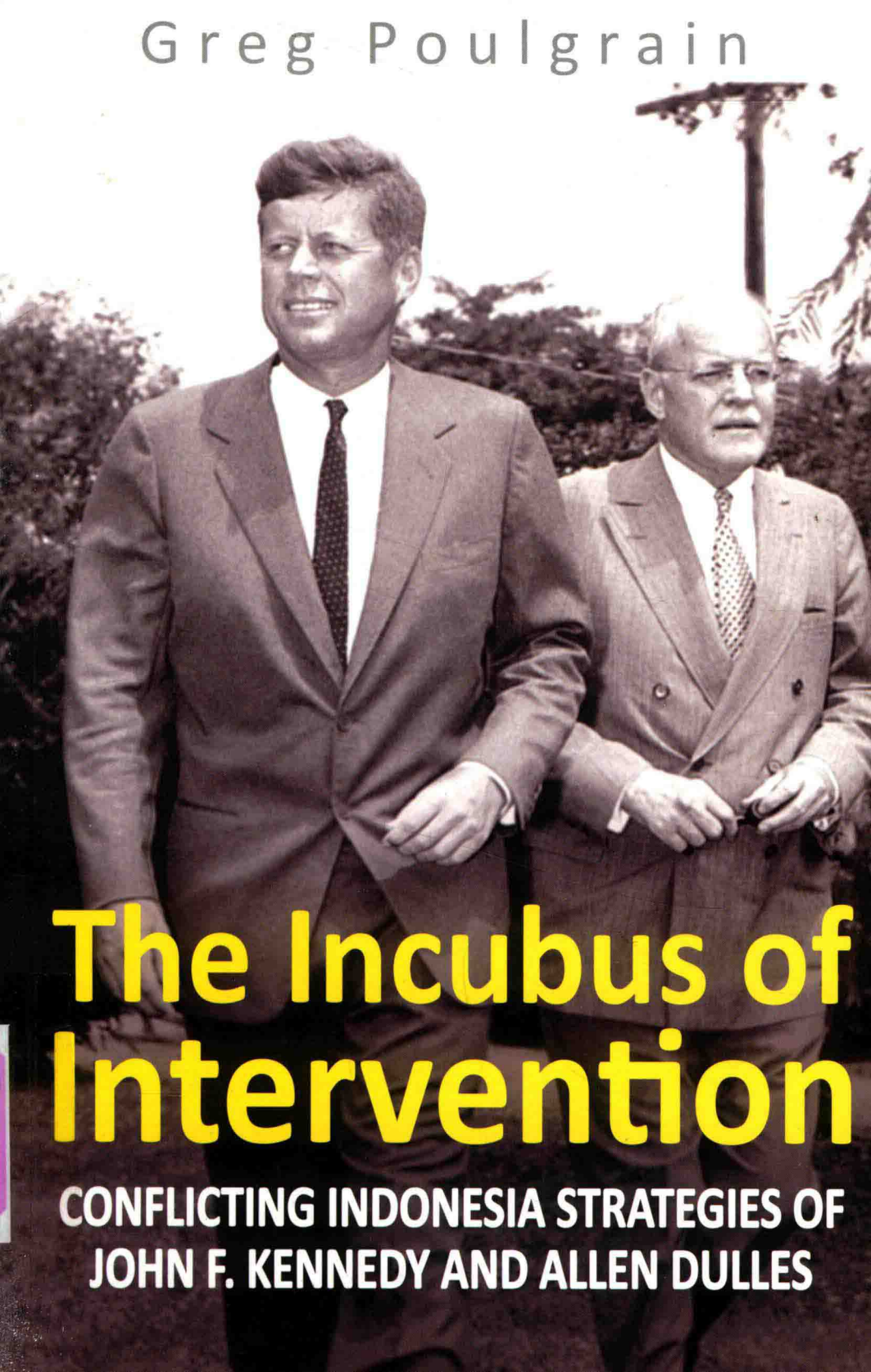


Greg Poulgrain



The Incubus of Intervention

**CONFLICTING INDONESIA STRATEGIES OF
JOHN F. KENNEDY AND ALLEN DULLES**

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***Conflicting Indonesia Strategies of
John F. Kennedy and Allen Dulles***

Greg Poulgrain



Strategic Information and Research Development Centre
Petaling Jaya, Malaysia

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The Incubus of Intervention

The **Strategic Information and Research Development Centre (SIRD)** is an independent publishing house founded in January 2000 in Petaling Jaya, Malaysia. The SIRD list focuses on Malaysian and Southeast Asian studies, economics, gender studies, social sciences, politics and international relations. Our books address the scholarly community, students, the NGO and development communities, policymakers, activists and the wider public. SIRD also distributes titles (via its sister organisation, **GB Gerakbudaya Enterprise Sdn Bhd**) published by scholarly and institutional presses, NGOs and other independent publishers. We also organise seminars, forums and group discussions. All this, we believe, is conducive to the development and consolidation of the notions of civil liberty and democracy.

Because we bear the incubus of interventionists, our official interest in and support of these elements, a vast and delicate enterprise, should not be apparent and should be implemented through appropriate clandestine channels.

Dean Acheson (in relation to China) 1949

Gordon H. Chang, *Friends and Enemies – The United States, China, and the Soviet Union, 1948–1972*, p. 17.

Abbreviations

ANZUS	Australia, New Zealand, United States Security Treaty
BPI	Badan Pusat Intelijen (Indonesian Central Intelligence)
BPM	Bataafsche Petroleum Maatschappij (Batavian Petroleum Corporation)
CAT	Civil Aviation Transport
CIA	Central Intelligence Agency (American)
CNO	Chief of Naval Operations
DCI	Director of Central Intelligence
DI	Darul Islam (House of Islam)
FRUS	Foreign Relations of the United States
GOI	Government of Indonesia
HSCA	House Select Committee on Assassinations (United States)
ICA	International Cooperation Administration (United States)
IT	information technology
JCS	Joint Chiefs of Staff (United States)
JFK	John Fitzgerald Kennedy
MI5/MI6	British Intelligence – names refer to different arms of Military Intelligence formed in the 1920–30s – MI5 Security Service linked with the Home Office; MI6 Secret Intelligence Service linked with the Foreign Office
MTBs	motor torpedo boats
NATO	North Atlantic Treaty Organization
NSC	National Security Council (United States)
NLG	Dutch Guilder (currency)
NNGPM	Nederlandsche Nieuw Guinea Petroleum Maatschappij
NSB	National Socialist Movement in the Netherlands
OBM	Oost Borneo Maatschappij (East Borneo Company)
OGPU	Ob”edinennoe Gosudarstvennoe Politicheskoe Upravlenie (United State Political Administration)
OSS	Office of Strategic Services
Permesta	Piagam Perjuangan Semesta Alam

PKI	Partai Komunis Indonesia (Indonesian Communist Party)
PRC	People's Republic of China
PRRI	Pemerintah Revolusioner Republik Indonesia (Revolutionary Government of the Republic of Indonesia)
PSI	Partai Sosialis Indonesia
SAIMR	South African Institute for Maritime Research
SEATO	Southeast Asia Treaty Organization
TNI	Tentara Nasional Indonesia (Indonesian Army)
TRC	Truth and Reconciliation Commission (South Africa)
UN	United Nations
US(A)	United States (of America)
USD	United States Dollar (currency)
UNTEA	UN Temporary Executive Authority
WW2	World War Two (or Second World War)

Acknowledgements

While the writing of this book was done mostly in 2014, decades have passed since my interest first began.

I should like to thank those who helped sustain that interest, those who assisted more directly, and those who do not come under the category of 'arranging interviews' or 'providing documents' yet, it should be said, without whose help I could never have finished the task.

After my initial visit to West New Guinea in 1978 (then Irian Jaya) and the two nondescript publications in London (1983, 1990) which to this day stir me with angst, two leading Indonesia-scholars (now deceased) encouraged me to continue – Prof. Wim Wertheim in the Netherlands and Prof. George Kahin in USA. Together they discussed my research, with George adding that it would lead to 'a change in historical perspectives'. This was enough to ensure my research into 'Indonesia Inc.' became 'Incubus' the book. To both George and Audrey Kahin, thank you for your assistance. Other persons whom I should like to mention in this regard include Julian Burger (who went from Anti-Slavery International to the UN) and Jomo Sundaram whose assistance has made possible both publications, *Genesis of Konfrontasi* and *Incubus of Intervention*.

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On a more personal note, I would like to make special mention of my parents, both of whom assisted in this project in various ways, and express my deepest gratitude to my wife Rosemary, and children Evan and Sarah.

Foreword

The Clash of Two Strategies

The period of the 1950s and 1960s was a crucial period in Indonesia's post-colonial history. This was when the former Dutch colonial territory, comprised of thousands of islands right across the equator, began its long journey as a new political entity, a unitary state. Domestically this was the period when Indonesia went through much political turbulence and unrest in its first steps of learning and implementing democracy. With many political and ideological antagonisms happening in the parliament, offices of government and in the streets, Indonesia was very busy charting its future as a sovereign nation. The period after the 1955 general election, for example, witnessed increasing tension in a power struggle between President Sukarno, the Army and the Indonesian Communist Party (PKI). While Sukarno and his supporters were officially in charge, the two other groups were waiting in the wings for their turn to run the country.

Internationally the period of 1950s and 1960s was the period when Indonesia was caught in the tense international rivalry of the Cold War. This was the period when both the socialist bloc under the Soviet Union and the capitalist bloc led by the United States tried to pull the new nation of Indonesia into their respective spheres of influence. Meanwhile, in the midst of the global rivalry, Indonesia was trying to play an international role as a leader of fellow newly-independent nations, and embracing a neutral position in the Cold War. This was exemplified in Indonesia's hosting of the 1955 Conference of Asian and African nations in the city of Bandung, West Java. Later, Indonesia even became one of the pioneering nations in the formation of the Non-Aligned Movement. On the one hand, Indonesia's initiatives were welcome by many Asian and African nations wanting to be part of a larger international community. On the other hand, Western nations were concerned that the growing communist influence in Indonesia would soon push non-aligned Indonesia toward the communist bloc, on the side of either the People's Republic of China or the Soviet Union.

Not Seeing the Connection

Of the many books written about Indonesia during this period, few deal with it in terms of the larger international context. Most are written with the emphasis on domestic forces competing in Indonesia itself. The regional rebellions of the 1950s, for instance, are seen as the culmination of protracted domestic tension between the central command of the Army in Jakarta and the regional commanders who claimed they were inadequately sustained by the central command.

Take as an example the book by R.Z. Leirissa, *PRRI-Permesta: A Strategy of Building Indonesia without Communism*¹ (1997); it refutes the notion of the rebellion as a CIA creation and instead focuses on the gap between the Army central command in Jakarta and the regional commanders. In another example, KML Tobing sees the rebellion, in *Permesta: Failure of an Ideal*² (1988) as an attempt to return Indonesia to the original ideals proclaimed as a sovereign and independent nation in 1945; he argues that Permesta represented the people of Indonesia in their stand against the communist-leaning central government. Even Barbara S. Harvey's book, *Permesta: Half a Rebellion* (1977, 2010), in discussing the rebellion that took place in Sulawesi, sees it as the logical consequence of 'Outer Island dissatisfaction' toward the Java-centered national government and military command.

In Audrey and George Kahin's *Subversion as Foreign Policy* (1995), the rebellion is explained in the broader context of the Eisenhower administration interacting with Indonesia's military hierarchy. The authors show how the escalation of rebellion in the Outer Islands was in large part the result of directives issued by Eisenhower's Secretary of State, John Foster Dulles, implemented through covert military operation. The Kahins argue that at the end of the day the covert operation was not only 'the most destructive' but also 'the most counterproductive' US foreign policy since World War II. The younger brother of the US Secretary of State was Director of Central Intelligence, Allen Dulles. More than simply directing covert operations, he initiated them. However, in the documented records accessed by Audrey and George Kahin, the archival trail left by John Foster Dulles was far more readily able to be traced

¹ *PRRI-Permesta: Strategi Membangun Indonesia Tanpa Komunis.*

² *Permesta: Kandasnya Sebuah Cita-cita.*

than Allen Dulles' trail, simply because DCI Dulles regularly requested (it was officially noted) no records were to be kept. Consequently, the regional rebellions remained 'regional' and Kahins' account of the 1958 rebellion – which is in extraordinary detail – does not fully explore the role of Allen Dulles or the strategic links in which he was involved with other crucial events of the period, such as the Dutch-Indonesian dispute over West New Guinea.

Concerning 1958, Poulgrain's book deals with an essential question: why the strategic outcome of the 1958 rebellion – a strong, central command of the Indonesian army which immediately became a political counterweight to the PKI – was declared a 'CIA-failure'? Clearly there were two agendas operating and Poulgrain's book presents the evidence directly from US archival records and the memoirs of the former US ambassador in Jakarta, John Allison, how Allen Dulles influenced the Outer Islands rebellion. Moreover, his book addresses several important events which occurred in the 1950s and the 1960s, and were directly related to Indonesia, yet have remained either shrouded in mystery or inadequately understood.

Partly the misunderstanding was caused by the fact, for a long period of time, it was difficult for Indonesians to find history books written from perspectives that were different from the official perspectives of the government under the rule of President Suharto (1966–1998). Government-controlled history narratives helped generate indifference toward history as an academic subject and as a topic of public discourse. The indifference was further enhanced by the fact that during the period in question it was difficult for Indonesian historians to produce accountable history narratives and analysis, due to the lack of reliable sources. Despite the difficulties, a number of Indonesian historians tried to talk about key events of the 1950s and 1960s, such as the regional rebellions discussed above; the West New Guinea dispute between Indonesia and the Netherlands; Indonesia's confrontation policy against the formation of the Malaysian Federation; and the Freeport company's gold mining projects in West New Guinea since the late 1960s. Due to the lack of reliable sources, however, these historians often fail to see the connection of these events with each other. Additionally, the books that they produced rarely deal with the economic factors which frequently lie behind these events.

Important Breakthrough

Unlike previous books that deal with this period, Poulgrain's book has a broad perspective ascertained from the original data, compiled over several decades, and at the same time as being illuminating is highly interesting. It is based on countless interviews and global research that span more than 30 years covering the continents of Asia, Europe, America and Australia. This book demonstrates that many events which took place in Indonesia between mid-1950s and late 1960s not only were connected to each other but also were part of a specific post-war strategy. Indonesia – once described (along with India) as 'one of the world's richest colonies' – during the first decade of its newly-won independence, had already become part of a post-colonial strategy designed by the legendary *persona* of the intelligence circles of the United States, Allen Dulles. The strong connections he happened to have with a big American business family led to political machinations centred on mining and oil. This well-written book centres on the clash of that strategy with another strategy envisioned by an American President who was trying his best to pull Indonesia to the American side of the Cold War.

As described in the book, in pursuing his strategy the legendary *persona* was not only insensitive to the views and interests of others, but was also callous, brutal and even murderous. In the mind of that legendary intelligence *persona*, human lives were cheap and easily sacrificed in the process of achieving certain political and economic goals. Seen from the motives and strategies of this person, many events that took place in Indonesia during the 1950–1960 period become easier to understand and the connection with each other becomes clearer than ever.

Poulgrain's book examines and illuminates numerous important events which took place in Indonesia in the period of the 1950s–60s, including the attempt to assassinate President Sukarno in Cikini, Jakarta, in 1957; the destruction of Commodore Yos Sudarso's motor torpedo boat in West New Guinea on January 15, 1962; the handing over of West New Guinea to the Indonesian government after John Foster Dulles in the 1950s had assured the Dutch government of support; confrontation between Indonesia and Malaysia; and the exploitation of an unprecedented amount of gold located in West New Guinea. After centuries of colonial rule across the archipelago, Indonesia's first president, Sukarno, wanted to proclaim his nation on the international

stage, but his struggle to establish an Indonesian political identity became embroiled in the Cold War. In the early 1960s, two important events also took place which Poulgrain's research now shows to have been linked with disturbing similarity, both with Indonesia: first came the tragic death of United Nations General Secretary Dag Hammarskjöld in 1961; and then, the plan of US President John F. Kennedy to visit Indonesia in early 1964 – a visit from which a political landscape of Indonesia and Southeast Asia would have resulted, utterly different to what we see today – instead ended with the assassination in November 1963.

That we all know. But how many of us realize that *all* (repeat, *all*) of these events were actually closely related to each other? Perhaps not many of us do.

Based on firm foundation and sound arguments, Poulgrain demonstrates that all those events did not just happen chronologically but were orchestrated as part of a strategy designed by someone who held a very high position in the US intelligence business and who was (mis)using the power that he had to pursue his own interests. Because of that Poulgrain is able to shed light on one of Indonesia's biggest economic and political mysteries of the period: despite the fact that Indonesia had been colonised by the Dutch for centuries, the gigantic gold mine in West New Guinea fell into the hands of the Americans, in this case the Freeport company.

Thanks to decades of hard work, the author of this book is able to offer the readers, especially Indonesian readers like myself, a chance to rethink Indonesian history of the 1950s and 1960s. Reading Poulgrain's book helps us to realise that with regard to Indonesia during this period many things were not how they seemed to be, or even – up to this point in time – how they have been recorded. The author also sheds light on events that were less prominent but were closely connected to other events of the period, such as the disappearance of Michael Rockefeller, an heir to the Rockefeller oil fortune; and the making of a pornographic film about Sukarno by the CIA.

The evidence and argument offered in this book have implications beyond the immediate ground it has covered. Without first gaining an understanding of the evidence this book presents for the reader's own conclusions, it would be incomplete to attempt to understand or explain what actually happened in Indonesia in 1965–66 – that is, when the killing of nearly one million alleged-communists occurred, followed by

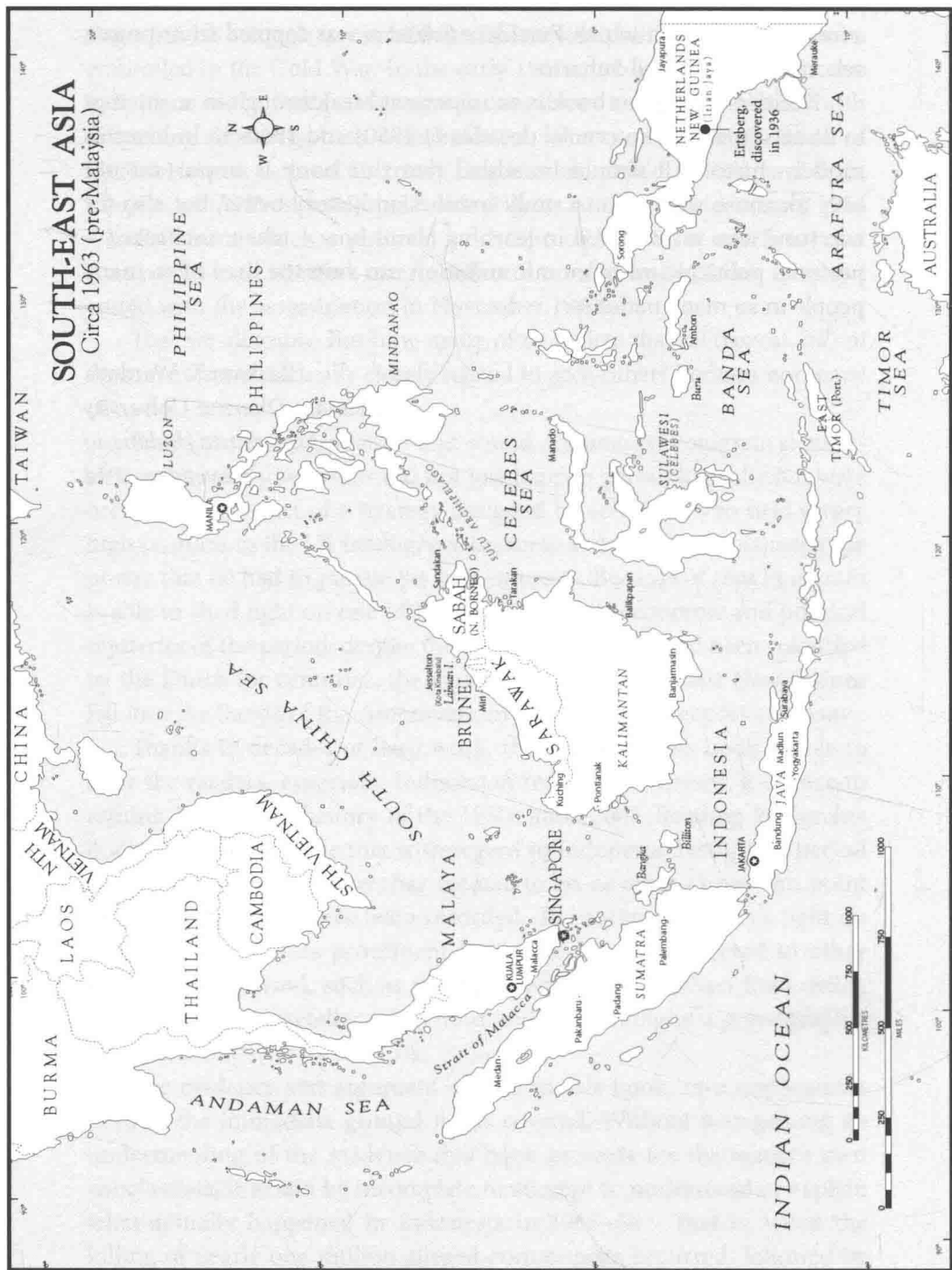
a 'regime change' in which President Sukarno was toppled from power, succeeded by General Suharto.

Needless to say, this book is an important breakthrough in an attempt to understand the two crucial decades of 1950s and 1960s in Indonesia's modern history. It should be added that this book is important not only for those who wish to study Indonesian history better, but also for everyone who is interested in learning about how – when unchecked – personal political and economic ambition can ruin the lives of so many people in so many nations.

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November 2014

SOUTH-EAST ASIA

Circa 1963 (pre-Malaysia)



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