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THE PKI-FDR UPRISING OF 1948 AND US POLICY REGARDING THE DUTCH-INDONESIAN DISPUTE

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This paper contends that the abortive PKI-FDR uprising in Indonesia during the last quarter of 1948 marked an important turning point in the American policy toward the Indonesian struggle for independence against the Dutch. Before 1948, American policy toward Southeast Asia was almost exclusively dictated by the imperatives of European considerations, hence was pro-Dutch. The outbreak of the PKI-FDR not only raised the scepter of Communism in Indonesia but also underscored the belief Indonesian nationalism had to be settled in a just and practical way as a precondition to fight communism. In the final analysis, however, it cannot be said that the PKI-FDR revolt was ultimately responsible for the American decision to support the Indonesians. When threat of sanction was finally instituted against the Dutch, it was again European considerations which dictate the move.

Keywords: American Foreign Relations, Cold War, Indonesia Communist Party, Southeast Asia

The term "Cold War" first came into currency in 1947 to denote the state of the relations between the United States and the Soviet Union during the period after the Second World War. Soon after the defeat of Germany and Japan in 1945, the Grand Alliance of the United States, Great Britain and the Soviet Union broke down irreparably and gave way to a new kind of confrontation known as the Cold War. The United States and the Soviet Union, the main adversaries in this new contest for world power, competed intensely and bitterly for spheres of influence, economic and strategic advantage, and ideological superiority. The two antagonists never sent their troops directly into battles against one

another but instead engaged in war-by-proxy: the belligerents armed and aided their respective client states, supported rival factions in civil wars, built rival alliance systems, and sponsored exclusionist foreign economic policy programs.

This Soviet-American confrontation dominated international relations for some fifty years after the end of the Second World War. It initially focused on Europe[1], but the conflict promptly spread to the entire globe, and in newly independent areas the Cold War often provoked hot wars. Southeast Asia was very much in the vortex of that confrontation; indeed, the region became a major physical battlefield in the Soviet-American conflict. While Vietnam was the most notorious example, none of the states in the region was spared its own experience of hot wars during the Cold War era.

Much has been written on the origins of the American involvement in Southeast Asia. Although there have been significant areas of agreement in recent scholarship on the Cold War in Southeast Asia, deep interpretative differences still divide scholars on a number of specific and broad issues. Questions as to "when" and "how" the Cold War spread into the region and the underlying considerations that brought the Soviet-American conflict there are still highly contentious issues. Some scholars suggest that the Cold War in Southeast Asia was essentially an extension of US containment of China, and they variously suggest 1948, 1949 or the outbreak of the Korean War as the dates marking the beginning of the Cold War in the region. Some others argue that the Cold War in the region had arisen largely from the American policy of rebuilding Japan, and they offer the "policy reversal" in 1947 as the turning point. Yet others argue that European considerations have been

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[1] J. Samuel Walker, "Historians and Cold War Origins: The New Consensus" in Gerald K. Haines and J. Samuel Walker (eds.), *American Foreign Relations: A Historical Review* (Westport, Connecticut: Greenwood Press, 1981), 207−236. Also see John Lewis Gaddis, "The Emerging Post-Revisionist Synthesis on the Origins of the Cold War" and the responses by Lloyd Gardner, Lawrence S. Kaplan, Warren Kimball, Bruce R. Kuniholm in *Diplomatic History, 7* (1983), 171−204. In the late 1980s and early 1990s, many academics talked about the end of the Cold War. For scholarly debates, see the collection of essays edited by Michael J. Hogan, *The End of the Cold War: Its Meaning and Implications* (New York: Cambridge University Press, 1992).

instrumental in bringing the Cold War into Southeast Asia, and they variously offered 1946 or 1947 as the watershed years in the development of the Cold War there. These considerations are not mutually exclusive, of course, and many post-revisionist accounts have pointed to the multiple sources of American involvement in the region.[2]

While these interpretive accounts have greatly enhanced our understanding of the complex roots of the American involvement in Southeast Asia, they all tend to over-emphasise the extra-regional factors that brought the Cold War into Southeast Asia, almost to the exclusion of indigenous factors. Did indigenous regional events play no role in influencing the development of the Cold war in the region? In 1948, for example, shortly following a Communist Youth Conference in Calcutta in February, left-wing insurgencies had broken out in Burma in March, followed by British Malaya in June and Indonesia in September. These insurrections were either quashed or contained by the respective sovereign powers, but they still may have influenced Cold War thinking in the region. Could the origins of the Cold War in the region be traced to the outbreak of these Southeast Asian left-wing revolts? This paper explores how American policy-makers perceived and reacted to the Indonesian insurgencies in 1948, and it discusses the extent to which that development influenced the course of the United States' policy towards the Indonesians' struggle for independence from the Netherlands.

CONTAINMENT BEFORE 1948

It should be emphasised at the outset that the Cold War had come to Southeast Asia essentially by way of the United States. Unlike the United States, the Soviet Union did not emerge as a Southeast Power until the early 1950s, well into the Cold War. Prior to this, Russian power and influence had been notably absent from the region. During

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[2] Richard Mason, "Origins of the Cold War in Southeast Asia, 1945−1950: A Historical Discussion of Selected Interpretative Conceptual Frameworks" *Jurnal Ilmu Kemanusiaan (Journal of the Humanities) 8*, (October 2001) 1−20; Judith Munro-Leighton, "A Post-revisionist Scrutiny of America's Role in the Cold War in Asia." *Journal of American-East Asian Relations, 1* (Spring 1992), 73−98.

the first decade after the end of the Second World War, the attention of the Soviet Union was focused on internal rehabilitation and securing the periphery of its borders. The United States, on the other hand, had important commercial and diplomatic dealings with the region even long before it had become a Southeast Asian colonial power when it acquired the Philippines from Spain in 1899. And within a decade after the Second World War, the United States quickly displaced the retreating European colonial powers as the predominant power in Southeast Asia.

The onset of the Cold War also coincided with the upsurge of militant nationalism in the region that followed the end of the War in the Pacific. While the Soviet-American confrontation emerged as the dominant theme in international history during the post-Second World War period, the central theme in the history of Southeast Asia during and immediately after the War in the Pacific was nationalism, and along with it, the concomitant drive for independence from colonial rule. Asian nationalism, which had been burgeoning since the late nineteenth century, was given a significant boost by the War in the Pacific. The ouster of the European colonialists from Southeast Asia at the outbreak of the War in the Pacific shattered the myth of the invincibility of the West. The Japanese also gave nationalism further stimulus by granting the native populations in some of the areas they occupied a larger degree of self-rule than they had experienced under European masters. At the end of the war, many former colonies were unwilling to accept the re-imposition of European rule. In Indonesia and Vietnam, where the colonial powers proved recalcitrant, nationalism assumed a revolutionary character. The nature of the Cold War in the region was thus very much determined by the interplay of the onset of the Cold War and the forces of burgeoning Southeast Asian nationalism.

Some metropolitan powers coped with post-war Asian nationalism more gracefully than others. The United States granted the Philippines political independence on 4 July 1946. Likewise, Britain hesitantly granted most of her South and Southeast Asia colonies independence after the war. Burma, India and Pakistan were given independence in 1948. Malaya, however, were not given independence until 1957; Singapore and the colonies of Sarawak and North Borneo (present-day state of Sabah in the Federation of Malaysia) became independent only in 1963. On the other hand, France and the Netherlands were unwilling to accept the loss of their Southeast Asian colonies and embarked upon

wars of colonial re-conquest. The Dutch ultimately withdrew from Indonesia in early 1950. After fighting a futile war against Vietnamese nationalists since 1946, the French were ousted from Indochina in 1954. In both of these areas, the respective outcomes of the struggles ultimately depended upon the attitude of the United States. In Indonesia, the United States ultimately sided with the Indonesians against the Dutch, while in Vietnam the United States had supported the French against the Vietminh. Indeed, when the French withdrew in 1955, the Americans replaced them to fight the Vietnamese nationalists.

Prior to the Pacific War, Southeast Asia was of peripheral concern to the United States. Europe had been the principal focus of the United States' policy before and after the Second World War. Though it was not unimportant, Asia was secondary, and within Asia, the focus of American attention was on Northeast Asia: China, Japan and Korea. Southeast Asia, at least until the early 1950s, was regarded as an essentially European colonial preserve.

During the Pacific War, the United States had no clear and definite policy toward Southeast Asia beyond liberating the region from the Japanese. Early during the war, President Roosevelt toyed with the idea of an international trusteeship that would ultimately raise dependent areas toward independence, but this idea did not amount to any definite policy. The President was vague and inconsistent in his application of the trusteeship concept. While he had never advocated post-war international trusteeship for British Malaya or the Netherlands East Indies, he did sound adamant about placing French Indochina under trusteeship. Throughout the war, Roosevelt often castigated the French as "poor" and "exploitive" colonizers who did not deserve to return to Indochina after the war. In truth, however, Roosevelt had been extremely angry with the French for allowing the Japanese to use Cochin as a base to launch the invasion of Southeast Asia.[3]

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[3] Walter LaFeber, "Roosevelt, Churchill and Indochina, 1942−1945," American Historical Review, 80(5) (December 1975), 1722–1795; Kajian Malaysia Jld XXVI. No. 1 2008. Christopher Thorne, "Indochina and Anglo-American Relations, 1942−1945," Pacific Historical Review, 14, no. 1 (February 1976): 73−96.

In the face of strong opposition from within and outside the United States, Roosevelt's international trusteeship ideas were ultimately discarded. Convinced that post-war United States security interests in Asia demanded exclusive American control over the Japanese mandated islands as bases, the American Joint Chiefs of Staff opposed any form of international control that was implied by the trusteeship concept. From without, determined opposition came from the European colonial powers themselves. Although agitated by Roosevelt's suggestions about liquidating colonial empires, the European powers had not really bothered to respond to Roosevelt but had quietly worked to reclaim their colonies through military reoccupation. At the Potsdam Conference in July 1945, as the United States began to focus on the invasion of the Japanese home islands, the Anglo-American Combined Chiefs of Staff transferred jurisdiction over the Netherlands East Indies, together with Thailand and the southern half of Indochina, from General Douglas McArthur's Southwest Pacific Command to the British Southeast Asia Command. This development foreshadowed the return of the Europeans to their respective Southeast Asian colonies.

Diplomatic developments in Europe as the Second World War drew to a close there also greatly enhanced the cause of the colonial powers in regaining their colonies. Concerned to contain what they perceived as Soviet aggression and ambitions in Europe, American policy-makers now considered cooperative relations with the European colonial powers all-important; as such, the United States could not afford to alienate the Europeans by meddling in their colonial affairs. In fact, it was now imperative that the colonial powers retain their respective colonies if they were to be strong enough to balance the great extension of Soviet power in Eastern Europe. This point was underlined in a policy paper prepared by the Office of Strategic Service in April 1945. After reviewing the extension of Soviet power in Eastern Europe, the memorandum asserted:

> In this connection the United States should realize…its interest in the maintenance of the British, French and Dutch colonial empires….We should encourage liberalization of the colonial regimes in order to better maintain them, and to check Soviet influence in the stimulation of colonial

> revolt. We have at present no interest in weakening or liquidating these empires or in championing schemes of international trusteeships which may provoke unrest and result in colonial disintegration, and may at the same time alienate us from the European states whose help we need to balance the Soviet power… We should avoid any policy that might weaken the position of Britain, France, or the Netherlands in Southern Asia or the Southwest Pacific… None of the European powers has a strong position in the Far East. The least we can do is to avoid any action that may weaken it further; our interest in developing a balance to Russia should lead us in the opposite direction.[4]

In addition to considerations of the developing Cold War in Europe, considerations of American interests in the European colonies themselves also required the restoration of colonial rule. A memorandum dated September 1944 that had been prepared for the President by the State Department's Division of Far Eastern Affairs is quite revealing in this regard. Noting the economic and strategic importance of Southeast Asian countries to the United States, the memorandum asserted that "their economic and political will are an important factor in the maintenance of peace in Asia." While recognising the need to prepare these colonies for eventual independence, the memorandum stated that the preservation of Western control was necessary to ensure stability in the region. "The weakness of Asiatic powers has long been a cause of war"; and Western influence, moreover, was required to "prevent further cleavages along regional or racial lines." In a later memorandum, Abbot Low Moffat, Chief of the State Department's Southeast Asian Affairs Division, reiterated the theme more emphatically: "Completely independent states not...associated (with their sovereign colonial powers) might lead to war

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[4] United States Office of Strategic Services (OSS), "Problems and Objectives of United States' Foreign Policy," as quoted in Gary Hess, United States' Emergence as a Southeast Asian Power, 1940−1950. (New York: Columbia University Press, 1987), 125−126.

among themselves or possibly a Pan-Asiatic movement hostile to the West."[5]

If the OSS memorandum cited above would seem to suggest that it was the onset of the Cold War in Europe that forced the United States to retreat from its initial anti-colonial stance, Moffat's line of argument seems to suggest that American interests in post-war Southeast Asia would have required the re-imposition of colonial rule even if the Cold War had not existed. Asianists within the State Department were of course cognisant of the developing Cold War, but their concern vis-à-vis the region was not with an immediate Soviet threat; rather, their concern was with the possibility that Southeast Asian nationalist movements might become Pan-Asiatic or totalitarian, either of which would be detrimental to American and Western interests. To offset these tendencies, it was imperative that the European powers returned to Southeast Asia. Far from being contradictory then, American distrust of the temperament of Southeast Asian nationalist movements neatly converged with the United States' policy objective of strengthening the European powers through re-establishing them in their former colonies. A State Department memorandum of December 1945 states the point categorically: considered American interests required "establishing a realistic settlement of the problem of Southeast Asia with a view to protecting the security, the interests, and the influence of the Western powers in that section of Asia."[6]

On 17 August 1945, immediately on the heels of the Japanese surrender, Sukarno and Mohammad Hatta proclaimed the former Netherlands East Indies an independent Republic of Indonesia. Ho Chi Minh likewise declared an independent Republic of Vietnam over the former French territories of Tonkin, Annam and Cochin. Confronted with a large-scale return of the Europeans to their respective former colonies, facilitated by the British, and cognisant of the weakness of their fledging republic, both the Indonesian and Vietnamese nationalists agreed to negotiate. The Dutch and the Indonesians initialled the Linggadjati Agreement in

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5 Memorandum for the President, September 8, 1944, *Foreign Relations of the United States: The Conference at Quebec,* 1944 (Washington DC: Government Printing Office, 1972), 263. Moffat is quoted in LaFeber, "Roosevelt, Churchill, and Indochina", 295.

6 As quoted in LaFeber, "Roosevelt, Churchill and Indochina", 1296.

mid-November 1946, after a year of protracted negotiation. The Netherlands recognised the Republic's de facto independence over Java, Sumatra and Madura; the Republic and the Netherlands would cooperate in establishing a United States of Indonesia, comprising the Republic, Borneo and East Indonesia. The projected United States of Indonesia, to be established by 1 January 1949, would be a sovereign state headed by the Dutch Crown, which would administer matters of common interest such as defence, foreign affairs and economic policies. The agreement collapsed, however, shortly after both parties ratified it in March 1947. Unwilling to grant Indonesia genuine independence, the Dutch gravitated towards a military solution. On 20 July 1947, the Dutch suddenly launched a full-scale military offensive against the Republic, quickly taking a substantial portion of its territories.

American officials found the Dutch "police action" distressing. By mid-1947, the central concern of the United States' policy was the political stabilisation and economic rehabilitation of Western Europe, not only to restore an important market for American exports but also to arrest the threat of potential communist advance. The instrument of the American objectives for Europe was the Marshall Plan, which was evidently predicated on the assumption that the colonial powers would continue to retain considerable stakes in their colonies. Southeast Asia, particularly British Malaya and Indonesia, had traditionally enjoyed a favourable trade balance vis-à-vis the United States. American policy-makers presumed that exports of primary products from Southeast Asia to the United States would provide the dollars to pay for European imports of machinery and capital good from the United States.[7] But until the European settled their colonial problem, Europe could not be properly stabilised and its economic recovery would be delayed. By mid-1947, Washington had begun to view colonial disputes with increasing concern.

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[7] On the triangular trade between Southeast Asia, Europe and the United States, see Andrew J. Rotter, *The Path to Vietnam. Origins of the American Commitment to Southeast Asia.* (Ithaca, NY: Cornell University Press, 1987), Chapters 3 and 7.

When the Dutch-Indonesian dispute was submitted to the United Nations' Security Council for arbitration, the United States manoeuvred to occupy the pivotal chairmanship of the three nations' United Nations' Good Office Committee. From the establishment of the Good Office Committee (GOC) to the beginning of the second Dutch military action in December 1948, American policy was clear. It was outlined in a memorandum that Under Secretary Robert Lovett sent Frank Porter Graham, the American Representative on the GOC, on 31 December 1947:

> (1) Netherlands is a strong proponent of US policy in Europe. Department believes that stability present Dutch Government would be seriously undermined if Netherlands fails to retain very considerable stake in NEI and that the political consequences of failure present Dutch Government would in all likelihood be prejudicial to US position in Western Europe. Accordingly Department unfavorable any solution requiring immediate and complete withdrawal Netherlands from Indies or any important pert thereof.
>
> (2) US have long favored self-government or independence for people who are qualified to accept consequent responsibilities. Therefore, Department favourably disposed to solution providing Netherlands sovereignty for limited period and setting date in future for independence of Indonesians.[8]

The manoeuvrings of the American representatives on the GOC should be viewed in light of this instruction. From the numerous compromise formulae drafted by the GOC, the first objective clearly took precedent over the second. Thus, the Renville Agreement had favoured the Dutch. It significantly reduced both the political and territorial status of the Republic from that envisioned in the Linggajati Agreement. For the Republic, the signing of the agreement precipitated a cabinet crisis in Jogjakarta, and on 23 January 1948 Prime Minister Amir Sjarifuddin was forced to reign. He was replaced by Mohammad Hatta, who formed a presidential cabinet. Hatta was aware of the importance of the

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[8] Telegram, Under Secretary Lovett to Frank Porter Graham, 31 December 1947, *Foreign Relations of the United States, VI: Far East and Australasia* (Washington D C: Government Printing Office, 1972), 1099−2100.

American attitude on the ultimate outcome of Indonesia's struggle for independence, and despite the unpopularity of the Renville Agreement with the Indonesians, he announced that his government would abide by it.

The Communist coup in Czechoslovakia in February 1948 also served to reinforce the European orientation of American foreign policy. As a result of the coup, American policy-makers resolved to defend Western Europe against the perceived Soviet threat. Attention soon focused on the establishment of what later became the North Atlantic Treaty Organization (NATO). When the US Delegation on the GOC submitted the duBois-Critchley Plan on the Indonesian problem, high levels talk with European diplomats had just begun. When the Dutch objected to the GOC's proposals, the State Department refused to press the Dutch and instead jettisoned the GOC's proposal. The abortive duBois-Critchley proposal is tellingly indicative of the high priority given to European concerns over Asian concerns.

THE ABORTIVE PKI-FDR INSURRECTION, 1948

Up until the Renville Agreement, the Cold War had come to Indonesia only indirectly, via the American policy of rebuilding Western Europe and Japan.[9] The American policy toward the Dutch-Indonesian problem had been dictated by the imperatives of these extra-regional considerations. But after the Renville Agreement, as the Cold War began to impact the Indonesian scene more directly, the United States was forced to address Indonesia more on its own terms. On the international level, the Soviet Union accorded the Indonesian Republic diplomatic recognition. On the domestic scene, Indonesian politics began to polarize along Cold War lines. In late February 1948, the major left wing political parties opposed to the Renville Agreement organised themselves into a People's Democratic Front *[Front Demokrasi Rakyat-FDR]*. FDR called for the repudiation of the Renville Agreement, the

[9] On the role of Southeast Asia in the US policy to rebuild Japan after 1947, see among others Michael Schaller, "Securing the Great Crescent: Occupied Japan and the Origins of Containment in Southeast Asia." *Journal of American History, 69* (1982): 392−414; Rotter, *Path to Vietnam*, chapter 6.

cessation of all negotiations with the Dutch until their complete withdrawal from Indonesia, and the nationalisation without compensation of Dutch and foreign properties. The issue of Communism in Indonesia later culminated in the PKI-FDR uprising in Eastern Java in September 1948.[10]

Ever since the Dutch military offensive in July 1947, Indonesians had increasingly come to view the United States' position in the Dutch–Indonesian dispute as pro-Dutch. Many Indonesians felt that since the Americans were backing the Dutch, Indonesia had no choice but to look to the Soviet Union for support. Indonesians' quest for diplomatic recognition by the Soviet Union and other governments in Eastern Europe began in earnest during the tenure of Amir Sjarifuddin as Prime Minister, but these efforts came into fruition only after the Renville Agreement. In late May 1948, the Soviet Union announced an agreement to exchange consular representatives between the Soviet Union and the Republic of Indonesia.[11] Predictably, the Soviets' announcement of the consular exchange agreement raised "great concern" in the State Department. For one thing, the consular exchange agreement contravened the Renville Agreement. What was more, the initiatives appeared to have come from the Republic, thus raising doubts that the Republic had a genuine desire to implement the Renville Agreement. According to the American estimation, "USSR doubtless desired by this act to minimise offence to Muslim world resulting from USSR recognition of Israel," coupled, of course, with the desire to embarrass the United States.[12] Indeed, the Soviet recognition of the Republic was an opening wedge in the Soviets' attempt to penetrate Indonesia.

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10 On domestic Indonesian politics from Renville through the PKI-FDR insurrection, see George McTurnan Kahin, *Nationalism and Revolution in Indonesia* (Ithaca, NY: Cornell University Press, 1952), chapter 9; Anne Swift, The Road to Madiun: The Indonesian Communist Uprising of 1948. (Ithaca, NY: Cornell Modern Indonesia Program, Monograph No. 69, 1989). Also see the essay by Kate McGregor in this volume.

11 Telegram, Under Secretary Lovett to Livengood, 28 May 1948, *Foreign Relations of the United States 1948, VI: The Far East and Australasia* (Washington, 1974), 186.

12 Telegram, Lovett to Livengood, 28 May 1948, Ibid., 191–192.

The State Department considered the Soviet-Indonesian consular agreement a diplomatic setback for the United States. "USSR, obviously determined to subvert Renville agreement against which it has been waging propaganda war in press and radio, doubtless considers this move successful step in this direction."[13] Indonesian Republican officials, when pressed on the matter of the agreement, averred that the announcement was a unilateral recognition of the Republic by the Soviet Union as a consequence of its attitude in recognising Israel; but otherwise the Indonesian refused to disavow the agreement: "if it was true that Suripino, the Indonesian representative, had established relation with the Soviet Russia, his action would be based generally on mandate granted by the government in December 1947, prior Renville Agreement, to seek relations with countries in central and eastern Europe, in view of threat Netherlands military action."[14]

Mohammad Hatta, the new Prime Minister of the Republic, was certainly aware of the pro-Dutch disposition of the US in the Dutch-Indonesian dispute. At the same time, he was well aware of the importance of the United States' attitude in the Republic's struggle against the Dutch and was careful not to alienate the United States. Thus, while professing to be neutral in the Soviet-American conflict, the Hatta regime had actually leaned toward the United States. To placate the United States over the issue of Soviet recognition of the Republic, Hatta assured American officials privately that "as long as he was Prime Minister, there would be no exchange of consuls with the USSR." Hatta explained that "the letters signed by Suripino and the USSR representative did not bind the Republic; that (at the present) the Republic could do nothing until letters were received and would then not submit them for ratification by Parliament but put them in a box." Asked if the letters could be put there indefinitely, Hatta replied in the affirmative. American officials in Indonesia seemed satisfied with Hatta's assurances: "Republic has gone as far as it can be expected at this time in disavowing relationship USSR… In fact, it has shown

13 Ibid.
14 Ibid.

considerable restrain by attitude taken, and that incident should be regarded as closed."[15]

In mid-August Muso, the legendary leader of the abortive Communist coup in Java in 1926, returned to Indonesia after twelve years of exile in the Soviet Union. Muso was accompanied by Suripino, the Republican representative who negotiated the consular exchange agreement with the Soviets. Within PKI membership, Muso's return after more than a decade in Russia and shortly after a Soviet announcement that it was willing to establish consular relations with the Republic was generally interpreted as tangible evidence of Moscow's immediate interest in Indonesia. Muso quickly assumed leadership of the Indonesian Communist Party (PKI). The other parties within the FDR soon fell in line.

The PKI and the FDR were sharply critical of the Republic's leadership, charging that the Hatta government was deferring to the United States. The "blunders made in this revolution," Suripino told a Youth Congress, "are due to the lack of national unity as well as the one-sidedness and vacillatory attitude of the Republic foreign policy." He advocated that the exchange of consular missions with Russia would strengthen the position of the Republic. SOBSI, the Republic's central trade union also began to advocate for the cancellation of the Renville and Linggadjati Agreements, the resumption of negotiation on the basis of "equality", a prompt exchange of consular representatives with Soviet Union, the resignation of the present cabinet to be replaced with a national cabinet, and intensified preparations for scorched earth tactics.[16] The American Consulate at Jakarta informed the State Department that "We doubt present Republican government can be expected to last more than a few weeks unless presented with opportunity resume negotiation with Dutch on basis Renville principles. Some doubt that present Republican Government can remain in power even if such opportunity offered. Any successor government would certainly be leftist."[17]

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15 Telegram, Lovett to Livengood, 28 May 1948, Ibid., 192; Telegram, Livengood to Lovett, 29 May 1948, Ibid., 194–196; Telegram, Livengood to Lovett, 2 June 1948, Ibid., 205–208.

16 Livengood to State Department, 26 August 1948, Ibid., 307.

17 Ibid.

As a consequence of the polarisation in Indonesian domestic politics, the word "moderate" now became operant in the American political vocabulary to distinguish between those regimes that opposed the Communists and other left-wing parties. American officials regarded the Hatta government a "moderate" regime, and as such, they were deeply concerned about the threats to its survival. In this connection, American officials were especially concerned that a continuation of Dutch recalcitrance would increase internal opposition to the Hatta government, raising the spectre of a Communist ascendancy within Indonesia. Merle Cochran, the American representative on the UN Good Office Committee (GOC), reported that Dutch attitude, "intentional or unintentional," appeared to be hastening the fall of the Hatta government and that the successor government would be "strongly left wing if not communist control". In order to forestall the possibility of a Communist take over, it was imperative that the Dutch resume negotiations with the Republic.[18]

The GOC's proposed draft agreement, which Cochran submitted to the State Department for approval in early September, provided for an elected federal representative assembly that would serve as both an interim government and as a constitutional convention. In deference to the Dutch objection to an earlier draft agreement, the Cochran plan strengthened the federal character of the projected United States of Indonesia and ensured it against Republican domination. In addition, the power of the Netherlands' representative was increased measurably, with the right to veto any legislation. The State Department promptly approved the Cochran plan and instructed that it be presented to the Dutch and Republican governments immediately. The American Ambassador in The Hague was instructed to inform the Dutch Foreign Office that the United States supported the proposals and that it attached "the greatest importance to bolstering the Hatta government at this juncture in order to prevent further swing toward Communism within the Republic."[19]

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18 Telegram, Secretary Marshall to Cochran, 31 August 1948, Ibid., 312.

19 Telegram, Secretary Marshall to Barauch, Ambassador to the Netherlands. 9 September 1948, Ibid., 322−329.

In the aftermath of the Renville Agreement and in the face of growing leftist opposition to the Hatta government, the American strategy to combat Communism in Indonesia was to bolster the "moderate" Hatta regime, the *modus operandi* being the Dutch and the Indonesian negotiating "a just and practical settlement" of the Indonesian problem. Following Muso's return to Indonesia, the State Department continually impressed upon the Dutch the urgency of concluding a settlement with the Republic. In a conversation in Washington in mid-September, Under Secretary Robert Lovett impressed upon Dirk U. Stikker, the Netherlands' Foreign Minister, that the "State Department was determined that the growing Communist strength in Indonesia be contained and if possible, eliminated and that we felt the communist threat in Indonesia was both grave and immediate." The State Department believed that "the communist threat could be met within the Republic only by Hatta since the intrusion of the Dutch in the Republic would, we believe, immediately polarise [sic] nationalism and Communism in a common front against Netherlands aggression." In parting, Lovett emphasised that "Indonesian nationalism must be accommodated in a just and practical way as a condition precedent to dealing with Communism in that area" and that acceptance of the Cochran Plan by both parties "would strengthen Mr. Hatta and his government sufficiently to enable him successfully to liquidate Communists within the Republic."[20]

In mid-September of 1948, the issue of Communism in Indonesia suddenly came to a head when second echelon PKI leaders, in defiance of the government's order to disband pro-communist military units, launched a revolt in Surakata and Madiun in Eastern Java. Muso, it seemed, was presented with a *fait accompli*. He had aimed at a peaceful assumption of power by the Communists, in the manner of the recent Czechoslovak coup, not a violent overthrow of the government. He had evidently been on a speaking tour when the revolt started, and he could do nothing except join the revolt. Over the next few days, the PKI and the FDR proceeded to take over control of the regional administration in the Madiun area.[21]

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[20] Memorandum of Conversation, 17 September 1948, Ibid., 345−346.

[21] Telegram, Livengood to Lovett, 20 September 1948, Ibid., 353−354; Telegram, Livengood to Lovett, 20 September 1948, Ibid., 354−355

While American officials were concerned about the threat to the Hatta regime, they were not unduly alarmed. The revolt was limited to the areas around Madiun, and the Republic government had acted quickly to contain the situation. President Sukarno called on all Republicans for support, branded Muso a traitor and laid a price on his head. The degree of army loyalty was not yet clear, but Livengood surmised that "probably large majority" would remain loyal to the government. "If government had struck first, percentage of both army and populace probably would have become disaffected but now likely that swing will be the other way." Livengood asserted that "If government can quell this uprising, it will be in much stronger position internally and for negotiations; if it cannot, it will either disintegrate or require immediate assistance from outside. Undoubtedly would refuse Dutch assistance but just might accept purely Indonesian troop assistance from Provisional Federal Government."[22]

Cochran saw opportunities for the Republic in the PKI-FDR uprising. He told Hatta that "while outbreak of the revolt was much regretted, the crisis gives Republican government an opportunity to show a determination to suppress Communism. This should impress world at time when Netherlands Foreign Minister has stressed to us need for concerted action in Far East against Communism." Hatta expressed confidence in containing the revolt, but he also drew attention to the difficulties facing the Republic: "coup means loss of troops plus important supply of Republican weapons; republic seriously need police force material, ammunition and weapons for use against Communist; that the Dutch should not worry over Republic receiving such material for use against Communists." Hatta was also apprehensive "that (Dutch) military might move into Republican territory as Republican forces move on Madiun. Said Republican government has strong support of population against Communist but this would fade if Dutch crossed SQL (status quo line). In present critical circumstances he considered it of prime importance that Dutch not use Madiun as pretext cross SQL."[23] Presumably at the behest of the State Department, the Dutch subsequently gave assurances to the Republic that Dutch troops would not cross the status quo line.

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22 Telegram, Livengood to Lovett, 20 September 1948, Ibid., 356.

23 Telegram, Cochran to Lovett, 20 September 1948, Ibid., 357−359.

Although the State Department was pleased by reports that the Hatta government had the military situation under control, American officials were greatly disturbed by reports of rumours that the Republic was prepared to negotiate with the FDR and absorb Communists into the government. Livengood was instructed to approach discretely selected ranking Republican officials and indicate his personal opinion that "recent sharp cleavages effected between the Communist and Communist sympathisers on one hand and genuine nationalist on the other could only have been most welcome development to US Government and US public opinion, affording prospect Communist threat Indonesia be isolated and disposed of at favourable stage in process creation sovereign Indonesia." Livengood stated further that "firm action against Communists by Republic could hardly fail accrue advantage Repubic by giving it a clean bill of health in the eyes of democratic governments and people and an added status as a representative and effective government." On the other hand, "any temporising with Communists, particularly inclusion Communist sympathisers in cabinet, would not only destroy these gains (and) leave Republican Government in much worse position than before." Events in India and Burma have amply demonstrated "the impossibility (of) any compromise between nationalist and communists" and development in Eastern Europe has proven that the "amalgamation Socialist and Communists can end only with destruction former." The State Department emphasised to Livengood that "such approach must of course be informal and personal to avoid implication that US government ready come forward with definite quid pro quo for decisive action against Communist, which Department not prepared offer as such, although Department would necessarily reconsider desirability continuing press Dutch for conciliatory attitude toward Republic… should Republic compromise on Communist issue."[24] Livengood later advised the State Department that 'possibility of deal between Hatta and Communists extremely unlikely in view fact Hatta government actively pressing military campaign against Madiun group… We remain of opinion that Netherlands acceptance negotiation on basis (Cochran) plan will help more than anything else at present time to insure cleavages between Communists and Hatta government."[25]

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[24] Telegram, Lovett to Livengood, 27 September 1948, Ibid., 378−379.
[25] Telegram, Livengood to Lovett, 28 September 1948, Ibid., 379.

In any event, the PKI-FDR rebellion proved to be premature and was consequently aborted. By October the uprising was effectively quelled. Muso, Amir Sjarifuddin and other Communist leaders were captured and later executed. The Republic's prompt action in quashing the revolt impressed American officials. Juxtaposed against the continuing military stalemate in Vietnam and the Communists' success in China, the speed with which the Hatta government acted in the Madiun affair could not have failed to impress American officials. Perhaps more importantly, the Indonesian Republic had proved its anti-Communism, indeed even "staunch" anti-Communism. The Indonesian Republic, Undersecretary Lovett noted, "was the only government in the Far East to have met and crushed an all-out Communist offensive."[26] However, it should be asked: to what extent did the Hatta regime's purported anti-communist orientation ultimately move the United States to support the Indonesian against the Dutch in the Dutch-Indonesian dispute?

ROLE OF ANTI-COMMUNISM IN THE FINAL SETTLEMENT

The quashing of the PKI-FDR uprising greatly pleased American officials in both Indonesia and Washington, but they remained concerned about the elimination of Communism from Indonesia. They also began to appreciate that a prerequisite to eliminating communism in Indonesia was accommodating Indonesian nationalism in a just and practical way. Accordingly, they continually pressed the Dutch to resume the negotiations with the Republic that had stalled since the signing of the Renville Agreement. American officials also continually impressed upon the Dutch the importance of retaining the "moderate" Hatta government in power, and they stressed that a just settlement of the Indonesia problem would strengthen the Hatta government sufficiently in order to deal with the issue of communism in Indonesia more effectively.

However, the Dutch had no intention of negotiating with the Republic. Indeed, since their military offensive in July 1947, Dutch policy had been aimed at creating a loose federation rather than a republic. In contravention of the provision of the Renville Agreement, they had

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[26] Telegram, Lovett to Certain Diplomatic and Counselor Officer Abroad, 31 December 1948, Ibid., 619.

created new states in areas they had wrested from the Republic; and despite the concessions that the Cochran Plan made to their point of view, the Dutch refused to accept it as even a basis for negotiation. Instead, believing that the PKI-FDR uprising had weakened the Republic, the Dutch decided to take the opportunity to eliminate it as a political factor. On 19 December 1948 the Netherlands launched their second "police action". Jogjakarta, the Republican capital, along with Republican leaders including President Sukarno, Prime Minister Hatta and some half of the Republican cabinet were captured by the afternoon; and over the next week, Republican areas in Java and Sumatra were quickly overrun. By the end of December, the Dutch were in control of most of the Republic's principal cities and towns.

The Dutch police action, intended to eliminate the Republic quickly and presenting the United Nations with a *fait accompli*, was a calculated gamble. It proved to be a disastrous blunder. While Dutch troops quickly overran Republican territories, they had not crushed the Indonesian military. Ill-prepared and ill-equipped to fight a conventional war, Indonesian troops fled to the countryside and began to prepare for a prolonged guerrilla war. On the international scene, the Dutch police action was vehemently condemned by the international community. The most virulent of these condemnations came from the newly independent nations in Asia and the Middle East. Condemnation and denunciations from Australia, Europe, Latin America and the United States were equally strong. On 20 December, Australia and the United States called a special session of the Security Council at which almost all members denounced the Dutch military campaign in Indonesia.

American officials were deeply disturbed by the Dutch action in Indonesia, especially because the United States was immediately implicated. Many critics of the police action charged that the United States was ultimately responsible because without American economic assistance, the Netherlands would not have had the capacity to wage the war against Indonesia. By the end of 1948, the United States had provided the Netherlands with some USD300 million under the Marshall Plan and roughly USD60 million to the Dutch in Indonesia. In addition, the Netherlands had also received in excess of USD300 million in credit from the Export-Import Bank since 1945. The obvious implication was

that the United States, through it financial assistance to the Netherlands, was indirectly supporting a colonial war in Indonesia. Thus, within a few days of the Dutch military campaign in Indonesia, there were already calls on Washington to cut off all Marshall Plan aid to the Netherlands.[27]

The State Department did concede to halt Marshall Plan aid to the Netherlands in Indonesia. On 20 December 1948, it announced the suspension of further Marshall Plan aid earmarked for Indonesia pending clarification of developments. This involved only USD14 million of the USD68 million; the remainder had already been distributed. Marshall Plan aid earmarked for the Netherlands, however, was unaffected and continued.[28] The State Department had hoped that by this token gesture that it could ease further pressure to curtail Marshall Plan aid to the Netherlands, but that hope had been misplaced. In the aftermath of the second Dutch police action, the connection between Marshall Plan aid and the Dutch military campaign in Indonesia was to haunt the State Department until the final settlement of the dispute.

Dutch actions in Indonesia indeed placed the United States in a terribly vexing quandary. Dean Rusk, Director of the State Department's Office of UN Affairs, analysed how the police action had brought several important national interests of the United States into "sharp conflict".

> On the one hand we are deeply interested in political and economic stability in the Western European countries and the solidarity of Western Europe as a whole. On the other hand we have a long established policy of favouring the rapid development of non-self-governing peoples toward self-government and independence and establishment in so-called colonial areas of governments based upon the consent of the peoples concerned.

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27 McMahon, *Colonialism and Cold War*: *The United State and the Struggle for Indonesian Independence, 1945−1949*. (Ithaca, NY: Cornell University Press, 1981), 256−259; Gary Hess, *The United States' Emergence as a Southeast Asian Power, 1941−1950.* (New York: Columbia University Press), 299−230.

28 McMahon, *Colonialism and Cold War*, 254−255.

> The Dutch action in Indonesia appears to us a direct encouragement to the spread of Communism in Southern Asia and as a serious blow to the prospect of the development of self-government in that area under moderate national elements. Dutch handling of the Indonesian situation has been lamentable whether we consider its effects on the Dutch themselves, its effects on their future relationship with Indonesia, the jeopardy thereby presented to US cooperation with Western Europe on such matters as ERP (European Recovery Program) and the Atlantic Pact, or on the UN system for the maintenance of peace. We have no desire to condone or wink at the Dutch action in Indonesia.

Rusk made it clear that although the State Department "agrees unequivocally that the Netherlands is at fault in resuming military action," the United States had "no intention of bringing about a general break with the Dutch over the Indonesian question." The United States should properly label and condemn Dutch aggression in Indonesia acting in concert with other nations, but it "does not intend to propose or support sanction against the Netherlands in Europe."[29]

It was European considerations that had underscored the American refusal to consider sanctions against the Netherlands in Europe. The centrepiece of the United States' policy toward Europe was the European Recovery Program; removing the Netherlands as a recipient of Marshall Plan would subvert that policy. But the stubborn refusal of the Dutch to abide by the UN resolution calling for a cease-fire and the release of the imprisoned Republican leaders was undermining the United States' policies and interests in Asia. In a lengthy telegram sent to American diplomatic and consular officers abroad, Acting Secretary of State Robert Lovett offered a reassessment of the American position:

> Department profoundly concerned by Dutch action, manner in which action taken and complications arising there from. By taking action for which moral justifications difficult to find, Dutch have

[29] Telegram, Rusk to Jessup, 23 December 1948, 597−600.

> unquestionably hurt Western cause throughout Asia… (and) has undone much of post-war efforts of US diplomacy in southern Asia, which has had as major objectives: (1) prevention division of the world on lines Asia vs. West and (2) winning confidence and support of political movements through which aspirations and convictions of Asiatic peoples expressed… By attack on moderate Republican Government of Sukarno and Hatta, which only government in the Far East to have met and crushed all-out Communist offensive, the Dutch may have destroyed last bridge between West and Indonesian nationalist and have given Communist everywhere weapon of unanswerable mass appeal.

The State Department, Lovett added, was particularly concerned lest the military situation in Indonesia duplicate the situation in Indochina, "where ruinous inconclusive war now entering third year with result Communist in firm control nationalist movement." There was little the United States could do at present, except "fix responsibility on Dutch and make our own position clear for sake US standing in Asia." Foreshadowing a more active American intervention, he stressed that the United States must keep the issues clear since in future it may be required "to take measures unpleasant to the Netherlands." He quickly added, however, that "notwithstanding Netherlands's action in Indonesia, Western Union is founded upon inescapable realities and must go forward."[30] In short, sanction against the Dutch in Europe was still out of the question.

In addition to undermining the United States' policies and interests in Asia and other newly emerging areas of interest, continued Dutch refusal to abide by the Security Council's (SC) directives invariably challenged the authority and viability of the United Nations, yet another cornerstone of the United States' post-war foreign policy. In early January 1949, Cochran informed Washington that the UN Good Office Committee had been rendered so ineffective by the Dutch that it might as well be dissolved. It was now imperative to take prompt and effective action. He implored that the United States "clearly and publicly disassociates itself

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[30] Telegram, Lovett to Certain Diplomatic and Consular Officers Abroad, 31 December 1948, Ibid., 618−620.

from present Netherlands policy"; issue unequivocal statement in the UN that the United States considered the Netherlands the aggressor; and issuing emphatic warning that further ECA aid both to Netherlands and Indonesia would be suspended until fair and reasonable settlement of the Indonesian question is actually achieved."[31]

The stubborn refusal of the Dutch to abide by the SC resolutions was especially exasperating not only to American officials in Indonesia but in Washington as well; and the numbers of those who now advocated suspending ECA aid to the Netherlands was growing. However, the top leadership within the Truman administration had continued to reject that option. The centrepiece of the administration's policy at the time was the economic rehabilitation of Western Europe. It feared that the removal of the Netherlands as a recipient of the Marshall Plan would adversely affect the structure of that policy and delay the process of the economic recovery of Western Europe. In the end, however, the United States did resort to using of this leverage to force Dutch compliance with the Security Council resolution. What were the considerations that had accounted for the *volte-face* in the United States' diplomacy vis-à-vis the suspension of Marshall Plan aid to Holland?

The Truman administration had opposed the use of sanctions against the Netherlands because that course would subvert the ERP, the centrepiece of US policy toward Europe. By March 1949, however, it was this same token that now dictated the use of sanctions against the Netherlands: the stubborn refusal of the Dutch to abide by the UN resolution had now threatened that very centrepiece of American policy in Europe. On 7 February, Senator Owen Brewster of Maine introduced a resolution in the US Congress that called for the suspension of all ECA and other financial aid to the Netherlands until it stopped its military measures against the Republic. Moreover, the Senator had offered his resolution as an amendment to the extension of the European Recovery Program, and as such, it could delay the passage if not in fact defeat the appropriation Bill. It was this threat to its European policy that finally moved the administration to get tough with the Dutch. Asian concerns were no doubt important, but evidently they were not deemed pressing or urgent enough to prod the Truman administration to invoke the use of sanction against the Netherlands.

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[31] Telegram, Cochran to Lovett, 3 January 1949, Ibid., 119−121.

In early February 1949, the State Department sent Cochran to Holland to explain the American position and the importance of complying with the UN Security Council resolution. Cochran impressed upon the leading architects of Dutch foreign policies "how bad their predicament was and how much worse it might become" unless the Netherlands Government implemented the SC resolution; that Washington was under mounting pressure from Congress and the American public to take far stronger steps, such as suspending all ECA payment to the Netherlands; and that although the State Department was making "great efforts" to protect its ally, non-compliance by the Netherlands now would give Congress added reason to suggest cutting off all funds, and that the risk was real. In response to Dutch protests that the Netherlands had embarked upon the offensive in Indonesia "to combat communism and preserve the rights of Western peoples in the Far East," Cochran retorted emphatically that the police action had the opposite effect: "First, it had upset truly conservative government which with own leaders and resources had successfully put down Communist uprising few weeks earlier and had demonstrated to world its full faith in democracy… Secondly, police action had set off resentment in all Asia with resultant New Delhi conference where only efforts of American Ambassador had been able to restrain delegates from adopting almost violent resolution. Netherlands action had thus given incentive to first actual steps toward constituting Asiatic bloc which may conceivably develop further and establish line of demarcation if not opposition to Western group."[32]

The other consideration that had moved the United States to press the Dutch to yield to Indonesian nationalism was the utter bankruptcy, both militarily and politically, of Dutch policy in Indonesia. The Beel Plan, announced in February 1949, sought to establish a loose federation of states in the projected United States of Indonesia. It met overwhelmingly negative responses form the Indonesians. Not only the Republican leaders but also the leaders of the Dutch-sponsored federal states rejected the Dutch invitation to a roundtable conference to establish the interim government. The Federalist leaders were supposed to be the backbone of the Beel Plan. Thus, with their defection, the Dutch position in Indonesia became untenable. For the State Department, the

[32] Telegram, Cochran to Secretary of State, 9 February 1949, Ibid., 216−218.

overwhelmingly negative response to the Beel Plan within Indonesia underlined the bankruptcy of the Dutch position.

Perhaps even more worrisome were the mounting successes of the Republican guerrillas. Throughout Sumatra and Java, the Dutch increasingly found themselves on the defensive, thus raising grave doubt that they had the military capability to unilaterally establish law and order through Indonesia. American observers in Indonesia maintained that the Dutch were doomed to fail. Drawing a comparison to analogous conflicts in Indochina and Malaya, they noted that the Dutch military force in Indonesia was about the same as that of the French in Indochina, but the Dutch had a larger area to police; in Malaya, the British were having great difficulty trying to pacify a guerrilla band of 3000 or 5000 men. These American observers concluded that far from being able to pacify the Indonesian archipelago, the Dutch would instead exhaust their valuable and limited resources in the course of a long campaign.[33]

The possible jeopardy to Marshall Plan legislation and other ensuing legislations pending in the US Congress as well as the utter bankruptcy of Dutch policy in Indonesia, coupled with mounting criticism, both internationally and within the United States, of the American policy toward the Dutch-Indonesian problem, forced the Truman administration to re-evaluate its approach toward the Dutch. The line of thinking that was developing within the US administration was set forth in a Policy Planning Staff paper, later designated as NSC 51, "United States' Policy toward Southeast Asia," which the State Department prepared for the National Security Council.[34] The paper identified basic US policy objectives in Southeast Asia against the backdrop of the Cold War with the USSR.

According to NSC 51, it was "now clear that South East Asia (SEA) as a region has become the target of a coordinated Communist offensive plainly directed by the Kremlin" which sought "ultimate control of the region as a pawn in the struggle between the Soviet World and the Free World." The establishment of a Soviet embassy in Bangkok, the Southeast Asia Youth Conference in Calcutta in February 1948, and especially the leftist uprisings in Burma, Malaya and Indonesia were

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33 McMahon, *Colonialism and Cold War*, 279−280.

34 NSC 51, "U.S. Policy toward Southeast Asia." A Report to the National Security Council by the Secretary of State, 29 March 1949.

evidence of "more direct" Soviet interest toward the region than had existed before. Because of the region's economic and strategic importance to the United States and the Free World, the region should not be allowed to fall to communism by default. It was therefore "essential that relations between SEA and the Atlantic Community be rationalised" in order to develop an effective "counter-force to Communism" in Asia. "The heart of the problem lies within the Atlantic Community itself, specifically in the policies now being pursued by the Netherlands and France in SEA."

With particular reference to Indonesia, the State Department believed that the Republic of Indonesia represented "the most virile expression" of the nationalist movement in Indonesia. "The principal leaders of the Republic were, not withstanding their long revolutionary ideals, essentially men of moderation. Their anti-Stalinism was dramatically proved, while they were subject to a Dutch blockade, by the unexcelled skill with which they liquidated the communist revolt led by the Kremlin agent Muso." This moderate leadership, however, could continue to command a popular following only so long as it was able to hold forth reasonable hope for achieving independence through negotiations. Therefore the longer the Dutch-Indonesian stalemate dragged on, the less hold the Republicans had on their followers, including their guerrilla units; and the stronger the voices of extremists advocating direct action became. Conditions of chaos now prevailing in Indonesia offered "a situation ideally suited to the Kremlin's design for capturing control of the nationalist movement" and added fuel to "the fires of Pan-Asianism." The Dutch, moreover, had imposed upon themselves a military and economic burden that they could not continue to bear. "The ultimate economic and military cost of this piece of adventurism will be transferred to the United States, if not directly in aid to the Indies, then indirectly through ERP and military aid to Holland." But even if the United States subsidised the Dutch and if they pacified Indonesia, the solution would be temporary; "historical forces can be dammed-up for a time but sooner or later they burst their bounds with redoubled havoc."

NSC 51 resoundingly indicted that it was "the Dutch who are now and in the long run the disruptive element in the Indonesian scene." The present chaos in the Western half of the archipelago can be disposed of and the rapid growth of communism prevented only if the Dutch soon transfer sovereignty to a combination of representative federalists and the

republican leaders whom they now hold captive. “Timing is of prime importance in the Indonesian situation. The longer the delay in accomplishing a transfer of authority from the Dutch to representative Indonesians, the weaker becomes the position of both the non-communist native leaders and the Dutch and the stronger becomes the influence of all extremist elements including the communists. The earliest feasible cessation of hostilities and transfer of authority from the Dutch to the Indonesians is therefore imperative, and will probably require additional pressure on the Dutch.” The United States should not be deterred from a considered course by Dutch threats to withdraw from the North Atlantic Pact. If the Dutch should reveal intent to concentrate upon their Indonesian situation even at the cost of neglecting their responsibilities in Western Europe, then the Dutch ability to contribute to collective security in Europe would be subject to doubt and we should reexamine the Western European situation in the light of that fact.”

By March 1949, therefore, the United States was poised to suspend all ECA and other financial aid in order to coerce the Dutch to comply with the Security Council directives. What had finally pushed the United States to actually threaten the Dutch was the fear for the delay, and indeed the possible defeat, of the passage of the ERP and the Military Assistance Program (MAP) appropriations posed by stubborn Dutch non-compliance with the UN resolutions. The Brewster amendment called for the termination of all assistance to the Netherlands unless the Dutch accepted the directives of the 28 January UN resolution. At a time when the United States administration was redoubling its efforts to shore up the economy and the defence of Western Europe in a heightening Cold War with the Soviet Union, any threat to the passage of the ERP and ensuing MAP on account of Dutch Indonesian adventures was unacceptable.

In a conversation with Dirk Stikker, the Dutch Foreign Minister, in Washington in late March, Secretary of State Dean Acheson spelt out the reaction of the American people and Congress to Dutch action in Indonesia, relating this reaction to the European Recovery Program and the Military Assistance Program. The American public, the Secretary told Stikker, generally believed that the “Dutch were wrong” and “guilty of aggression” and this has led to “a situation which gravely jeopardises the continuation of ECA assistance to the Netherlands.” Pointing to the support in Congress for the Brewster Amendment, the Secretary

emphasised that "the basic cause for its growing support – namely failure of the Netherlands to reach an equitable settlement with the Indonesians – must be promptly removed." Acheson explained that even if the Brewster Amendment was defeated, the same problem would plague the ensuing appropriations legislation and the MAP legislation. In the absence of a settlement of the Indonesian problem, there was "no chance whatsoever of Congress authorising funds for military supplies to (the) Netherlands." The Secretary emphasised that "we were faced here not with question of principle but with question of hard political fact" and that the United States must receive 'prompt tangible evidence of the Netherlands' willingness to negotiate a settlement."[35]

Washington's stance on suspending ECA funds to the Netherlands, the defection of the Federalist leaders, and continued strong guerrilla resistance in Indonesia all combined to push the Dutch to adopt a conciliatory approach toward the Republic. In mid-April the Dutch and the Republicans reopened negotiation in Jakarta under the auspices of the United Nations Commission for Indonesia, which led to the signing of the Rum-van Royen Agreement on 7 May 1949. The ensuing Round Table Conference at The Hague, convened in late August, negotiated and eventually formalised the transfer of sovereignty to an independence of the Republic of Indonesia on 27 December 1949, thus ending 370 years of Dutch colonial rule in Indonesia.

CONCLUSION

The PKI-FDR uprising in Indonesia during the last quarter of 1948, even if it was abortive, marked an important turning point in the development of the Cold War in the archipelago. It marked a watershed period in the infusion of a Soviet presence into the region. Before 1948, the Soviet Union seemed like a distant power in Southeast Asia; indeed, the Soviets' presence in the region was notably absent. By 1948, however, Soviet presence in the region was felt more keenly. The establishment of a Soviet Embassy in Bangkok in late 1947; the convocation of a series of socialist, left-wing, and communist conferences in various places in Asia

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[35] Memorandum of Conversation by the Secretary of State, 31 March 1949, *Foreign Relations of the United States 1949, Part 1: The Far East* (Washington: Government Printing Office), 355−357.

between late 1947 and early 1948; and perhaps more significantly the outbreak of left-wing insurgencies in Burma, Malaya and Indonesia during the second half of 1948 were all indicative of a stronger Soviet presence and interests in the region.

The role of the Soviet Union in the outbreak of the seemingly spontaneous left-wing uprisings in the region during 1948 is still highly contentious among scholars. Some authors argued that these revolts took place under orders from Moscow, with the instruction passed on to the various Southeast Asian Communist parties at the Communist Youth Conference in Calcutta in February 1948.[36] Re-examining the uprisings a decade after the event, historian Ruth McVey argued that there was little evidence to suggest that the Calcutta conference led to the Southeast Asian uprisings.[37] Whatever the actual situation may have been, American policy-makers of the time believed that the uprisings were Soviet-directed, and they had reacted accordingly. Their beliefs were manifested in the consequent shifts in their policies toward the region.

In light of this connection, the most obvious and perhaps the most important change was in the American attitude toward the region. Before 1948, American policy towards Southeast Asia was almost exclusively dictated by the imperatives of extra-regional, especially European, considerations. The centrepiece of that policy was the all-important European Recovery Program. All other considerations, apparently including the objectives of US diplomacy vis-à-vis Asian nationalism, were subordinated to this policy. Thus the State Department was willing to jettison the duBois-Critchley proposals when the Dutch strongly objected to it. But in the aftermath of the Renville Agreement, as Indonesian left wing parties began to organise themselves into a front opposed to further negotiation with the Dutch and as the spectre of communism began to emerge, Washington began to take Indonesia more on its own terms and also began to feel greater sensitivity toward Indonesian nationalism. Indeed, the State gradually began to appreciate

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[36] For a discussion on the historiography of the PKI-FDR insurgency, see the essay by Katharine McGregor in this volume.

[37] Ruth T. McVey, *The Calcutta Conference and the South-East Asian Uprisings* (Ithaca, NY: Cornell Modern Indonesia Project, 1958).

that the "satisfaction of nationalism," as NSC 51 puts it, was "prerequisite to the elimination of Communism."

The outbreak of the PKI-FDR not only raised the spectre of Communism in Indonesia but also underscored the belief that Indonesian nationalism had to be settled in a just and practical way as a precondition for fighting communism. Exasperated American officials, angry that US national interests in Asia were being compromised by the stubborn refusal of the Dutch to observe UN resolutions and to resume negotiations with the Indonesians, urged sanctions against the Netherlands. Their arguments were often prescient but were all to no avail; the imperatives of the United States' policy toward Europe dominated the United States' policy toward Asia. And when sanction was ultimately instituted against the Netherlands, even though they moved in concert with America's Asian consideration, it was again the European consideration that had dictated the move. Important as the PKI-FDR uprising was in influencing the United States' policy toward Indonesia, it was subordinated to the importance of European considerations. It was the threats to America's European policies posed by Dutch policies in Indonesia that ultimately prodded the US administration to threaten sanction against the Netherlands in 1949.

By the same token, important as the insurgencies were in marking a turning point in the Cold War thinking of the United States toward the region, it cannot be said that this development marked the origins of the Cold War in Southeast Asia. The United States, to be sure, was much more concerned with the issues of communism in SEA following the outbreak of the Southeast Asian insurgencies, but the impact of the Cold War had already been felt in Southeast Asia by the time the United States instituted the policy of containment against the Soviet Union in Europe. In other words, the Cold War in Southeast Asia started as early as it had started in Europe. In Indonesia, the outbreak of the PKI-FDR uprising merely served to intensify the Cold War that was already well under way.

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