foreign Minister Suwito later privately recounted that the Chinese had referred to their need to keep forces available in the event of being drawn into hostilities on the North Korea and North Vietnam fronts. Any assistance would be conditional on what action Britain and the USA might take against Indonesia.

It meant the verbal barrage directed against the West would be fiercer than the physical one. The Sino-Indonesian joint statement issued on 28 January delivered an

¹⁵⁰ “Subandrio’s Successful Visit”, *ibid.*, p. 4.

¹⁵¹ *Ten Years of Chinese Communist Foreign Policy*, CIA CREST, 9 April 1968, p. 39.

¹⁵² Sukarno had apparently turned down an offer of several thousand Chinese troops when the Chinese ambassador and Aidit had approached him jointly with the proposal. Third Deputy Prime Minister, Johannes Leimena reportedly said Sukarno had declined because he believed the army would not accept outside help. *Ibid.*, p. 40.

¹⁵³ *Ibid.*, p. 40.

extraordinary denunciation of the USA and its allies and was stark evidence of how far Indonesia had come in abandoning its friendship with Washington and posture of equidistance between the great powers. The Sino-Indonesian joint statement lambasted the USA and Britain for their “crimes” and, via an explicit offer of support, placed Indonesia on the side of America's opponents in Vietnam, Cambodia and Laos. Numerous other points in the statement demonstrated the degree of Indonesia's alienation from the USA: it observed that US “imperialist aid” undermined state sovereignty and independence; in condemning Malaysia, it committed China to “not sit idly by” should Indonesia come under direct attack; it insisted peaceful co-existence was impossible between imperialist and anti-imperialist forces, reiterating the firebrand message of Sukarno at NAM; it condemned the UN as an American puppet organisation; and it pledged the two parties to “strengthen their friendly contacts in the military field”.¹⁵⁴

The affirmation of this “militant friendship” was the culmination of the overture Sukarno had made the previous November. But as an impressive triumvirate – Zhou Enlai, Chen Yi and People’s Liberation Army chief Luo Ruiqing – bade farewell to Subandrio at Beijing airport the Indonesia-China relationship was still fragile. There were inherent contradictions in their exploration of an alliance that would in time be sharply revealed.

The End of Nonalignment: The Jakarta-Beijing Axis

The delicate balancing act that characterised Indonesia's domestic politics – pitching the right, dominated by the military, against the left, dominated by the PKI, with Suharto serving as both adjudicator and sponsor – was from late 1964 under acute strain. The aggressiveness of the PKI in pursuing policies aimed at growing and rewarding its support base, most notably a land redistribution program, and fears Sukarno's health was failing fuelled speculation that a showdown might not be long in coming. This, and the perpetual atmosphere of crisis created by Confrontation and economic hardship, meant Indonesian politics became especially volatile from that time onwards. The tumult

¹⁵⁴ The full text can be found in “China-Indonesia Joint Statement”, *Peking Review*, Vol. 8, No. 6, 5 February 1964, pp. 6-8.

undoubtedly suited the PKI leadership and it took full advantage of the uncertain political conditions to place its enemies on the defensive.

Among the immediate, and easiest, targets were the institutional or symbolic remnants of the Western presence in Indonesia, especially those associated with the USA. As Sukarno cultivated relations with China in early 1965, Indonesia was roiled by a wave of anti-Americanism. The targets included US Information Service libraries in Jakarta and a range of secondary cities and a variety of US-owned businesses. Attacks on US facilities, especially the libraries, had occurred from early 1964. But the US Embassy reported the campaign reached a “crescendo” within weeks of the Sino-Indonesian joint statement.¹⁵⁵

Over the course of several weeks from late February 11 US businesses, representing the majority of the value of US investment, had their management forcibly expelled and taken over by Indonesians. The PKI was the major force for the attacks on US facilities and the business seizures. But the US claimed to have evidence of the government’s complicity. According to one intelligence report, Sukarno approved plans for the takeover of US-owned rubber plantations in Sumatra at a meeting on 8 December. The plan called for “labor groups to create disorders on the US estates so that the Indonesians would be ‘forced’ to take control”.¹⁵⁶ Following weeks of escalating protests, the government issued a decree for the takeover of Goodyear Tire and Rubber Company and US Rubber Company properties on 26 February. The big three foreign oil companies – Caltex, Stanvac and Shell – were the next to fall on 19 March. In each case, the device the government used was to assume management control rather than ownership, which avoided the necessity to pay any compensation.¹⁵⁷ Sukarno’s authority hovered over all anti-American actions, and he virtually admitted as much. When ambassador Jones confronted him over the attacks on the USIS libraries, Sukarno replied that he regarded the mob action as retaliation for harsh

¹⁵⁵ Telegram from the Department of State to the Embassy in Indonesia, 20 February 20, 1965, *FRUS, Vol. XXVI, 1964-1968*, document 108.

¹⁵⁶ Impending Takeover of US Rubber Estates in Indonesia, Intelligence Brief, CIA CREST, January 1965.

¹⁵⁷ For a comprehensive account of the US company takeovers, see William A. Redfern, “Sukarno’s Guided Democracy and the Takeovers of Foreign Companies in Indonesia in the 1960s”, PhD Thesis, University of Chicago, (2010), pp. 364-459.

criticism of him and Indonesia in the US press. “Can't your people understand that I am hurt, personally hurt, by these press attacks?” Sukarno asked.¹⁵⁸

The anti-American activity brought the two sides to the brink of a formal diplomatic break.¹⁵⁹ The only course that appeared open to Washington was to draw down its presence in Indonesia. Steadily the USA began pulling back in the first half of 1965; the libraries were closed, aid and military personnel were reduced to a skeleton staff, the Peace Corps withdrew. The USA went as far as to consider preliminary arrangements for third power representation of its interests in Indonesia. What became known as the “low posture” policy was confirmed after President Johnson sent Ellsworth Bunker to Indonesia to conduct an assessment of US policy options. Bunker, who enjoyed high esteem in Indonesia for his mediation of the West New Guinea dispute, had several long conversations with Sukarno and other ministers during March-April. He reported to Johnson on 23 April that the USA could only wait for the day when internal conditions allowed for a restoration of ties. “Where aspects of our presence in Indonesia provide targets easily exploitable by the PKI, they should be quietly removed,” Bunker advised.¹⁶⁰

By then, everyone in the US government could agree the restoration of bilateral relations would have to await the end of Sukarno's leadership. In the meantime, one of the few remaining methods of US activism was covert political action. In late 1964, US intelligence started dusting off and updating plans for a covert program designed to undermine the influence of the PKI and support the next generation of potential Indonesian leaders. The result was a recommended plan of action that went to the NSC's so-called 303 committee, which oversaw special political action programs, in late February. By engaging in covert collaboration with known anti-communist groups, US intelligence operatives would launch “black letter operations, media operations, including possibly

¹⁵⁸ Telegram from the Embassy in Indonesia to the Department of State, 24 February 1965, *FRUS*, Vol. XXVI, 1964-1968, document 111.

¹⁵⁹ A CIA field report quoted a senior Indonesian diplomat that Sukarno would yield to PKI pressure to sever diplomatic relations by August. “Belief of Senior Indonesian Diplomat that Indonesia Will Sever Diplomatic Relations with United States by August 1965”, Intelligence Information Cable, CIA CREST, 14 May 1965.

¹⁶⁰ Report from Ambassador Ellsworth Bunker to President Johnson, *FRUS*, Vol. XXVI, 1964-1968, document 121.

black radio, and political action within existing Indonesian organisations and institutions”.¹⁶¹

If it succeeded, the political action program would exploit factionalism within the PKI, play on traditional Indonesian distrust of China and portray the PKI as an instrument of Chinese imperialism. It would depict the PKI as a danger and create a cleavage between the PKI and the rest of Indonesian society. In this way, it was envisioned the USA might “reduce the influence on Indonesian foreign and domestic policies of the PKI and the Government of Red China and to encourage and support existing non-Communist elements within Indonesia”.¹⁶² The report to the 303 Committee admitted the CIA had already distributed some funds to “key personalities” to bolster their resolve to pursue anti-communist and pro-US policies. On 4 March, the plan was approved.¹⁶³

US attempts to sponsor domestic anti-communists showed signs of bearing early fruit, even as the political momentum remained with Sukarno and the PKI and the army adopted a largely defensive posture. Shortly before Jones concluded an unprecedented seven-year stint as ambassador, he wrote to Assistant Secretary for Far Eastern Affairs William Bundy on 23 April alerting him to the possibility of a mixed civilian-military coup. One of the alleged plotters had revealed the plans to Jones, which was due to be carried out while Sukarno was abroad. Jones “conveyed clearly” his own sympathy with their objectives, despite insisting the USA could not actively participate.¹⁶⁴ In any case, the coup was put off because the plotters could not organise in time for Sukarno's departure. Sukarno remained suspicious the CIA was conspiring to assassinate or oust him and persisted with public statements to that effect even after Jones made repeated denials¹⁶⁵. While the covert action plan might have served the purpose of better positioning the USA for a post-Sukarno Indonesia, it is hard to escape the conclusion it also would have worked to hasten Sukarno's demise.

¹⁶¹ Memorandum Prepared for the 303 Committee, Progress Report on [Redacted] Covert Action in Indonesia, 23 February 1965, *FRUS, Vol. XXVI, 1964-1968*, document 110.

¹⁶² *Ibid.*

¹⁶³ *Ibid.*, n. 3.

¹⁶⁴ Editorial Note, *ibid.*, document 120.

¹⁶⁵ See for example Telegram from the Embassy in Indonesia to the Department of State, 24 February 1965, *ibid.*, document 111.

The Soviet Union faced a similar challenge in Indonesia in 1965, although the position it found itself in was arguably more complex to manage, even if the outlook was not quite as bleak. Moscow was comfortable at seeing the USA under stress – a circumstance that would normally bring rewards in the mostly zero-sum calculation of the Cold War. But it was equally discomfited by Indonesia's embrace of China, which it had few opportunities to counter. Under Khrushchev, the Soviet Union had become wary of the “adventuristic slogans” coming out of Indonesia.¹⁶⁶ Now the new Soviet leadership of Leonid Brezhnev and Alexei Kosygin made the new mood in relations with Indonesia even more evident.¹⁶⁷

By time Sukarno launched Confrontation, the Soviet Union had lost its appetite for testing the mettle of its opponents in the West. It meant Moscow was no longer inclined to goad Indonesia into settling its claims by force, as it did during the West New Guinea dispute. The close collaboration nurtured during this first employment of Confrontation had been the “zenith” of Soviet-Indonesian relations.¹⁶⁸ Moscow's diffidence over the second Confrontation was to set in train events that would take the bilateral relationship to “the lowest ebb since diplomatic representatives were exchanged in 1954”.¹⁶⁹ Ironically, the positions of the USA and the Soviet Union declined in tandem for largely the same reasons.

There were several factors driving the deterioration of relations between Moscow and Jakarta, although the main cause was the Soviet belief that Sukarno would have been wiser to focus his formidable energy on reviving Indonesia's sick economy rather than another foreign adventure. This also would have helped Indonesia repay its debts – an issue of mounting concern to the Soviets, who provided most of their aid as economic credits. Another obvious point, not lost on the Soviet Union, was that Confrontation only served to keep foreign, especially British, forces engaged in Southeast Asia and justify instruments like SEATO and the Anglo-Malaysian Defence Agreement. Moreover, Confrontation challenged the idea of Third World solidarity by pitting two developing countries against each other. These differences conflated with concerns that Sukarno's

¹⁶⁶ Khrushchev, *Memoirs*, p. 806.

¹⁶⁷ Philip E. Mosley, “The Kremlin and the Third World”, p. 75.

¹⁶⁸ Buszynski, *Soviet Foreign Policy*, p. 23.

¹⁶⁹ Singh, “Soviet-Indonesian Relations”, p. 241.

pursuit of the New Emerging Forces doctrine was contrary to Soviet interests because it played to a Chinese agenda and risked Soviet marginalisation. Soviet displeasure at Indonesia's decision to leave the UN – expressed in a letter to Sukarno from Kosygin – was in part influenced by the view that isolation from the global mainstream would exacerbate all these negative trends.¹⁷⁰

In the meantime, the Soviet Union tried as best it could to protect its investment in Indonesia by conducting its own delicate balancing act. This involved the expression of sufficient sympathy over Indonesia's grievances in Confrontation to counter excessive Chinese influence, the use of covert political action to sustain the drift of Indonesia away from the West, and quiet steps to avoid Confrontation turning into full scale war, such as turning off the tap of military aid.¹⁷¹ These policies had negligible effect on the trajectory of Indonesian foreign policy. To the extent Indonesia acted in a way that suited Soviet interests, it more likely was due to a coincidence of preferences than Soviet influence. The unfortunate reality from Moscow's perspective was that the years of generous aid delivery purchased little real influence when it counted.¹⁷²

Evidence of Moscow's weak influence over Jakarta was apparent in the machinations over a second Asia-Africa conference in June 1965 to coincide with the 10th anniversary of Bandung. At a preparatory meeting in Jakarta, Indonesia and China joined forces to block Soviet participation in the conference planned for Algeria.¹⁷³ The Soviet Union had not attended the first AA conference, but had offered its support. By the time of the second conference, both the Soviet Union and India wanted to prevent Chinese and

¹⁷⁰ For an account of Soviet concerns over Indonesia's direction see, Singh, *ibid.*, pp. 231-232 and Jeremy Friedman, *Shadow Cold War: The Sino-Soviet Competition for the Third World*, The University of North Carolina Press (2015), p. 142-143.

¹⁷¹ Evidence of Soviet covert activity was to emerge many years later. According to a former Czechoslovakian intelligence officer, Ladislav Bittman, who defected to the West in 1968, Czech intelligence in collaboration with the KGB ran a disinformation and black propaganda campaign aimed at convincing Indonesians that the CIA was running an active operation to bring down the government and assassinate several leaders. Ladislav Bittman, *The KGB and Soviet Disinformation: An Insider's View*, Washington: Pergamon-Brassey (1985), pp. 195-197.

¹⁷² Boden, *op cit.*, p. 128.

¹⁷³ For a comprehensive account of the politics surrounding the convening of the second AA summit see, Franklin B. Weinstein, "The Second Asian-African Conference: Preliminary Bouts", *Asian Survey*, Vol. 5 No. 7, (1965), pp. 359-373.

Indonesian dominance of the organisation and Chinese advances in the Afro-Asian world.¹⁷⁴

As far back as 1958, the Soviet ambassador in Jakarta A. M. Volkov had complained to Subandrio that the Indonesian delegation to an AA economic conference in Cairo had objected to the presence of Soviet representatives because the Soviet Union was “not an Asian country”. Subandrio had apologised for this “unfriendly” act, promised to reprimand the mission in Cairo and confirmed it was not the position of the Indonesian government.¹⁷⁵ The Indonesian volte-face by 1965 was a stark illustration of how far the Soviets had slipped and how greatly Jakarta valued China’s support for Confrontation. The Soviet Union’s credentials to join the AA conference might have been debateable.¹⁷⁶ But it was more difficult for Indonesia to argue for Malaysia’s exclusion. Once again in concert with China, Indonesia came up with a ploy to scuttle Malaysian participation. They succeed in having decisions on both the Soviet and the Malaysian questions deferred to the full conference. As it turned out, the conference was cancelled when Algerian President Ahmed Ben Bella was overthrown in a coup.

After the failure of the move to join the AA conference, A. I. Mikoyan, Soviet first deputy premier, came to Jakarta, presumably on a mission of reconciliation. He told a rally in Jakarta on 25 June 1965 that Malaysia offered “an example of neo-colonialism camouflaged by independence”.¹⁷⁷ But more importantly than Mikoyan’s expression of support for Indonesia was that pledges of military assistance on the visit never materialised. On the same visit, Mikoyan clashed sharply with PKI chairman D.N. Aidit as he tried to counter the Indonesian party’s tilt towards Beijing.¹⁷⁸

The USA and Soviet Union would finally witness the extent to which they had been displaced by China on Indonesian Independence Day. The President’s annual speech – an Indonesian state of the nation address – had become known as an occasion for vitriolic

¹⁷⁴ Guy J. Pauker, “The Rise and Fall of Afro-Asian Solidarity”, *Asian Survey*, Vol. 5 No. 9 (1965), p. 427.

¹⁷⁵ “Journal Entry of Ambassador Volkov: A Conversation with Subandrio,” December, 1958, Wilson Center Digital Archive, <http://digitalarchive.wilsoncenter.org/document/112300>

¹⁷⁶ There has long been disagreement among geographers over whether it is a European, Asian or Eurasian state. Norman Davies, *Europe*, London: Pimlico (1977), pp. 10-13.

¹⁷⁷ Quoted in Singh, “Soviet-Indonesian Relations”, p. 226.

¹⁷⁸ Friedman, op. cit., p. 142.

attacks on foreign enemies. But even by Sukarno's standards the 17 August speech was especially strident. He denounced US "aggression" in Vietnam, which he described as a "grave danger" to international order. "It would be as well for the USA to be aware that the one and only thing for them to do is to get out of the whole of Southeast Asia altogether," he declared.¹⁷⁹ There was a note of menace in Sukarno's demand. He recalled that the French withdrawal from Indochina was decided at Dien Bien Phu and the Dutch retreat from Indonesia decided in the jungles of West New Guinea. Sukarno also embraced an idea that China and the PKI both advocated – the arming of Indonesian citizenry – to confront foreign threats.

But, most importantly, the speech put the seal on the burgeoning relationship with China. There were two aspects to this. The first was that Sukarno built on the theme he developed at the Cairo summit of NAM that nonalignment had to be interpreted as belligerent opposition to imperialism. He referred to this as "revolutionary non-alignment". The second was the declaration of what Sukarno termed the "axis of Djakarta-Phnom Penh-Hanoi-Peking-Pyongyang". Notably absent from this "natural" grouping of anti-imperialists was the Soviet Union. With the speech, Sukarno formally cast Indonesia's lot in with a China-centred alliance of communist or left-leaning states.

Alignment Policy: A Critical Assessment

Balancing Risk in Alignment Behavior

The resolution of the West New Guinea dispute placed Indonesian foreign policy at a crossroads in the last quarter of 1962. It could choose to persist with the ideas of radical diplomacy that Sukarno had started to craft in the context of waging his self-styled policy of Confrontation or it could adopt modest international ambitions, in accord with the preferences of Western aid donors, to focus on economic development. The course of events showed that Sukarno was unsure of the path he wanted to take. Technocrat ministers were permitted the latitude to pursue a largely US-designed economic stabilisation

¹⁷⁹ Sukarno, *Reach to The Stars! A Year of Self-Reliance*, Jakarta: Department of Information, Republic of Indonesia (1965).

program. US officials convinced themselves Sukarno would stay the course. But the outbreak of rebellion in the British-administered territory of Brunei contained the seeds of a dilemma for Sukarno. Should he challenge the nature of Britain's plans for the decolonisation of its Borneo territories, potentially provoking another clash with the West, or should he concentrate on the economy and stay in harmony with the Western powers? The answer to that question would determine the basic orientation of Indonesian foreign policy for the remainder of Sukarno's time in office.

The broad international conditions Sukarno looked out on from late 1962 had arguably deteriorated since he had launched the campaign of Confrontation over West New Guinea. Despite the election of Kennedy and the hope for a new start on many protracted international disputes, the dividing lines of the Cold War never looked so entrenched or hostile. Just weeks after the West New Guinea settlement, Kennedy and Khrushchev faced off in what is generally regarded as the most perilous affair of the entire Cold War, the Cuban Missile Crisis. The widening of the Sino-Soviet split made the Cold War a more complex, and potentially dangerous, three-cornered contest in which gains and losses were measured in the acquisition of allies or the number of like-minded states. With the escalation of conflict in Indochina and the growth in US forces there, the Cold War looked less remote. Indonesia too would find its security interests required greater focus on its own neighborhood than implied in Sukarno's ideas about a world divided between the NEFO and OLDEFO.

Domestically, the organisational strength and activism of the PKI sharpened the competition with soldiers and civilians disenfranchised by the new political arrangements. In conjunction with the international ideological struggle and a weak and deteriorating economy, domestic conditions became increasingly volatile. Proclaimed as President for life, Sukarno nonetheless faced a more difficult balancing act between the left and right of Indonesian politics and the consequences of failure were far greater than at any time since the revolution. Between late 1962 and early 1965, the mood changed to the point where both sides of the main divide in Indonesian politics felt a showdown was inevitable.

All this made Confrontation against Malaysia was a high-risk strategy. It was bound to elicit a categorical response from each of the great powers, especially the USA. It would keep alive the spirit of nationalism, but the distraction would come at the expense

of reforms needed to control ballooning inflation and an overstretched budget. It would be the centrepiece of a foreign policy that had become essentially *Realpolitik* in character. The calculations Sukarno made about alignments increasingly emphasised their contribution to state power – a frame of mind reinforced by the experience of the West New Guinea struggle. This thinking is best encapsulated by his remarks to the NAM conference in Cairo in October 1964, where he abandoned one of the key tenants of the Bandung Declaration and pronounced peaceful coexistence could only be achieved by a balance of power.

Confrontation unfolded in various phases that resulted in Sukarno's adjustment of alignment strategies. In the first phase from the outbreak of the Brunei rebellion to the rupture with Malaysia in September 1963, Sukarno pursued the strategy of competitive bidding. He sought to keep all the great powers engaged with Indonesia over its grievances. And he appeared to make a bet each way on whether to pursue a radical foreign policy or focus on the economy, in tune with the preferences of the West. Diplomatic moves to resolve differences over the formation of Malaysia were accompanied by the first military probes across the border. The second phase was between September 1963 and July 1964. Competitive bidding ceased to be an effective policy. The military dimensions of Confrontation escalated. But Sukarno kept open the possibility of a negotiated settlement and tried to play on Western fears of a rising communist tide in Indonesia as leverage to obtain a favorable outcome. The third phase was from July 1964 until late 1965. Sukarno decisively broke with the West and embarked on radical solutions. He declared 1965 to be "the year of living dangerously" and spoke of leftist leaders as "comrades in arms"; he sought support from the NAM for the idea of a third power bloc; he started to embrace a hard alignment with China; and he took Indonesia out of the UN. This culminated with the declaration of a symbolic alliance with China in his 1965 Independence Day speech and a serious breakdown in relations with the USA and Soviet Union.

To explain these shifts in alignment behavior, it is useful to understand the significance Sukarno attached to Confrontation and his motives for it. Clearly, alignment patterns changed in direct relation to Indonesia's management of Confrontation. But this is where the causal explanation becomes problematic. There were several motives identified for what inspired Indonesia's opposition to Malaysia and its escalation into

Confrontation. The contemporary analyses in the USA and Britain that Malaysia was perceived as an obstacle to Indonesia's own designs in Borneo or to its ambition of regional leadership, even hegemony, were credible based on the record. But so too was the idea that Indonesia perceived Malaysia as a neo-colonial construct and a British satellite. This was given weight by the extraordinary latitude provided to Britain under the Anglo-Malaysia Defence Agreement. The corollary of Malaysia as British puppet was Malaysia as potential threat. There also is ample evidence to support the argument that Sukarno and his policymaking circle saw the formation of Malaysia as a threat on other levels, including the potential it offered for great power interference in Indonesia and as a counterpoint to highlight Indonesia's internal conflicts and contradictions. Confrontation against Malaysia might just have suited Sukarno's disposition to adopt a bold foreign policy that rallied his people, kept alive the spirit of nationalism and revolution and gave the population hope at a time of economic hardship.

Part of the problem of discerning motive is that Sukarno was never explicit about his conditions for ending Confrontation, hence obscuring his reasons for launching it. This creates difficulties for theories of alignment that require an understanding of motivation to explain behavior. Balance of threat would assume that Indonesia ultimately entered into alignment with China because it was the most willing to support Indonesia against a real and proximate threat posed by the new state. The trouble with this analysis is that it fails to capture the complex process of alignment selection that Indonesia undertook before it eventually started to consolidate the relationship with China. It also would be a big assumption, based on the available evidence, to say threat was Indonesia's sole, or even primary, motivation for opposing Malaysia.

Even in the absence of a clear answer about motive, a balance of risk approach might be more useful in explaining the pattern of alignment. The key variable of criticality can be assessed somewhat more objectively. In the early phases of the bid to establish Malaysia, Indonesia officially adopted a relatively relaxed view of the amalgamation of Malaya with the British Borneo territories. Indonesia then followed the well-established policy of actively engaging with both the great power blocs to extract benefits from each. This policy was at least initially encouraged by the successful outcome of the West New Guinea dispute – Indonesia had simultaneously drawn on access to Soviet arms to mount

a credible military challenge and American goodwill to facilitate a diplomatic solution. A competitive bidding strategy applied to the Malaysia question might have seen a repeat of the experience of West New Guinea. Stirring public passions over Malaysia, and playing on US fears Confrontation would aid the communists, Sukarno might have forced the USA to intervene and help settle the issue on Indonesia's terms. But when it became clear it was harder to drive a wedge between the USA and Britain than it was between the USA and the Netherlands, competitive bidding ceased to become an effective strategy and the stakes went up.

The first point of escalation came in September 1963. Indonesia then faced the choice of either dropping Confrontation, which would be a loss for Sukarno both domestically and internationally, or persisting with a policy that would alienate the West and jeopardise the economic reform plans launched by Djuanda. Sukarno had made a great deal of the insults and indignities Indonesia had been subject to by the way the Malaysia plan was implemented. This made it harder for him back down. As time went by, and Indonesia dug in deeper with its opposition to Malaysia, the criticality of the issue to Sukarno and the country grew probably beyond its objective or realistic importance to the security of the state. As for the likelihood of a threat emerging from Malaysia, Sukarno had made it a self-fulfilling prophecy. Sukarno sensed the lack of objective rationality in Confrontation with his admission that it could not be allowed to drag on indefinitely and his private appeals for the Tunku to offer some face saving gestures to a deal, such as in his April 1964 conversation with Jones. The military too had grasped this with its independent overtures to Malaysia.

The second major point of escalation was the Tunku's White House meeting with Johnson. By then, the inability of Sukarno to back down lent itself to ever increasing risk taking, both in terms of bolder military operations like *Liver* and *Lilac* and alignment arrangements. The move towards the use of alignment for hard balancing can be viewed as an almost involuntary outcome as Indonesia's diplomatic options narrowed and events bore national policy along. The absence of strong, explicit Soviet support for Confrontation was a surprise and a disappointment after the fulsome backing it had given the West New Guinea campaign. At the start, Sukarno had expressed confidence in Soviet support. The NAM states might have been an alternative source of at least diplomatic

legitimacy for Indonesia's position, but they too proved reluctant to embrace Sukarno's grand designs. The decision to leave the UN can only be described as reckless – there was little Sukarno could gain. He might have fancied such a bold gesture would rally some radical states to his side. In practice, it left China as the sole major source of support.

This led to the third major point of escalation – the declaration of an “axis” with China in August 1965. Building close ties to China through the course of 1965 was another high-stakes gamble for several reasons that must have occurred to Sukarno. Given the fraught history of relations between the *pribumi* and Sino-Indonesians, there was always the prospect alignment with China would spark a renewed outbreak of domestic anti-Chinese violence. Alignment with China also would heighten tensions between the army and the PKI. It would likely strengthen the PKI's standing within the power structures of Guided Democracy, in particular its influence over foreign policy. Internationally, it might have acted as another form of leverage for Sukarno to achieve his objectives. Both the USA and Britain were intent on containing China – the USA because of its commitments in Indochina and Britain because of its Far East commitments, especially Hong Kong. More likely, it would only increase Indonesia's isolation and result in something Sukarno had always tried to avoid – excessive dependence on a single great power. If Confrontation worsened, China would have to be the main source of military support. This underscored the degree of Sukarno's risk taking. When it came time to explore the military options in 1965, Beijing was uncertain what kind of formal commitment it was prepared to make.

Sukarno believed they were risks worth taking because of the great significance the campaign against Malaysia had assumed to his and Indonesia's credibility and to the country's status as a regional power and leader. None of his decision making is easy to reconcile with a rational choice analysis – Confrontation against Malaysia took on a significance beyond any reasonable evaluation of its importance to Indonesian security. As losses mounted, Sukarno was drawn into ever more risky policies and actions that could not be reconciled with any well-established definition of its national interest. The behavior is consistent with a decision maker trying to recoup sunk costs.

This picture of balancing risk is consistent with the first hypothesis that the prospect of critical loss encourages the adoption of hard or offensive policies. For Sukarno, the key element of the balance of risk was between the prospective loss entailed in the creation of

Malaysia on its own terms versus the prospective loss of foreign policy autonomy in a closer alignment with China. On another level, he had to weigh the risk that a *de facto* alliance with China would provoke a domestic and international backlash. Against this, there was the very real prospect that a humiliating retreat over Malaysia would shake confidence in his rule. He evidently decided the hardening of policy in the alignment with China was the lesser danger. That policy hardened with the passage of time, and the growth in British and Malaysian resistance to Indonesia, is consistent with the fourth hypothesis that the strength of a state's balancing response should escalate in tandem with the prospect of incurring loss.

Of the other hypotheses, ideology at least superficially has the strongest explanatory power. Indonesia's "symbolic alliance" with China was a comfortable fit, at least for Sukarno, the PKI and left-leaning nationalists, because Jakarta and Beijing shared similar views of the international situation. China's attacks on imperialism and colonialism accorded with Indonesia's continued emphasis on these topics. Indonesia also had long endorsed China's view on the status of Taiwan because of its own history in West New Guinea. It was not too great a stretch to see the Vietnam and Korean conflicts as cases of anti-imperialism and anti-colonialism, given the presence of large numbers of US troops in support of the southern regimes. This then underpinned Sukarno's decision in his 1965 Independence Day speech to declare the "Djakarta-Phnom Penh-Hanoi-Peking-Pyongyang" axis.

But ideology only buttressed a decision to align with China on pragmatic grounds. Sukarno was slow to embark on this alignment for reasons already stated. When he did finally move into "symbolic alliance", it was because he had run out of alternative sources of great power support for Confrontation. It served his interests to promote the similarity of outlook between the two countries to broaden the legitimacy of the alignment, but the decision to align was driven by Indonesia's material rather than ideational needs.

Aid and transnational penetration offered little significant advantage to the initiators. The experience of the USA is most illustrative. The preparedness of the USA to underwrite Djuanda's economic reform package provided weak leverage when it counted in discouraging the drift to Confrontation. Given the longstanding reluctance of the USA to provide lethal military assistance, it relied on economic incentives as a major

source of influence. It was one of several factors contributing to the USA's ability to put its case to Sukarno, notably in the Kennedy mission to broker a ceasefire and pave the way for an "Asian solution". But when attempts were made to use aid to overtly pressure Indonesia, it had the reverse effect. Sukarno's famous admonition to the USA to "go to hell" with its aid is frequently misunderstood – it was a reactive comment to US threats rather than a rejection of the desirability of aid. Still, it underscored the limited utility of aid in serving the foreign policy interests of the donor.

The same can be seen of transnational penetration. The USA invested considerable resources in education and propaganda. Yet the USIS libraries, the centrepiece of the efforts to woo public opinion, simply became prominent targets after the launch of an anti-American campaign. Subtle forms of influence arguably encouraged like-minded officials like Djuanda to pursue orthodox Western policies. But when those priorities clashed with objectives close to the hearts of nationalists they were easily overridden. China too invested considerable resources in information and cultural exchanges and elite visits. But the status of the Sino-Indonesians remained a source of conflict. While China provided a "conceptual and practical inspiration" for Sukarno when he crafted Guided Democracy and continued to be a source of ideas in shaping foreign and domestic policy through the early 1960s, the context of the key alignment decisions show that they were made by the practical requirements of Indonesian foreign policy.¹⁸⁰

Conclusion

From the perspective of alignment, the period of Confrontation against Malaysia saw Indonesia explore several avenues of cooperation. Initially, Sukarno held out the prospect of improved relations with the USA, which required abandoning foreign policy adventures to focus on economic development. But Indonesia continued to manoeuvre to avoid dependence on any one great power by practicing the then well-developed strategy of competitive bidding.

¹⁸⁰ Liu, *China and the Shaping of Indonesia*, p. 230

As Confrontation deepened, Sukarno searched for international supporters as the relationship with the USA withered. The first break with the USA occurred because of British and Malay insistence on setting a fixed date for the establishment of Malaysia. Although unknown to the Indonesians, Britain and Malaya intended to press ahead with their plans to incorporate the Borneo territories in a new state regardless of the outcome of a UN survey of opinion. This led to the eruption of violent protest in Jakarta in September. The tit-for-tat diplomatic provocations and demonstrations that followed effectively ended the US-sponsored economic stabilisation program.

Consequently, Sukarno moved to step up the military dimensions of Confrontation to pile pressure on the Western powers. The opportunity for a diplomatic solution gradually faded during 1964 with the failure of the Kennedy mission and the Bangkok talks. The second big break occurred after the failure of Asian diplomacy and the Tunku's reception at the White House by Johnson. From that point, there was little prospect of negotiating an end to hostilities. Sukarno increased his efforts to find allies, first turning to NAM and then, when that failed, to China. In doing so, Indonesia adopted a hard-balancing posture.

The experience of Confrontation revealed Sukarno to be a careful calculator of risk. In its first stage, he followed a similar pattern to the West New Guinea campaign. But Sukarno miscalculated in the attempt to bluff the Western powers to back down to Indonesian demands over the terms for the creation of Malaysia. This led to an escalation of Confrontation in which the previous alignment strategy of competitive bidding was replaced with hard balancing. As the stakes in Confrontation became increasingly high, Sukarno hardened his alignment strategy from urging NAM countries to explicitly back Indonesia and form a third power bloc to eventually entering a "symbolic alliance" with China. This is consistent with the first hypothesis that the prospect of severe loss encourages hard or offensive policies. It also is consistent with the fourth hypothesis that the balancing response should escalate in tandem with the prospect of loss. Hypotheses on the role of ideology, aid and transnational penetration showed they had a weak impact.

CHAPTER TEN

The Balance of Risk in Indonesian (Non)alignment, 1945-1965

The Republic of Indonesia was born at the dawn of the Cold War and its foreign relations were shaped by the incessant competition of that global rivalry. In the 20 years after Indonesia's declaration of independence in 1945, the great powers sought to either seduce or coerce it into aligning itself with one of the two opposing ideological camps – Soviet-led statist communism or US-led democratic capitalism. After the rise of the People's Republic of China, and with growing intensity after the Sino-Soviet split, a third force emerged to seek Indonesia's allegiance. For these three great powers, the contest in Indonesia was the key to foreign policy and strategic dominance in Southeast Asia.

Why was the ideological orientation of Indonesia so great a prize? While history accords greater attention to the wars in Indochina and on the Korean peninsula, the strategic significance of Indonesia made it the principal Asian battleground of the early Cold War. The regional map reveals Indonesia's strategic centrality in Southeast Asia: the archipelago stretches more than 5,000 kilometres from east to west, straddling essential sea lanes that connect the Indian and Pacific oceans.¹ In the post-war years, natural resources like oil, rubber and tin were viewed as crucial in a future armed conflict between the great powers. Just as importantly for them, Indonesia had the largest population in East Asia outside China. It was overwhelmingly Muslim. How it aligned had both a psychological and a material bearing on the global Cold War balance.

As a new state, Indonesia needed an active partnership with the great powers. During the revolution against the Dutch, this was a matter of survival. After the Republic secured its sovereignty in December 1949, great power cooperation was seen as essential to national security and development. But Indonesia, then militarily and economically weak, was wary of being drawn into an international conflict that was divorced from its immediate national

¹ For geographic data see Robert Cribb, *Historical Atlas of Indonesia*, Richmond, Surrey: Curzon Press (2000): 10. For comparative maps see, *ibid*: 2.

interests. The country also had a polity that was divided by class, religion, race and political ideology. If the state sided with either the communist or capitalist blocs in the international struggle, it risked sparking domestic instability, even bloodshed.

Instead, Indonesia elected to adopt an official policy of neutrality during the independence revolution, which it styled as a *bebas-aktif* or independent-and-active foreign policy. Neutrality was later recast as nonalignment when this term was coined to describe those countries who were not in alliance with either the communist or capitalist blocs. However, successive Indonesian governments in practice departed from this founding precept of foreign policy. The record of Indonesian foreign policy between 1945 and 1965 is one of considerable uncertainty over its alignment preferences. Foreign policy shifted from pro-American, to strictly neutral, pro-Soviet and, finally, pro-Chinese, even as these tendencies were palliated in public and private diplomacy with reassurances of friendship to all parties. The ambiguities left the great powers guessing over Indonesia's true intentions. Indonesia's fluctuating alignment behavior often defied simple causal explanations.

This work has sought to answer the question of what drove that behavior during the two decades after Indonesia declared independence. It has attempted to record and explain how Indonesia responded to the great power rivalry to coax it into alignment. It questioned whether standard approaches to analysing alignment behavior, in particular balance of power and balance of threat, could adequately account for the complexity of Indonesia's changing patterns of alignment. Instead, it sought to model the alignment decisions of policymakers as a balance of risk. It depicted the fundamental choice facing policymakers as a trade-off: lost policy autonomy and the possibility of provoking domestic and international tensions was weighed against the international and national political objectives to be served by alignment. The more critical the objective, especially the avoidance of what was perceived to be a significant state loss, the greater the tendency to make strong alignment commitments. One risk (the consequences of the commitments, obligations and constraints of alignment) was balanced against another (the sacrifice of a critical political objective). This was found to provide a superior explanation for Indonesia's alignment conduct than balance of power and balance of threat. It better explained alignment decisions on occasions when Indonesia itself could be viewed as the source of threat or when it was difficult to conclude external conditions presented any objective threat or change in the configuration of power.

This concluding chapter will assess the explanatory value of a risk-focused analysis of alignment against the alternatives. It will review the evidence from the record of Indonesian alignment behavior between 1945 and 1965 to assess main research findings against the seven

hypotheses presented in Chapter One. It will then draw on the accumulated evidence to answer the research questions. And it will conclude by suggesting future avenues of research.

Balancing Risk or Balancing Threat in Indonesian Alignment

The starting point for an analysis of alignments should be to ask, what purposes do they serve? Why do states align? The obvious answer is that alignments enable states to fulfil their political and economic objectives, most importantly enhanced security and prosperity. In a world of complete security, there arguably would be no need for alignments outside economic and technical cooperation. In such a world, states might prefer to minimise or completely avoid many military and political commitments, as they would prize their freedom and have no reason to bear the material and ideational costs of alignment, which can be evaluated in terms of lost policy autonomy.² That basic proposition underpins the thinking behind seeing alignment decisions as an exercise in balancing risk. It presupposes that the default position of states should be to prefer to avoid alignment commitments unless they are perceived to be absolutely necessary. That was undoubtedly the case with Indonesia between 1945 and 1965.

Indonesia's official adoption of the *bebas-aktif* policy in 1948 was a deft means of handling a range of international and domestic pressures on the Republic during the revolution. It was designed to minimise opposition to the republican government at home and abroad and maintain the solidarity of the revolution. But it also captured the zeitgeist of the revolution by enjoining the Indonesian people to stand on their own feet and demonstrate their independence in foreign policy. The commitment to independence, activity and neutrality in the Cold War was a practical means of managing the politics of foreign policy. But it also reflected a profound belief in the virtues of autonomous statehood. "Independence means, in the first instance, avoiding dependence," as Weinstein put it. "It is the task of foreign policymakers to assure that Indonesia does not rely so heavily on others as to jeopardise Jakarta's ability to determine its own policies."³

This thinking paved the way for Indonesia to eventually identify as a nonaligned state. It became an ideal for measuring the legitimacy of foreign policy, even as policy in practice departed dramatically from the ideal mean. The various alignment strategies employed in the 20 years after the declaration of independence shared the common purpose of preserving, to

² The idea that states try to prioritise their autonomy is a view shared by those who argue alliances to balance power are an inevitable part of international politics. See, Waltz, *op. cit.*, p. 194.

³ Weinstein, *Foreign Policy and the Dilemma of Dependence*, p. 30.

the greatest extent possible, the independence of foreign policy, while maximising whatever benefits a particular alignment was perceived to impart.

The balance of risk in alignment, therefore, was in the first place a balance between the risk of sacrificing the ideal of policy freedom and the perceived necessity of alignments to meet other national and international objectives. But policymakers, particularly those in a state suffering from Indonesia's manifold weaknesses, could ill-afford to provide grounds to empower or invent local and foreign enemies. It meant that on a second level the balance of risk was between the significance of the objective and the risk of an alignment generating domestic and international opposition to the state and regime. The sacrifice of policy autonomy and the prospect of international and domestic opposition – these were the broad categories of risk that policymakers sought to balance in the Indonesian case. The basic proposition is modelled below. It should be stressed that the arrow of causality points in both directions. A central feature of this analysis is that alignment decisions are viewed as a function of interaction between domestic and international factors, mediated by individual policymakers. Whether domestic or international factors assume precedence will be contingent on the circumstances and priorities of policymakers. But alignment decision making should be seen as a continuous process, whereby an alignment choice can contribute to a feedback loop at both the domestic and international levels.

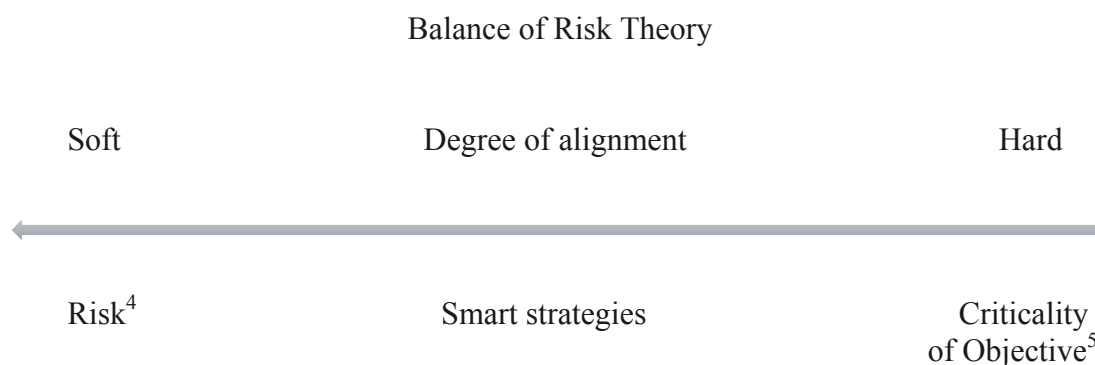


Figure 1. Balance of risk theory

⁴ The key risks to alignment are the loss of policy autonomy and/or inciting domestic and international opposition to a particular alignment orientation.

⁵ This could alternatively be viewed as the “expected value” in expected utility theory. But the term “criticality of objective” better captures the idea that policymakers attach a higher degree of importance or value to some objectives than others.

The key variable determining the nature and degree of alignment commitments is assumed to be the criticality of the objective. This could range from the development of economic and security capacity to regime survival; from the assertion of a territorial claim to the preservation of territorial, political and economic independence; from an attempt to revise international rules and institutions to the promotion of international leadership and national stature. Objectives could be broadly categorised as defensive (aimed at maintaining the status quo) or offensive (aimed at revising the status quo).⁶ This focus on the importance of the objective to policymakers creates scope for a broader range of alignment causes and behaviors than a focus on clear and present danger, as Walt effectively defines threat, or the existence of an imbalance in external power.⁷

An alignment strategy can be proactive rather than simply reactive. It can be precautionary – a response to uncertainty surrounding a critical objective. It can reflect the fact policymakers cannot know the intentions of others far enough in advance to build adequate defensive strength from their own resources. Accounting for the longevity of certain alignments or alignment strategies, through several fluctuating episodes of threat, might require them to be viewed as a form of insurance.⁸ Moreover, if alignment strategies are embedded for long enough, they can become a policy orthodoxy, acceptance of which

⁶ Defensive objectives would include preventing territorial loss or existential threats to the regime or state; offensive objectives would include revision of international rules or regimes and the initiation of war to seize territory.

⁷ As noted previously, Walt relies on evidence of “aggressive intentions”, alongside variables of power and geography to define the existence of a threat that causes alliance. This implies armed conflict is imminent. Walt, *Origins of Alliances*, pp. 22-28. Again, as noted in the introduction, Waltz argues balances of power are the inevitable result of interaction between states in an anarchic (self-help) international system. See, Waltz, *Theory of International Politics*, pp. 116-123. There are variations on this latter theme, such as so-called offensive realism, which argued states try to ensure their security by accruing as much power as possible. See Mearsheimer, *op. cit.*, p. 3.

⁸ Factors motivating insurance are complex. Kahneman and Tversky, *op. cit.*, p. 286 argue a comprehensive theory of insurance behavior is lacking and would need to consider attitudes to uncertainty and “such factors as the value of security, social norms and prudence, the aversiveness of a large number of small payments spread over time, information and misinformation regarding probabilities and outcomes, and many others”. Still, it is possible to see the longevity of some alliance relationships as security insurance policies. The ANZUS Treaty between Australia, New Zealand and the United States survived the end of the Cold War and a long peace in the Asia Pacific. NATO also survived the Cold War and the long peace in Europe. Another case is cited by J.J. Suh. He finds the US-Korea alliance persisted during a period from the 1990s when several steps taken by Pyongyang lessened tensions. He argues balance of threat fails to explain alliance persistence because of the decline in the North’s “aggressive intentions”. See “The U.S.-Korea Alliance and Analytical Eclecticism”, in J.J. Suh, Peter J. Katzenstein and Allen Carlson (eds.), *Rethinking Security in East Asia: Identity, Power and Efficiency*, Stanford University Press (2004), p. 140.

reinforces political legitimacy.⁹ In this case, a particular alignment strategy might have less to do with the reality of external circumstances than internal political dynamics. The differences between a balance of risk and balance of power or balance of threat are illustrated below. As depicted by Walt, the arrow of causality points one way; there is a linear causal relationship between the putative impulse and alignment outcome. In both cases, alignment is determined to be a function purely of variables external to the state.

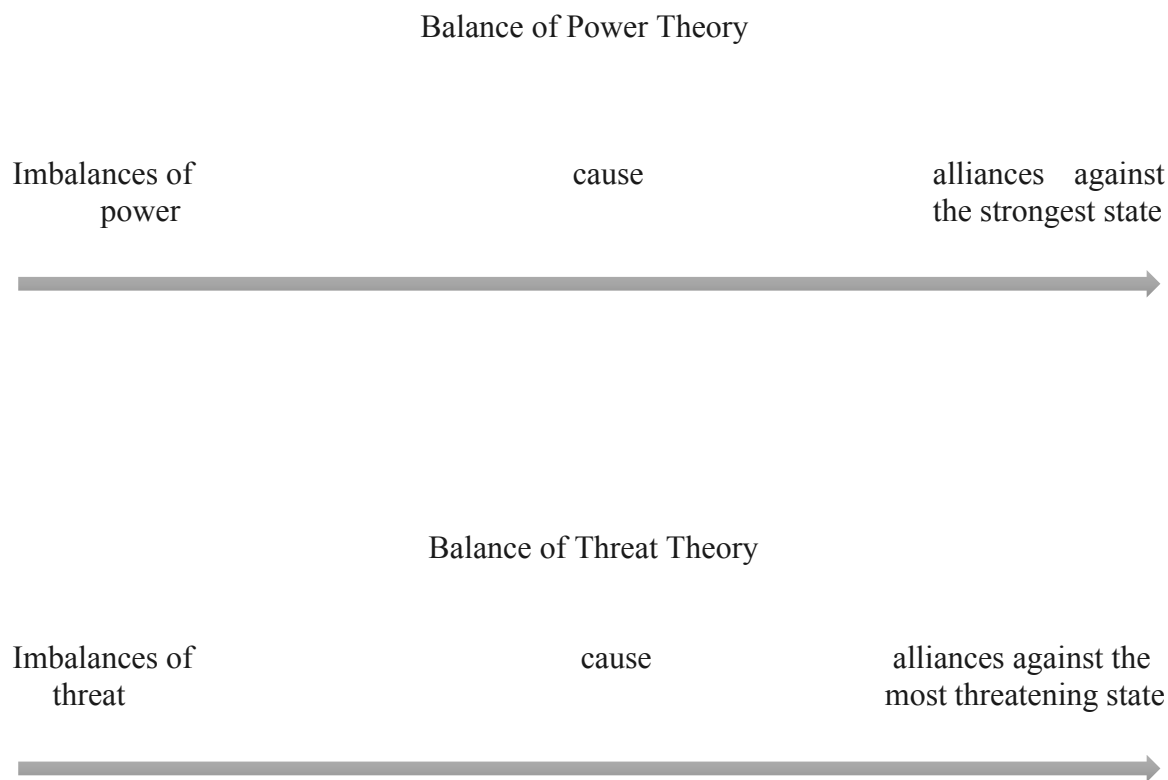


Figure 2. Balance of power versus Balance of threat theory¹⁰

By placing emphasis on the significance of a state's objectives, a balance of risk approach challenges whether imbalances of power or the emergence of threat are alone sufficient to account for changes in alignments. Indonesian policymakers certainly had an acute awareness of the roles of power and threat. Both underpinned Sukarno's pressure tactics over West New Guinea and Malaysia. Indonesia had witnessed the machinations of foreign

⁹ Suh provides a good account of the mechanisms by which alliances become embedded in political practice. See, *ibid.*, pp. 150-164. Arguably, this idea of alignment embedded via political and social practice applies to Indonesia's *bebas-aktif* policy.

¹⁰ This is how the two theories were modelled in Walt, *Origins of Alliances*, p. 265.

powers from the Dutch before the war, to the Japanese during the war, and the allied powers after war as the Dutch tried to reimpose colonial rule. The USA, which had been viewed as a potential champion for the new states, proved itself more concerned with the Cold War rivalry and the stability of Europe than winning the hearts and minds of decolonising peoples. Whether by preference or bitter experience, Sukarno became a skilled and committed practitioner of *Realpolitik*. By the end of Guided Democracy, Sukarno had concluded that the only way to make the “Old Established Forces of the world respect Indonesia” was to “answer (them) with guns”.¹¹

But there is no evidence Indonesia’s changing patterns of alignment in the 1950s and 1960s corresponded with either changes in a regional or global balance of power. The USA and Britain remained the preponderant powers in Southeast Asia. No regional power was capable of challenging them. Notwithstanding the Soviet Union’s global struggle with the USA, it could not match the power projection of the West. In Indonesia, it depended on the power of aid and ideology to compete. But Jakarta steadfastly avoided being drawn directly into the US-Soviet rivalry. Alignment policy was geared to engagement with both sides of the Cold War divide to advance Indonesia’s own objectives and avoid being drawn in as a partisan of either one of the ideological camps. In doing so, Indonesia neither balanced nor bandwagoned. The only episode of overt balancing came as Confrontation against Malaysia reached a peak of intensity. Indonesia walked out of the UN and formed a symbolic alliance with China. But to attribute this manoeuvre to balancing power would overlook the obvious point that the regional power configuration Indonesia faced had not changed in the years since it had won independence. What had changed was that Sukarno’s attempts to bluff and blackmail his opponents over Malaysia’s formation had failed. He was then locked into a pattern of increasing risk taking as he ran out of options for alignments that would aid his cause.

The focus on objectives also sheds a different light on what constitutes threat. Indonesians were able to find threat in situations that outsiders would not. Neither Dutch occupation of West New Guinea nor the creation of the state of Malaysia were viewed as unambiguous threats to Indonesian security in Western capitals, including Washington, but they could be construed that way in Jakarta. Communist states generally were happy to indulge Jakarta’s diffidence, even as the Soviet Union harbored its own doubts over the validity of Confrontation against Malaysia.

¹¹ Sukarno, *Sukarno*, p. 288.

It would appear evident that the appetite policymakers have for risk-taking depends on the character of a given objective and the importance they accord it. The case of Indonesia between 1945 and 1965 suggests the process of investing objectives with value is highly contingent on factors as diverse as a state's history, identity, leadership characteristics, the political and economic structure they operate within and the nature of their interactions with other states. It follows that a considerable amount of information is required to identify what objectives a state might regard as affecting its core interests. But there are likely to be sources of contention – for example, a perception of incomplete sovereignty or a threat to regime survival – that will elicit similar reactions from all states. And states tend to be open about profound grievances. The depth of feeling can often be discerned from the public discourse – no one who followed Indonesian politics in the 1950s and 1960s was left in any doubt about the significance attached to absorbing West New Guinea.

This will tell us something about how a risky choice over alignment is framed. But, as was shown in the introduction, the key to understanding the way choices are made is a two-step process. While the first step is to identify framing, the second involves the complicated task of determining how it is evaluated. Two methods have been considered here: a rational choice analysis and a psychological analysis, based on prospect theory. If a rational choice explanation suffices, then decision making will be seen a cost-benefit analysis, leading to an outcome aimed at maximisation of value for the decision maker. If a rational choice explanation is insufficient, a more complete explanation might lie in a psychological analysis. Prospect theory proposes that decision makers will be risk averse when facing certain gains and risk seeking when facing certain losses, with reaction to the prospect of losses being significantly overweighted. The application of this approach entails the further critical task of determining the reference point the decision maker uses to assess the prospect or losses or gains. While the reference point is usually the status quo, aspirations can set an alternative reference point and reference points might shift as gains and losses are experienced. The greater simplicity of a rational choice approach probably should make this the preferred method of analysis where it is adequate.

But there were occasions when it was evident a psychological analysis of risk evaluation offered a more complete description of alignment policy. The West New Guinea and Malaysia campaigns manifested a degree of risk taking that could not be easily reconciled with rational choice. The alignment balancing act Sukarno conducted over West New Guinea was between the desire to obtain the military capability necessary to assert Indonesia's territorial claim – which could only come from the Soviet Union – and a combination of

domestic and international factors. Those factors included the loss of policy freedom that was entailed in an increasingly close alignment with the Soviet Union, the unease that the Indonesian army and other right-wing forces had over excessive closeness to a communist great power, and the prospect of alienating the USA, which Indonesia valued as a diplomatic, economic and military partner. How great a risk Sukarno was prepared to accept is evidenced by the fact Indonesia ultimately planned for war. The actual and potential costs to Indonesia of building up its military and waging a war at a time when it faced enormous development challenges and a fragile economy would appear to outweigh any benefits that could possibly be derived from winning sovereignty over West New Guinea. Sukarno himself played down the relative material significance of West New Guinea to the rest of Indonesia, describing it as a small “*kelor* leaf” compared to the size of the archipelago.¹² Sukarno’s risk taking can only be understood if one appreciates the depth of feeling over the ‘loss’ of West New Guinea. This is most powerfully conveyed in Sukarno’s impassioned reflection that the continued Dutch possession of West New Guinea was akin to losing a limb. It was the extent of this loss that made Sukarno’s action seem reasonable to his fellow Indonesians. There was never a foreign policy issue in the time frame of the case study that so completely united the political parties, the army and the people.

A cost-benefit analysis also fails to adequately capture the decision-making in Confrontation against Malaysia, where an escalation in the stakes over time prompted an increasing pattern of risk taking on the part of Sukarno. Even if the creation of Malaysia could be portrayed as a threat to Indonesia – which was at least one strand in a complex narrative – the pattern of risk taking was at odds with what a normative application of rational choice would recommend. Sukarno isolated Indonesia from the international community and developed an increasingly close relationship with China – a power that could then offer little material assistance to Indonesia – as the crisis ratcheted up in such a way that a back down would have represented an unacceptable loss of status and prestige, and even endangered Sukarno’s leadership. It might be worth noting at this point that risk propensities of individuals have been observed to vary according to their personality traits.¹³ Experiments in prospect theory reveal typical responses, but they do not prove there is a uniform attitude to risky choice among *all* actors. The record suggests that Sukarno by nature was inclined to risk taking.

¹² Sukarno, *Sukarno*, p. 287. The *kelor* is the very small edible leaf of the fast growing Moringa tree.

¹³ Paul Huth, D. Scott Bennett and Christopher Gelpi, “System Uncertainty, Risk Propensity, and International Conflict Among the Great Powers”, *Journal of Conflict Resolution*, Vol. 36, No. 3 (1992), pp. 282-283.

Certainly, in his rhetoric, most famously with reference to a year of living dangerously, he appeared to relish risk rather than be disconcerted by it.

An assessment of Indonesian alignment behavior solely as a response to calculations of external power and threat would miss on another count. It would not capture the subtlety of state policy throughout the 20-year period. An important element of Indonesia's balancing of risk was to avoid becoming wholly dependent on any one great power. As noted above, Indonesia's default preference was to avoid alignments because they impinged on policy freedom. To this end, it pursued what have been referred to as smart strategies. Unlike the predictions of the theories of balance of power and balance of threat that states will either balance or bandwagon, the experience of Indonesia shows that they can adopt a range of alignment strategies designed to minimise the risk of state capture.¹⁴ A wide variety of strategies have been described in the literature.¹⁵ Here two have been added that were commonly used by successive Indonesian governments – competitive bidding and undisclosed alignment. For Indonesia's circumstances, these were especially apposite. Both helped minimise the polarisation of domestic debate over foreign policy. Competitive bidding had the additional virtue of preserving a degree of policy autonomy, while maximising the return to Indonesia from multiple relationships.

But all the smart alignment strategies employed, including hiding, hedging, wedging, transcending and Omnibalancing, served the purpose of managing risk. They reduced the obligations and constraints that would have come with hard alignment and reduced the potential for a domestic or international backlash from forces that disputed a particular alignment. One advantage of a balance of risk approach is that it potentially unites all the disparate smart strategies in a single coherent framework rather than treating them as discrete, loosely related instruments. It also can account for alignment in the absence of manifest threat when policymakers' estimations of long-term security objectives can lead to the use of alignment as a form of insurance.

Still, there is no dispute that external power configurations and threat do have a seminal influence on alignment decisions. Internal threat to the regime can too, especially when it conflates with an external threat. Indeed, the whole tenor of foreign policy is likely to be

¹⁴ As noted previously, Walt gives states the options of either balancing or bandwagoning against threat. See, Walt, "Alliances: Balancing and Bandwagoning", pp. 96-98. However, he did subsequently acknowledge that this was too limited. See, Walt, "Alliances, Threats, and U.S. Grand Strategy: A Reply to Kaufmann and Labs", pp. 448-482.

¹⁵ Bock and Henneberg, "Why Balancing Fails: Theoretical reflections on Stephen M. Walt's 'Balance of Threat' Theory", pp. 10-17.

influenced by the character of the international-domestic threat environment, bearing on what objectives a state is prepared to pursue and when it might pursue them. The absence of a preponderant regional power and low levels of threat to state and regime security do create greater space for foreign policy to be invested with individual and group preferences. In contrast, in the midst of a region beset by interstate or civil war, or the likelihood of it, policymakers are likely to adopt a cautious foreign policy and focus on national security. Their alignment policy will be geared towards minimising any external and internal dangers. Indonesia experienced such conditions in 1958 when a combination of domestic rebellion and covert US intervention threatened to split the country and destabilise the central government. This was a period of reduced ambition in foreign policy. The alignment strategy of Omnibalancing (fighting the rebels while appeasing their foreign sponsor) was aimed at preserving regime and state integrity.

But for most of the two decades after the Second World War, Indonesia was the beneficiary of relatively benign security conditions in its corner of Southeast Asia, even as domestic political competition was the source of frequent instability in government. The big foreign policy initiatives of the era, notably the 1951 decision of the Sukiman government to sign the San Francisco Treaty and the US Mutual Security Act protocols, the 1955 convening of the Asia-Africa conference and the subsequent launch in 1961 of NAM, occurred in an environment in which policymakers had the confidence to pursue their ambitions, notwithstanding persistent domestic and international tensions. The idea that it is easier to project state interests and preferences in times of stability is consistent with Walt's observation that ideology "was most useful in explaining alliance decisions when the prevailing array of threats was either modest or indeterminate".¹⁶ The same could be said of nonalignment and Indonesia's *bebas-aktif* foreign policy. Both were most likely to flourish in times of high state and regime security.

Under these circumstances, the major foreign policy initiatives are often easier to understand in terms of rational choice calculations – Indonesian leaders enjoyed the political space they were accorded to advance what they perceived as national interests in terms of economic development, greater security or enhanced national stature. The tilt towards the USA in 1951 was a calculated decision that supported both the domestic and international agendas of the Masyumi-led government of Sukiman Wirjosandjojo. Although it proved a

¹⁶ Walt, *Origins of Alliances*, pp. 266-267. Walt concluded ideology played a bigger role in explaining superpower commitments because the two were "roughly equal in terms of their other characteristics".

miscalculation that caused Sukiman's downfall, the undoubted risk taking in the government's pro-American policies was reasonable in the domestic and international circumstances and promised to serve its objectives. Burhanuddin Harahap's decision in 1955 to lean back towards the West to try to reach a negotiated settlement with the Dutch over West New Guinea was a rational assessment of the best avenue for achieving Indonesian goals. Ali Sastroamidjojo, who presided over the most ambitious foreign policy of the constitutional democracy period, had a clear objective: in his own words, he wanted to give Indonesia a stronger voice in international politics and increase its stature. His ends and means are consistent with a rational choice.

Main Findings for Balance of Risk

Hypothesis 1: When the prospect of critical loss to the state or regime is perceived to be high, states should prefer hard or offensive policies, including building their own military strength and balancing alliances. This should be the first preference in the event of a high risk of high loss.

The strongest evidence for this hypothesis was found in the cases of Indonesia's territorial claim over West New Guinea and its opposition to the formation of Malaysia. In the case of West New Guinea, Chapters Seven and Eight showed how the refusal of the Dutch to relinquish what Indonesians regarded as an inalienable part of their territorial inheritance came over time to be manifested as a critical loss to the state. There was no more important foreign policy objective during the 1950s and early 1960s than the absorption of the territory into the Indonesian state.

The West New Guinea claim drove Indonesia's desire for a military build-up and the consequent tightening of relations with the Soviet Union. There was a direct correlation between the depth of the grievance over denied sovereignty, the shift of alignment posture, and the acquisition of offensive military power. But even as Sukarno sought to cultivate the Soviet Union for the purposes of winning military and diplomatic support for Indonesia's territorial claim, he was conscious of maintaining a balancing act that preserved Indonesia's policy freedom and avoided alienating anti-communist forces at home and abroad. Sukarno thus persisted with a range of smart strategies, such as competitive bidding, hiding and hedging, that were designed to maximise his policy flexibility.

In refining his use of competitive bidding, Sukarno used the threat that Indonesia might drift further into the Soviet camp and launch a war that would compromise American interests in the region to try to force a diplomatic solution. Simultaneously, he led the Soviets to believe that he was ready to take a confrontational approach to the resolution of the West New Guinea dispute that would have driven a wedge between Washington and Jakarta or caused a split within NATO. This strategy proved effective because the USA still believed Indonesia could be saved from the communist camp and the Soviet Union perceived its best chance to swing a crucial Southeast Asian state to the communist camp. Both understood the enormous significance to their respective positions in the region should Indonesia fall one way or the other.

Sukarno enjoyed a relatively free hand in policymaking at this time because of the strong domestic support for the West New Guinea claim. Indonesia also could count on greater international support following the founding of the NAM and the intensification of the Sino-Soviet dispute, which had increased the desire of the great powers to befriend Indonesia. Notwithstanding the permissive conditions, the prospect of a negotiated settlement suited Sukarno too. Although the incorporation of West New Guinea was regarded as a critical, non-negotiable issue, and the status quo a manifest loss, the acceptance of risk implied by this framing of the issue did not mean Sukarno preferred to take risks.

It is undoubtedly true that he was not bluffing with threats to launch major military action. This was part of a move to drive a wedge between the USA and its ally the Netherlands. But he walked a fine line because if war did break out it would have represented the failure of his overall strategy, forcing Indonesia into a headlong conflict with the West and a more binding, dependent relationship with the Soviet Union. Although Sukarno had adopted a relatively hard alignment with the Soviet Union as the price of building up its military power, he did not want to sacrifice Indonesia's policy autonomy any more than necessary. An alignment with the Soviet Union that was too close would likely have provoked tensions with the army, the strongest state institution. It almost certainly would have rekindled the kind of covert intervention and destabilisation that occurred in 1958, including in Sukarno's mind attempts on his life.

For the above reasons, competitive bidding served to buttress an overall policy that could be described as hiding or hedging. But the balancing of risks that resulted in these policies required multiple calculations. On one plane, it required managing the risk of entrapment in Soviet foreign policy designs against the risk of losing the struggle with the Dutch for control of West New Guinea; on another plane, it required managing the risk of

hostility from domestic right-wing political forces and the Western powers against the desirability of accessing Soviet military capability.

While the idea of balancing risk helps frame the choice problem, the explanation for the choices actually made between the competing priorities Sukarno faced requires a deeper look at his evaluations. It is possible to view Sukarno's preferences as the result of a cost-benefit analysis. But that assumes a reasonable independent observer would agree the goal of incorporating West New Guinea was critical to Indonesia's security and prosperity, and indeed so critical that it was worth fighting a war over. Washington certainly did not see it that way. It's doubtful even the Soviets did, although they were happy to goad Sukarno into a conflict.

A better explanation of Sukarno's decisions comes from seeing them as driven by a subjective calculation of what represented gains and losses. If we accept that Indonesia's aspiration levels had been built to the point where the status quo of continued Dutch occupation of West New Guinea represented the realisation of a critical loss to the state, the subsequent brinkmanship and willingness to risk violence is more explicable. Moreover, both Indonesia and the Netherlands would see concessions as losses – the Netherlands because of the endowment effect from clinging to this colonial remnant for more than a decade after Indonesian independence. Therefore, the willingness to take risks was a feature of the bargaining on both sides, which is one of the reasons the USA found it so difficult to broker a negotiated settlement. These factors give a psychological analysis of choice an edge over a rational analysis. Of particular relevance here, the result of Sukarno's calculations accorded with the hypothesis that the higher the prospect of losses or the more critical the objective is perceived to be the greater the tendency to adopt offensive policies, including hard alignments.

The second experience of Confrontation over Malaysia, described in Chapter Nine, led to the greatest period of peril in Indonesian foreign policy in the 20 years after the declaration of independence. There were several phases to the campaign to prevent the formation of Malaysia. But from the perspective of alignment it is useful to divide the analysis in three parts: the first covers the period from the Brunei rebellion in December 1962, which acted as a trigger for Indonesia to abandon its earlier sanguinity over the formation of Malaysia, to the eruption of violent protests and a break in diplomatic relations with Kuala Lumpur in September 1963; the second stretches until July 1964 when Johnson hosted the Tunku at the White House; the third until late 1965 when Sukarno declared an "axis" with China and several other communist states.

In the period from December 1962 to September 1963, Indonesia persisted with the policy of competitive bidding. As Sukarno hardened his opposition to the creation of Malaysia,

he employed the tactics that had worked well in obtaining Indonesia's objectives in West New Guinea. He used a combination of military pressure and warnings that the West was playing into the hands of domestic and international communists to force the acceptance of his demands. In this period, Sukarno appeared to vacillate between the determined prosecution of Confrontation and adherence to a US-backed economic stabilisation plan. The rupture in September 1963 ended competitive bidding as a viable policy. Sukarno ditched the economic stabilisation plan. But he continued to try to keep the USA engaged and mounted pressure for a diplomatic solution on terms that would at least provide a face-saving exit. He increasingly explored options for support from other parties, including the NAM states and China. This phase ended with the promise of US support for the Tunku in July 1964. Sukarno then pursued the idea of a third power bloc, an increasingly hard alignment with China and took Indonesia out of the UN. This phase reached a peak with the declaration of an "axis" with China in August 1965. Indonesia's alignment policies during the last period of Confrontation could be characterised as driven by ideas of *Realpolitik* that had been refined in the West New Guinea campaign.

The shift of alignment strategy from competitive bidding to hard alignment with China reflected a parallel escalation of risk taking by Sukarno and an escalation of the perceived stakes in Confrontation. At the time Sukarno employed competitive bidding he had a reasonable expectation that the pressure he applied would have a similar result to the West New Guinea campaign. He was in a position to set the tempo of events. The balance of risk then favored preserving Indonesia's policy autonomy and avoiding actions that could produce either a spike of opposition either at home or abroad.

The hardening of alignment strategy was to be expected as Indonesia became increasingly isolated and Sukarno, who had invested a great deal of personal credibility in Confrontation, faced the potential of a humiliating defeat. In other words, his prospect of losses continued to mount as Confrontation dragged on. Indeed, Sukarno's risk-taking in Confrontation was allowed to grow beyond any rational calculation of its importance to Indonesia's security, emulating the gambler who tries to recover his sunk costs. The risks of alignment with China included heightening domestic competition between the army and PKI, reviving domestic anti-Chinese sentiment, increasing Indonesia's dependency on a single great power, and further alienating Western countries that had shown a propensity to intervene in domestic affairs. The only advantage might be the additional pressure it would place on the USA, Britain and Malaysia to agree to a solution that met some minimum conditions for a deal.

It is hard to reconcile the pattern of decision making with rational choice. The normative application of cost-benefit would suggest Sukarno should have cut his losses sometime in 1963 before emotions got out of hand later that year. Sukarno's domestic stocks were so high after the West New Guinea victory that a diplomatic device to retreat with minimal loss of face would not have seriously eroded his status. But a retreat at any time before Indonesia withdrew from the UN and entered symbolic alliance with China would have been preferable to those decisions, which did not serve Indonesia's security or economic interests.

Sukarno's decision making then is better understood through the lens of the psychological analysis suggested by prospect theory. He had set the reference point for gains and losses in Confrontation when he insisted Malaysia should not be formed without a full plebiscite in the Borneo territories. The determination of Malaya and Britain to proceed, regardless of what Bornean opinion was assessed to be, set the two sides on a collision course. It represented a direct challenge to the image Sukarno had of Indonesia as the region's leading power, with an entitlement to be consulted on its geopolitical disposition. As Sukarno moved further and further into the domain of losses, he tried to bluff, threaten and intimidate his opponents. With his losses mounting, Sukarno felt he had to bid up the stakes. But even he recognised there was diminishing utility in his brinkmanship, privately admitting as much to the US ambassador. In the end, he reached a point of no return with his alignment with China – his last major foreign policy initiative. It was a move that was bound to accentuate the risks of lost policy autonomy and heightened domestic and international opposition to foreign policy.

The pattern of risk taking is consistent with the hypothesis that alignment posture ought to harden in proportion to the prospect of critical losses or the size of the stakes involved in a conflict. The case of Confrontation over Malaysia provides a good example of the benefits of a balance of risk analysis over alternative explanations. Sukarno's motives for initiating and expanding Confrontation are unclear. The depiction of Malaysia as threat is only one of several plausible explanations of motive. And, in any case, Confrontation expanded in ways that obscured its origins. Confrontation revealed was an evolutionary decision-making process that tied alignment posture to the growing prospect of the state and regime suffering critical losses.

Hypothesis 2: When the prospect of critical loss to state or regime is perceived to be high, yet it has no recourse to 'hard' balancing policies, it should prefer a variety of 'smart'

alignment strategies or, as a last resort, to bandwagon with a threatening state. This should apply only if balancing options are unavailable.

The experience of the revolutionary years would appear to contradict the hypothesis that states or regimes facing the prospect of critical losses should adopt offensive strategies, including hard alignment. In fact, the revolution simply demonstrated that hard alignment strategies, even when desirable, are not always feasible. The newly-founded Republic of Indonesia faced an almost constant existential threat between 1945 and 1949. It was obliged to meet that threat by a resort to arms and an activist diplomacy aimed at bringing pressure on the Netherlands to recognise the legitimacy of Indonesia's independence aspirations. It was clear that bandwagoning with the threatening party offered no relief. The Republic faced two Dutch offensives. In the second, its seat of government in Yogyakarta was overrun and republican leaders captured. The only logical alternative was to combine armed resistance with an appeal for assistance from foreign powers.

But the Republic failed to attract allies able, or willing, to apply coercive power to deter the Netherlands forces in Indonesia. Chapter Three demonstrated how, initially, republican leaders looked to the West in the expectation that the victorious war powers would live up to lofty rhetoric about self-determination. When the European power politics of the emerging Cold War was found to trump the rights of colonised peoples, a bitterly disappointed Republic found some modest comfort in Soviet interventions in the UN. Thus, states able to apply decisive material pressure on the Dutch failed to act; states willing to act could not apply the pressure.

This meant that the Republic's political leadership would be forced to craft an alignment strategy that balanced numerous risks. In the absence of explicit support from Western powers, the Republic sought ways to at least maximise the prospects of diplomatic support from as many foreign powers as possible. Simultaneously, it needed to ensure that the Republic's foreign policy did not become a source of internal friction between a religious right, centrist nationalists and a zealous left. The compromise first proposed by Sjahrir and then declared as official policy by Hatta in September 1948 was the policy of neutrality between the great power blocs. Hatta's declaration came just as tensions between left and right in domestic politics mounted and were poised to erupt in rebellion.

In essence, the policy of neutrality, which later came to be established as the *bebas-aktif* policy, started to introduce ideas like competitive bidding, hiding and hedging into the conduct of Indonesian diplomacy. By not declaring for either side of the Cold War, the

Republic might have at least assuaged concerns that an independent Indonesia would be contrary to the interests of any of the big powers. However, after the bloody suppression of communists and leftists in the Madiun rebellion, the USA immediately warmed to the Republic – a move that was critical to the eventual negotiated withdrawal of the Netherlands. The USA took the Republic's actions in suppressing the left as a signal that it was essentially pro-Western. It is purely speculative, although reasonable to assume based on evidence such as Sjahrir's 1945 treatise *Our Struggle*, that Indonesia would have developed a close relationship with the USA, if not explicit alignment much earlier, had Washington perceived early Cold War politics somewhat differently.

In any case, official neutrality served Indonesia well in navigating the perils of international politics. After the final transfer of sovereignty, Joseph Stalin overruled the advice of his Foreign Ministry to give official diplomatic recognition to the Republic of Indonesia. It indicated that the Soviet Union still believed there were opportunities in Indonesia despite the 1948 left-wing crackdown. Simultaneously, Harry Truman began pouring in aid in the belief the USA had won a victory with the character of Indonesian leaders to form government. Hence, the evidence from the revolutionary period offered some modest support for the second hypothesis that a state should prefer to adopt smart alignment strategies or to bandwagon as a last resort when the prospect of critical loss to state or regime is perceived to be high, but it has no recourse to hard balancing options.

Nonetheless, some interesting questions remain over how the Republic's leaders arrived at the conclusions they did. It is possible to see the adoption of neutrality as the result of a pure cost-benefit analysis. Facing the absence of material support from any great power in fighting the Dutch, and a domestic movement divided between Western and communist values, neutrality was the foreign policy least likely to cause trouble and most likely to accrue some benefits. From the point of view of prospect theory, the revolutionary period highlights a dilemma. It is hard to infer the reference point the Republic's leaders had for what represented gains and losses. The fact the Republic possessed some, albeit steadily diminishing territory, put it in the domain of gains. The endowment effect might ensure that its priority was to preserve the gains already made. But the aspiration was for a unified state based on the boundaries of the Netherlands East Indies. The Dutch had blocked any further expansion of Republican territory and, in fact, threatened to extinguish the Republic completely by military means. Given this, it is possible to frame the situation facing the Republic as one of severe loss. The result is that the adoption of neutrality is not easily

explained as a risk acceptant or risk averse option. In this case, a rational analysis of political choice is simpler and more useful than a psychological analysis.

Another example of Indonesia avoiding balancing behavior despite the prospect of critical losses came in the case of the regional rebellions, described in Chapter Five. Faced with mounting evidence of US support for rebels who were threatening to either split the country or bring down the government, Indonesia did not adopt an immediate balancing response against the USA. Instead, Jakarta implemented a two-pronged strategy of fighting the rebels militarily and appeasing the USA diplomatically. This was unmistakably a policy of Omnibalancing. The simple rationale was that Jakarta was not then in a position to try to overtly balance against the USA by seeking a hard alignment with another power, presumably the Soviet Union, or to build up its military forces. It did do this later and the experience of the regional rebellions provided ample motive.

The outcome from this episode is likewise more easily explained in terms of a cost-benefit calculation. The Jakarta government made a decision to avoid an open confrontation with the USA that might have worsened its already precarious situation. Diplomatic appeasement was the lesser of two evils. The government was clearly in the domain of losses. But to adopt the high-risk course of openly challenging the USA at that point would not have solved the rebellion or helped immediately win new allies able to offset the costs entailed in a hostile relationship with the USA.

The way choices were evaluated in deciding alignments during both the revolution and the regional rebellions illustrate that choice problems in international relations are not always straight forward. States are constrained in the choices they make by the range of instruments available to them.

Hypothesis 3: When the prospect of critical loss to the state or regime is perceived to be low, states should prefer alignment strategies that support domestic group or individual preferences and interests in foreign policy. At such times, states are more likely to adopt soft or defensive policies such as various 'smart' alignment strategies that aim to maximise the benefits of international cooperation while minimizing the loss of policy autonomy. They should prefer to avoid hard strategies like expansion of military capability and overt balancing and bandwagoning options.

In the 1950s, fresh from the struggle for independence, Indonesians began to grapple for the first time with the challenges of governing a sovereign state. Chapter Four charted the

course of the early post-independence governments, led by prime ministers with an anti-communist or pro-Western bias from the Muslim party, Masyumi. Their worldview was a consequence of democratic convictions, a belief that the West offered access to the aid, capital and markets Indonesia needed to develop, and religious beliefs that led them to oppose the atheism and state control of communism. They were aided by the weakness of the PKI following Madiun. But the difficulty in balancing a desire for good relations with the West with the demand for foreign policy autonomy in accord with the *bebas-aktif* policy resulted in attempts to establish a channel of undisclosed alignment that even Sukarno ascribed to for a time. This proved to be an unsustainable strategy that produced one of Indonesia's first major foreign policy crises – the outcry over the signing of the MSA protocols and the downfall of the Sukiman government.

Later governments fared better in balancing alignment risks. The government of Ali Sastroamidjojo succeeded in implementing the most adventurous foreign policy of the constitutional democracy era and enhancing his stature. He vigorously pursued Indonesia's claim to West New Guinea, taking the issue to the UN, and he exchanged ambassadors with Moscow and Beijing. His foreign policy reached a peak with the Asia Africa conference in Bandung in 1955. Ali's active assertion of Indonesia as a neutral state served to elevate its international significance and its stature, which were the prime minister's main objectives. Although Ali's foreign policy came at the price of some weakening of Indonesia's ties to the USA, he successfully tapped a wellspring of nationalism that validated his policy direction. And as a former ambassador to Washington, he understood the risks of this assertion of policy autonomy could be contained because of the value the USA placed on maintaining good relations with Indonesia.

Ali employed a wide variety of strategies to balance alignment risks. They included attempts to promote norms of peaceful dispute resolution (transcending), to avoid being drawn into a dispute between other powers (hiding), and to widen access to new product markets and sources of capital after the end of the Korean War boom (competitive bidding). Together they served to maximise Indonesia's foreign policy autonomy while maintaining business-like relations with Moscow, Beijing and Washington. Ali and his predecessors benefited from relatively stable regional strategic conditions, which avoided the necessity of seeking hard alignments. Although Ali enjoyed the additional benefit of greater stability in government than experienced by his predecessors, the biggest challenge to the security of governments of this era was internal.

The record of alignment management during the first phase of constitutional democracy was consistent with the expectations of the hypothesis that domestic group or individual preferences and interests ought to be given priority when the prospect of critical state or regime loss is perceived to be low. Conditions at the international level obviated any necessity to contemplate hard alignments. Governments could indulge their beliefs in the appropriate conduct of foreign policy, with consequent impact on alignment posture. The biggest restraint on governments of this period was domestic pressure from opposition forces with a different vision for foreign policy. For Sukiman, the miscalculation proved his downfall; for Ali, harnessing nationalist sentiment was an advantage.

As was the case in the evaluations of policymakers during the revolution and regional rebellions, it is easy to interpret key alignment decisions during the early constitutional democracy period in terms of rational choice. The Masyumi-led governments sought close ties to the USA because it was most able to provide Indonesia with the material support it needed. It is unlikely the Sukiman government was fully aware of the extent of the domestic risks it was taking in aligning Indonesia with the USA, given the weakness of the left at the time. The sharp domestic reaction to the tilt towards Washington can be seen as simply part of a learning curve for governments testing the extent of their authority in a new democracy. Ali demonstrated a much more deliberate appetite for risk than his predecessors. But Ali also was able to calculate and balance the risks of his more ambitious foreign policy. His decision making is consistent with that of a rational actor.

The last phase of constitutional democracy from late 1955 to mid 1958, which culminated in the regional rebellions, was covered in Chapter Five. The governments of this period – Masyumi prime minister Burhanuddin Harahap and Ali, in his second term in office – represented the last gasps of the democratic experiment. Both conducted foreign policies that were true to form. Burhanuddin followed the pattern of his Masyumi predecessors in tilting towards the USA, although bitter experience had taught Masyumi-led governments that they needed to publicly assert the importance of policy autonomy. When the government signalled friendship to the USA, it was careful ensure it was done in private. Ali returned to his familiar advocacy of explicit neutrality. But he too had learned from past experience and took steps to privately reassure the USA that this did not imply an anti-American foreign policy. The emphasis he placed on foreign policy during his first term and accusations that he had moved too quickly to build relations with China had played a role in his downfall.

The alignment strategies of the Burhanuddin and Ali governments did have one similarity. Both tried to prevent disclosure of policies that favored the USA so as not to

provoke a domestic backlash. But otherwise they reflected differences over how to conduct Indonesia's international relations, with implications for alignment.

Burhanuddin sought to embrace Westernised international habits and norms of diplomacy in a way that could not be concealed. The soft alignment he pursued with the West was implicit in the way he sought to resolve differences over West New Guinea and the Netherlands-Indonesia Union by negotiation. The extent of the domestic political gamble this entailed was evident when negotiations failed and his government responded by unilaterally abrogating the Union and its accompanying economic and financial agreements. It was a reminder of the difficult balancing act entailed in foreign policy between domestic sentiment and international objectives.

Although Ali's foreign policy ambitions were more restrained the second time around, he took a symbolically more radical approach to the Dutch than Burhanuddin and completely abolished all the Round Table Conference agreements and abrogated outstanding debts. In doing so, he mixed private reassurances to the USA with actions that appeared distinctly anti-Western. The reward came by way of the Eisenhower administration's muted reaction. With Sukarno traveling to the USA, Soviet Union and China soon after Ali's appointment, Indonesia could be seen to strike a more deliberate, but less assertive Cold War neutrality. Ali was somewhat constrained by presiding over a coalition with Masyumi and by not knowing what Sukarno would do. In terms of alignment strategies, the result was that the country pursued a combination of hiding and competitive bidding.

Domestic pressures aside, Burhanuddin and Ali, benefited from a reasonably stable external environment. Ali, in particular, started out with a strong mandate – he headed the first government to be chosen after parliamentary elections. The outcome of their initial alignment decisions is largely consistent with the hypothesis that faced with a low prospect of loss policymakers should be free to exercise their own preferences and interests, which translates into alignment strategies that maximise policy autonomy.

But the experience of negotiating the fate of West New Guinea and the Netherlands-Indonesia Union highlights the value of a closer examination of how choices are made. The enormous effort and prestige the Burhanuddin government had invested in a successful negotiation with the Dutch ensured the failure of the West New Guinea and Union talks plunged it into a position of critical loss. Masyumi had already performed badly in elections on Burhanuddin's watch. The collapse of the talks with the Netherlands would become a major contributor to his government's downfall. Faced with such losses, Burhanuddin adopted a risk acceptant response to the Netherlands in the final days of his government. The strength of his

government's reaction is not easily reconciled as a cost-benefit analysis. The extent of the repudiation of the Dutch, and the risks this posed to Indonesia's international reputation and welfare, probably exceeded the true costs to Indonesia of the failure of the talks. But this was a popular move – Ali too unilaterally repudiated all agreements and obligations with the Dutch as one of his first acts on returning to government. While they placed relations with the West at risk, Burhanuddin and Ali secured domestic support for foreign policy, including laying the groundwork for future alignments aimed at dislodging the Netherlands from West New Guinea.

Hypothesis 4: The strength of a state's balancing response should escalate in tandem with the prospect of incurring loss. This should manifest in a tightening of alignment commitments and attempts to grow state power.

The strength of Indonesia's alignment commitments grew sharply as the crises over West New Guinea and Malaysia deepened. This pattern correlates closely with perceptions in Jakarta that the stakes, and the potential for losses, were increasing in both cases.

Indonesia's relationship with the Soviet Union was vital to obtaining the military power necessary to launch an invasion of West New Guinea planned for August 1962. Even as Sukarno pressed the USA to find a diplomatic solution, Indonesia, starting in 1959, steadily acquired the weapons to force the issue. As the size and capability of Indonesia's armed forces grew, so did the presence of Soviet personnel on the ground and the frequency of high-level contacts between Moscow and Jakarta. The Soviets had hoped that a military showdown over West New Guinea would produce an irreconcilable break between Indonesia and the West.

Even so, Sukarno was conscious of balancing the risks of the conflict over the status of the territory. He maintained cordial relations with Washington. Indeed, he exhibited a singular warmth to Kennedy. Sukarno's goal was to win sovereignty over West New Guinea, not fight a war that would alienate him from sources of valuable support and increase Indonesia's dependency on the Soviet Union. The fact the war threat was credible underscored the significance Sukarno attached to winning control of West New Guinea. It added urgency to US attempts to force concessions on the Dutch. But Sukarno's first preference was to play both sides of the Cold War to obtain Indonesia's foreign policy objectives as cheaply as possible.

The same pattern of cautious tightening of alignment commitments was evident as Confrontation over Malaysia intensified in 1964 and 1965. Sukarno initially had tried to

resolve Indonesia's grievances over Malaysia via diplomatic pressure and negotiation, hoping to once again employ competitive bidding to repeat the success of the West New Guinea campaign. But after Confrontation entered a militarised phase, Indonesia started to explore alignments that would help bolster its campaign against the formation of Malaysia. This culminated in the alignment with China. As noted earlier, the growing closeness between Jakarta and Beijing matched the increasing stakes in the conflict.

The evaluation of the risks in both the West New Guinea and Malaysia cases reflects the phenomenon of sunk costs. This is particularly true of Confrontation against Malaysia. Sukarno's escalation of the conflict is a good example of how a combination of loss aversion and risk-seeking can lead states to "follow failing policies far longer than a standard cost-benefit analysis might predict".¹⁷ But even in the case of West New Guinea – which, unlike the Malaysia campaign, proved a success – Sukarno had reached the point where he had invested so much credibility that he would have had to fight a war regardless of the objective value of what stood to be gained in comparison to the material losses that might have imposed.

The story of Confrontation against Malaysia is one of steady escalation as the stakes were raised on both sides and the costs of backing down for each of the belligerents grew. For Sukarno, the risk-taking in Confrontation was allowed to grow beyond any rational calculation of its importance to Indonesia's security. This pattern of risk-taking is consistent with the hypothesis that alignment posture ought to harden in proportion to the prospect of critical losses or the size of the stakes involved in a conflict.

Hypothesis 5: States should prefer alignment partners that share the same ideology. The ideological preferences of a state, or the effects of domestic political competition, are more likely to be reflected in alignment when external risks are low, that is, in the absence of existential threat to state or regime.

Ideology superficially fared well in the case of Indonesia's decision to pursue neutrality in 1948 under the *bebas-aktif* policy. But, as we have seen, the decision to adopt neutrality was driven by the management of domestic and international pressures during the revolution. Nevertheless, it acquired significance as a state ideology over time. Its main influence was as a benchmark for acceptable policy. But in many respects, it was honored in the breach. Sukiman's anti-communism and support for key US policies, along with the general pro-

¹⁷ Levy, "Prospect Theory and International Relations", p. 286.

Western orientation of Masyumi-led governments of the 1950s, demonstrated policymakers would invest foreign relations with their preferences and interests – often tied to the state of domestic politics – when they could. It was these governments that gave rise to the pattern of what has been termed undisclosed alignment to avoid a clash between actual policy and declared policy.

Arguably, Ali was the prime minister to most faithfully pursue a policy of neutrality or nonalignment and was, consequently, assumed to be taking Indonesia to the left. The Asia-Africa conference, its codification of peaceful coexistence, and its contribution to the birth of NAM, were the outstanding achievements the *bebas-aktif* policy as ideology. But the 1950s was a period when Indonesian policymakers enjoyed relatively non-threatening external conditions, even as shifting local allegiances caused frequent changes of government. It tended to bear out the assumption that the higher the level a state's security, the more latitude for ideology to affect alignment choices.¹⁸

Under Guided Democracy, Indonesia pursued a more assertive foreign policy. There was a strong ideological component to Sukarno's campaign against colonialism and imperialism. It drew him away from the *bebas-aktif* policy as he advocated creating a new bloc of Third World states. But his key alignment decisions after the advent of Guided Democracy were to strengthen ties with the Soviet Union to obtain armaments and to maintain ties with the USA to preserve diplomatic leverage. Neither of these moves reflected an ideological preference.

The stakes in Confrontation over West New Guinea outweighed any considerations of ideological affinity in alignment choice. The same was true of Confrontation against Malaysia, at least initially. As the crush Malaysia campaign evolved, Sukarno started to explore a deeper relationship with China. Its extent of the embrace of China was underscored by the decision to walk away from the UN. These actions fitted an ideological narrative that Sukarno was eager to emphasise, which possibly exaggerated the degree of an ideological rationale in the alignment process. This was consistent with Walt's expectations that the preference for ideological alliances would increase when regimes sought to bolster internal and external support and statesmen would have a tendency to embellish the degree of shared ideology with their allies and the degree of ideological difference with rivals.¹⁹

¹⁸ This reflects Walt's finding, in the case of ideology, that it was "most useful in explaining alliance decisions when the prevailing array of threats was either modest or indeterminate". Walt, *Origins of Alliances*, pp. 266-267.

¹⁹ *Ibid.*, p. 40.

Still, the relationship with China was an inherently fragile because of the domestic tensions between communists and anti-communists. As Walt noted, ideologies that entailed a shift in power to a foreign centre of authority, which was one of the main criticisms levelled by Indonesian anti-communists, are inherently unstable.²⁰ The weight of evidence is that Indonesia's most ideological alignment was based principally on other calculations.

Hypothesis 6: Aid should increase the propensity for alignment and increase the influence of the aid donor on the policies adopted by the recipient. The same should be true of access to commercial opportunities via trade and investment.

The experience of aid donors to Indonesia demonstrated foreign transfers had mixed effects on alignment patterns. Indonesia sought alignment partners that were capable of assisting it achieve its economic and security objectives. For most of the 1950s, the essential source of the aid Indonesia needed was seen as the USA. But aid failed to give the USA the kind of leverage over the Indonesian government that it desired. The Sukiman government's decisions to sign the San Francisco peace treaty and the Mutual Security Act were probably the best examples of the influence of US aid. But in both cases a domestic backlash delayed or prevented ratification. By the time of the Ali government, aid appeared to offer the donor little leverage. The USA viewed Ali's advocacy of explicit neutrality as an unwelcome shift towards the communist bloc. It coincided with the resurrection of the PKI, which Sukarno and the government were reluctant to publicly oppose despite frequent reassurance to American officials in private that Indonesia would not succumb to communism.

When the USA refused to supply the military aid Indonesia wanted, it turned to the Soviet Union rather than change its domestic or international policies. Soviet aid brought an unprecedented level of foreign engagement with the Indonesian armed forces. But the Soviets too were disappointed with the results. Hopes that Indonesia would draw back from the USA and seek an armed solution to the West New Guinea dispute were dashed by the Middleberg agreement. A Soviet decision to cut back on military aid and a US decision to end support for the economic stabilisation plan failed to discourage Confrontation against Malaysia. Instead, Indonesia turned to China.

Sukarno was particularly conscious of Indonesia's status and image. "I am not asking America to give money," he wrote. "Let her remember we have begged all our lives. We can

²⁰ Ibid., p. 35.

do it no longer.”²¹ Sukarno was not opposed to aid; he was opposed to the conditions attached to aid that constrained Indonesia’s foreign policy autonomy. Accordingly, it turns out that aid was largely self-selecting in its influence on alignment. Indonesia partnered with those willing to offer what it needed. But it provided little political return to the donor. The influence of donors was greatest when their goals did not conflict with Indonesia’s or they could appeal to a sympathetic local audience. This was the case with the concessions wrung from the Sukiman government in exchange for economic and security aid and under Djuanda with the implementation of economic stabilisation before it was derailed by Confrontation.

Hypothesis 7: The higher the transnational political penetration of one state by another state, the more likely the states are to seek alignment.

The weakest of these three hypotheses was transnational political penetration. There was insufficient evidence from the period of the case study to reach firm conclusions. But, like aid, it appears to have been most effective when the objective of the penetration was shared by a powerful local audience. Various technocrats and Masyumi and PSI politicians were receptive to US models for economic and democratic development. The effort the USA put into a wide variety of engagement programs is likely to have reinforced the convictions of such sympathisers, but it is less likely to have won many converts. The Soviet Union and China invested similar efforts in promoting their cause within Indonesia. For example, China at the height of its information and propaganda campaign in 1964-65 produced newspapers, owned the largest Indonesian-language book publisher outside Indonesia, distributed films across the country and ran a tireless series of exchange visits.²²

The internationally-funded communist campaigns, which focused on national characteristics and shared experiences rather than ideology, dovetailed with the PKI’s efforts to win real political power. The PKI was the fastest growing political party from the mid-1950s, growth that continued during the Soviet and Chinese charm offensives in the early 1960s. But how much the PKI’s recruitment was assisted by foreign propaganda is hard to prove. It might have had greater influence internally as the PKI gradually shifted over to the Chinese side in the Sino-Soviet conflict.

²¹ Sukarno, *Sukarno*, p. 297.

²² The Chinese cultural, information and propaganda efforts were fully engaged since 1954 in the lead up to the Bandung conference. See Liu, *China and the Shaping of Indonesia*, pp. 188-197.

More importantly, at the critical junctures in foreign policy decision making there is no evidence that big spending on information or the cultivation of domestic allies provided any leverage to the great powers. Indeed, an overt foreign presence at such times often appeared a liability. The Chinese mission in Indonesia was a frequent target during anti-communist and anti-Chinese campaigns. The prominence of US business investment and generous US funding for programs ranging from the Peace Corps to libraries and foreign visits and training provided targets for domestic hostility when foreign policy priorities conflicted. Elsworth Bunker's recommendation of a low-posture policy in 1965 was the ultimate admission of this failure.

The Causes of Indonesian Alignment

The case study of Indonesia's interactions with the great powers between 1945 and 1965 has sought to address one fundamental question.

What are the causes of Indonesia's alignment behavior?

The findings of the case study show there is no single, binding cause of alignment that covers all contingencies during the two decades subject to analysis. But the case study did reveal some distinct patterns. Analytically, they can be divided into two categories. The first pattern relates to the formula that Indonesian policymakers commonly used to determine alignment posture. The second relates to the causes of the alignment decisions of individual governments or policymakers.

As has been argued, a balance of risk determined alignment. This assumed alignment was the result of a complex interplay between domestic and international factors. The primary balance was between the desire for policy autonomy and the significance of the objective that an alignment was supposed to serve. The more critical the objective, the greater tendency to align. In determining criticality, prospective losses were seen to outweigh the significance of prospective gains. Alignment also was determined along another axis of calculation that weighed the significance of the objective against the prospect of the domestic or international hostility a particular alignment might evoke. The maintenance of official neutrality or nonalignment, especially for a weak and internally-divided state, was in general the safer course in the face of intense ideological competition at the domestic and international levels. Still, great powers were the alignment partners that consumed most policy energy because, by definition, they were the states most able to affect Indonesia's material position.

When the balance of risk analysis was applied to the alignment decisions of individual governments, it became clear that in times of low risk – when the prospect of the state or regime suffering critical loss was low – policymakers largely followed their own preferences and interests. Policy autonomy was a priority traded off against ideas about the best means of achieving economic development and national security or of securing ascendancy in domestic affairs. Under these conditions, ideological disposition played a substantial role. In general, this meant during the constitutional democracy years staunchly anti-communist Masyumi governments preferred alignment with the West. The more centrist PNI governments were stronger supporters of strict neutrality or nonalignment, but this veered from a passive interpretation under PNI prime minister Wilopo to an ambitious and assertive interpretation under Ali.

With the emergence of Sukarno as the key policymaker during Guided Democracy, alignment decisions increasingly reflected his perceptions of the balance of risk. Alignment choices were dictated by his orchestration of relationships among the great powers in which he turned to those most willing or able to serve Indonesia's interests on a case-by-case basis. The more critical he judged the objective to be, such as the "loss" entailed in Dutch occupation of West New Guinea, the more likely Indonesia was to form a strong alignment. Still, even as Sukarno occasionally found Indonesia's interests best served by a hardening of alignment commitments, the preference for maximising autonomy remained apparent in his strategy of playing the great power ideological blocs off against each other.

But such rational calculations of cost-benefit did not always drive the evaluation of risk. Policymakers repeatedly demonstrated risk-seeking behavior when they perceived Indonesia faced losses in some critical dimension of statecraft. In the 20 years studied here, these were principally territorial claims or matters of national influence and stature. A closer examination of how risks were evaluated showed a psychological analysis of political choice offered greater insight than a rational choice analysis during times of crisis. That is, when the prospect of losses was acute and risky choices were presented more starkly. This was probably most clearly demonstrated by Sukarno's repeated escalation of Confrontation against Malaysia, which alienated Indonesia from traditional sources of great power support. Third World states, which Sukarno hoped to turn into a new bloc via either NAM or the Asia Africa group, were not viable partners. Sukarno was left with an alignment with the People's Republic of China, an arrangement that contained significant domestic and international risks and offered few of the material benefits Indonesia had obtained from the USA and Soviet Union. The compromises implicit in the alignment with China were disguised to some extent

by Sukarno's attempts to cast this alignment in the positive light of shared ideology. By then the perception of the stakes involved in the Malaysia crisis had moved the issue beyond a rational calculation of its true significance for national security.

What explains the persistence of Indonesia's bebas-aktif foreign policy and refusal to enter military alliances?

The *bebas-aktif* policy encapsulated an ideal, especially in regard to its stance on alignment, that went beyond the precise circumstances of its birth. The reasons for the endurance of the policy through the 20 years of domestic and international contention following the declaration of independence in one sense explains the origins of nonalignment. Certainly, the ability of policymakers to interpret the *bebas-aktif* policy flexibly to suit prevailing exigencies – the fact that it was “amenable to frequent redefinition”²³ – was one factor contributing to longevity. But this common explanation only supplies part of the picture. A recurring desire to maximise autonomy in foreign policy marked even those episodes where Indonesian policymakers believed the objectives driving decisions to align outweighed any potential downside entailed in external dependency or obligations. The desire of policymakers to assert autonomy was evident irrespective of ideological orientation. This is consonant with Weinstein's observation that Indonesians felt they “must remain ever alert to the danger of finding their formal independence a sham and their fate dictated by foreign forces”.²⁴

Consequently, it can be argued the *bebas-aktif* policy worked on two levels. On one, it served a psychological purpose; it captured the zeitgeist of Indonesian attitudes to sovereignty. As former foreign minister and Vice President Adam Malik once observed there was little interest in placing it under close scrutiny because it was “deeply rooted in our nation”.²⁵ This statement hints at why the *bebas-aktif* policy retained its legitimacy. It always was more aspirational than practical; it was the foreign policy complement to the deeper ambition for an independent Indonesia to stand on its own feet. It, therefore, was not weakened even when it was breached.

But the policy did offer something on a functional level as another tool of risk management. As discussed earlier, it had the potential to defray competition between the political left and right within Indonesia that threatened to initially undermine the revolution

²³ Weinstein. *Foreign Policy and the Dilemma of Dependence*, p. 161.

²⁴ *Ibid.*, p. 30.

²⁵ Malik, *In the Service of the Republic*, p. 279.

and later national development. It served a similar purpose at the international level in marking Indonesia as a nonpartisan power in the Cold War at a time when the Republic needed all the friends it could find. But more than that, the concomitant refusal to host foreign military bases allowed Indonesia to advocate from a position of moral authority for the removal of foreign military bases from the immediate region. It was a reasonable calculation that in the absence of alliances between regional states and extra-regional great powers and great power military bases it would be easier to maintain peace and stability in Southeast Asia and enhance Indonesia's own influence over regional affairs.

This ability of the *bebas-aktif* policy to serve both psychological and material imperatives allowed it to retain its status as an ideal template for foreign policy action even when actual policy favored alignment with one of the two Cold War blocs.

What roles have theories on the balance of power and the perception of external threat played in determining alignment?

The case study demonstrated Indonesian policymakers were certainly conscious of imbalances of power and vigilant against the appearance of foreign threats that could take the form of either direct military intervention or clandestine intervention in alliance with domestic dissidents. There were specific episodes in which power imbalances or overt threat appeared to be at the forefront of policymakers' minds in seeking alignment solutions.

When Sukarno proposed the NAM become a third bloc at its second summit in Cairo in 1964, he made the case in terms of a balance of power to resist the depredations of the imperialist states. The Soviet-backed military build-up of the early 1960s came with an explicit recognition that past reliance on diplomacy without the capacity for coercion had failed to deliver Indonesia's foreign policy objectives. The focus on forging alignments with great powers itself was driven by the fact that they were the most eager to engage with Indonesia and the most able.

External threat was part of the state narrative from the time of revolution. From the existential challenge posed by the Netherlands in the 1940s to the covert intervention staged by the USA in support of rebellions in the 1950s, Indonesians had learned from bitter experience to stay alert to, and wary of, the designs of foreign powers. Strategic location and abundant natural resources were seen as creating both vulnerability and motive to intervene. Not surprisingly, this sentiment was most pronounced among the military, who exhibited "a

natural inclination to search for external threats”.²⁶ The justification for the two campaigns of Confrontation over West New Guinea and Malaysia, in which the military played prominent roles, was at least partially cast in terms of threat.

But calculations of power and threat – the basis of much of the theorising in alignment studies – do not alone tell the story of why or how Indonesia pursued cooperation with the great powers.

The idea that Indonesia might balance against preponderant power was initially negated by the decision to pursue neutrality. When early governments sought a soft alignment with the West, testing what latitude they had under the official policy of neutrality, the purpose clearly was not to balance power. During the 1950s, the USA and its Western allies had by far the strongest presence in Southeast Asia. But nor could the actions of Indonesian policymakers be characterised as a tentative move to bandwagon for the purposes of minimising threat. Without doubt the most powerful influences on these policymakers were their anti-communism and desire to access Western markets and capital.

Under the Wilopo and Ali governments, the pursuit of a more literal definition of neutrality entailed an implicit rejection of balance of power politics. Opposition to *Realpolitik* solutions to international problems, such as the balance of power, was a thread that ran through the Asia Africa conference to the founding of the NAM. It was an inspiration to many of the Third World states, including Indonesia, that saw themselves as historic victims of power politics and likely future battlegrounds should a balance of power fail to deter war.

Sukarno came to explicitly embrace the significance of power balancing, yet it was a long journey. In the campaign to finally resolve the West New Guinea question, Sukarno maintained close relationships with both the Soviet Union and the USA; the Soviets to provide a military option and the Americans to provide a diplomatic one. By the time Sukarno did start to enter a hard alignment with China, in an explicit act of balancing Western powers in the region, he had run out of sources of alternative support. It was less a bold move of strategy than an act of improvisation and risk-taking. Sukarno’s alignment decisions were never without ambiguity. As Liddle suggests, it would be “simplistic and misleading to see Sukarno as anti-Western because of his opposition to Malaysia or his promotion of a Beijing-Jakarta axis...”²⁷

²⁶ Weinstein. *Foreign Policy and the Dilemma of Dependence*, p. 57.

²⁷ R. William Liddle, *Leadership and Culture*, Sydney: Allen and Unwin (1996), p. 99.

A focus on threat as the principal motivator also fails to account for the totality of Indonesia's alignment behavior. Most obviously, many bold alignment decisions were made in the absence of discernible external threat. As noted, benign external conditions helped give policymakers the space to pursue their own preferences and interests in foreign policy, including over alignment. When in 1958 the state and regime did face a threat with an external dimension, there was considerable uncertainty over its nature and the appropriate response. This resulted in attempts to reassure and appease the source of foreign threat in an act of Omnibalancing. In both incarnations of Confrontation, it was Indonesia that posed the threat by warning of or initiating the resort to armed force.

One of the weaknesses of assuming alignment is determined via an analysis of threat is the great difficulty of knowing the intentions of a potential adversary. The balance of risk better replicates the process undertaken by policymakers in managing the inherent uncertainty over another state's intentions. When it comes to the presumption of threat, it allows for the possibility of policymakers to adopting a precautionary approach to alignment decisions.

What strategies has Indonesia adopted to enhance security in the absence of formal alliance?

The act of balancing the state's objectives in international relations, on the one hand, with the desire to preserve policy autonomy and to avoid inciting domestic and international opposition, on the other, required policymakers to be imaginative in the practice of alignment. It gave rise to what has been labelled here as smart alignment strategies.

The most common of the smart strategies Indonesia employed was competitive bidding, which describes the act of playing the great powers off against each other. Sukarno was its great exponent. Summarising this pragmatic dictum, he recorded in his memoir: "A nation engaged in surviving must take help from all sides, accept whatever is useful and throw away the rest."²⁸ But its success depended on finesse; each side of the Cold War had to be enticed by the idea that it could secure Indonesian alignment or at least rescue it from the other camp.

The same skill was needed to ensure Indonesia's foreign policy obtained sufficient support from a fractious domestic polity. Often the only way to do that was to avoid public disclosure of commitments being entered into. This included the obligations the Sukiman

²⁸ Sukarno, *Sukarno*, p. 294.

government took on to contribute to the defence of the “free world” in exchange for American civil and security aid. Eventual disclosure toppled the government and its successors exceedingly wary over the disclosure of any agreements for military training or weapons transfers. But it did not stop them from negotiating military aid deals with the USA. Undisclosed alignment describes a pattern of secrecy that persisted throughout the 1950s and first half of the 1960s that had the purpose of concealing policy mainly from a domestic audience rather than foreign powers.

But these were only two of the more common alignment strategies employed by Indonesian policymakers. In Chapter One, several alignment strategies were described. This was not an exhaustive list.²⁹ It referred to those that had some relevance to the Indonesian case. Hiding (the assertion of neutrality), transcending (promotion of rules-based dispute resolution), hedging (reassurance while building military and economic strength), wedging (seeking to divide threatening allies), and Omnibalancing (appeasing the foreign sponsor of domestic critics) were all used to manage alignment relations at one time or another. The common thread connecting all these alignment strategies is that they served to mitigate risk. Each strategy could be used either separately or in concert, according to the circumstances of the state and the preferences and interests of those in power. They contributed to the twin purposes of avoiding (1) an unnecessary sacrifice of policy autonomy or (2) a domestic or foreign backlash against the direction of foreign policy.

But if there was one alignment strategy most closely associated with the Indonesian case, it was competitive bidding. This suited Indonesia’s circumstances. It needed foreign cooperation to obtain the economic and security assistance to build the country. But depending on one great power posed the risk of entrapment. In the fierce rivalry of the Cold War, it was evident that over reliance on one ideological camp would result in a loss of policy freedom. Competitive bidding kept both sides of the Cold War guessing, maximised the aid Indonesia could receive, and left it free to pursue key foreign policies in a manner that suited its interests rather than those of a great power sponsor. It reached its peak in the lead up to the settlement of the West New Guinea dispute. Soviet arms gave Indonesia the capability to bring the issue to a head. But Indonesia was able to resist Soviet pressure for a military solution because it maintained good diplomatic channels to Washington and kept open the option of US-supported economic stabilisation policies should it achieve its objectives.

²⁹ Bock and Henneberg, *op. cit.*, pp. 10-17. Bock and Henneberg identified 19 different strategies which they divided between soft and hard, internal and external balancing.

The important point about the use of smart alignment strategies is that they highlight the range of options open to policymakers. They show that policymakers have far more choice available to them than suggested by the theories of balance of power or balance of threat. Indeed, the application of smart strategies is a challenge to those theories because the explanatory power of both rests on the outcome: states are presumed to pursue the hard alignment positions of either balancing or bandwagoning. If states adopt soft alignments, it undermines the significance of power and threat as determinants of alignment. In turn, it points to the desirability of developing theory that better captures the full array of alignment choices states make.

Directions for Future Research

This work has sought to shed fresh light on Indonesia's history of alignment with the great powers. In doing so, it has investigated patterns in both the processes and outcomes of alignment decisions. It demonstrated that standard theories for alignment behavior – balance of power and balance of threat – failed to adequately explain the Indonesian case. Instead, it proposed that a more complete explanation could be found by viewing alignment decisions as an exercise in balancing risk simultaneously at the domestic and international levels.

In the 20 years after Indonesia declared independence in 1945, the country experienced the most tumultuous period of its modern history. Set against the backdrop of the Cold War, Indonesia embarked on a project of nation-building that required at least the acquiescence, and desirably the cooperation, of the two global ideological camps, led by the USA and Soviet Union. It was a manifold policy challenge: engagement with the great powers would provide the resources required for national development, yet it would constrain Indonesia's domestic and international policy choices, and it would potentially draw Indonesia into a conflict that did not serve its interests. The policy dilemma was compounded by Indonesia's divided domestic politics. Secular nationalists, theocrats, and communists represented popular political currents. But political elites could all agree that Indonesia had not fought a revolution, at great cost in Indonesian blood, only to fall victim to neo-colonialism. Independence had to be measured by substance, not just form. It was these competing demands that ensured foreign policy, from the moment it was fashioned, was an exercise in managing risks.

But there are obvious limitations and caveats to proposing a balance of risk as a general explanation for alignment. As a single case, the conclusions might be contingent on Indonesia's particular circumstances between 1945 and 1965. These were years of

considerable internal and external challenges. The ideological divide of the early Cold War, and the level of global anxiety that accompanied that era, might have produced a degree of competition over alignment that was less pronounced in later times. This, in turn, might have forced policymakers to make unusual calculations about the confluence of domestic and international factors and adopt unusual alignment strategies. There also are occasions when a state's motivation for alignment is likely to be the sharp rise in power of another state, and the anxiety and uncertainty that creates, or a manifest threat posed by another state. Still, given the integral role of risk management in the policymaking process, those decisions too are likely to be accompanied by a conscious exercise of weighing risks.

Therefore, confidence in the findings of this research would be enhanced by further inquiry. Evidence from the Indonesia case itself could be considered over a longer timeframe. The story of alignment under the New Order years of Suharto, and after the restoration of constitutional democracy during the so-called *Reformasi* period, promises to be no less interesting or informative. Suharto switched Indonesia's alignment back towards the West and placed a 23-year freeze on relations with China. In Leifer's words, he launched Indonesia on a "novel form (of) economic association with industrialised capitalist states which was, in effect, an alignment".³⁰ But the New Order gave up "neither opposition to membership of military alliances nor an aspiration to a pre-eminent role in regional affairs".³¹ The manipulative alignment strategies, and the foreign policy juggling act between rival forces at home, appears to have played a smaller role under Suharto. Still, Indonesia maintained a working relationship with the Soviet Union and tried to ensure its immediate region remained free of great power intervention by helping found the Association of South East Asian Nations (ASEAN). It appears Suharto was no less conscious than Sukarno of balancing alignment risks. For his successors, the balancing act is likely to have become increasingly acute with the return of strategic rivalry between the great powers in Asia.

For the generic study of alignment, the ideas formulated about a balance of risk and the use of smart alignment strategies could be tested in a wider variety of contemporary and historic cases. It would benefit from comparative study of other states to assess whether or not it provides a better explanation of alignment behavior than balance of power or balance of threat. Still, there is no reason to assume Indonesia is a unique case despite the persistence of the *bebas-aktif* policy and official nonalignment. Most states prize their policy autonomy and

³⁰ Leifer, *Indonesia's Foreign Policy*, p. 112

³¹ *Ibid.*

face a delicate task in managing the domestic and international politics of alignment, especially when great power competition is intense. The explanation of the behavior of other states with different traditions of thought about alignment might benefit from seeing alignment as an elaborate calculation of risk.

Furthermore, it might be worth asking whether there are common characteristics to how risk is calculated and, therefore, what states most value. Do different states, and different types of states, have varying appetites for risk in deciding on whether and how to align? Does the difference in domestic political structure between authoritarian and democratic states affect how they calculate alignment risk? How do states determine what issues are critical enough to seek hard alignments? Do all states place the same importance on policy autonomy?

More broadly, if the idea that alignment decisions are framed as a balance of risk can be applied to other cases, it might provide insights into the conditions under which alignments are formed and dissolved. This has particular relevance at a time when the efficacy and viability of many longstanding alignments are in question and in many contested regions states are trying to bolster their alignment networks. In concluding *The Origins of Alliances*, Stephen M. Walt argued the USA should find the results of his work “heartening”. His finding that balancing behavior was the most dominant tendency in international politics meant that the USA’s “position in the world and the most important causes of security cooperation among states combine to favor it”.³² A balance of risk would evoke a less confident prediction. It would suggest states only engage in hard balancing and bandwagoning as a last resort. Where possible, they would try to avoid too many onerous alignment commitments and try to establish as much flexibility as they can within the framework of their alignments. In that event, alignments are likely to be far less dependable.

³² Walt, *Origins of Alliances*, p. 284.

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