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American Idealism vs. Cold War Realism: The United
States and the Decolonization of the Netherlands East
Indies

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Abstract

This thesis investigates the development of American foreign policy towards the decolonization process of the Netherlands East Indies over the course of the four-year conflict. Following the declaration of independence by Sukarno on 17 August 1945, the United States adopted a policy of neutrality in the colonial conflict that erupted between the Netherlands and the Republic Indonesia. American policymakers were preoccupied with the economic and political reconstruction and the containment of communism in Europe, which took precedence over anti-imperialist considerations. As the Cold War theater expanded from Europe into Southeast Asia in 1947 and 1948, the Indonesian Question gained significance to the United States and its resolution became an urgent matter to the State Department. Surveying a range of scholarly work as well as primary sources, this thesis will assess the American policy shift by analyzing the set of factors that contributed to this shift from different levels: the Cold War context of the Indonesian question, the actions and developments in the Republic Indonesia and the Netherlands, and the international-level and American domestic-level factors. These factors together contributed in varying degrees to the gradual reassessment of American foreign policy, that ultimately allowed the United States to live up to its self-proclaimed ideals of freedom, democracy, and self-determination.

Key words: *Indonesian decolonization, American Foreign Policy, Early Cold War, Containment Politics*

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List of Abbreviations

CIO	Congress of Industrial Organizations
ERP	European Recovery Program (Marshall Plan)
FDR	<i>Front Demokrasi Rakjat</i> (People's Democratic Front)
GOC	Good Offices Committee
NEI	Netherlands East Indies
PKI	<i>Partai Komunis Indonesia</i> (Communist Party of Indonesia)
SEAC	South East Asia Command
UNSC	United Nations Security Council

Introduction

Upon its recognition of the United States of Indonesia on 27 December, 1949, President Truman proclaimed that “the United States will welcome Indonesia into the community of free nations” and that the newly independent nation “may count upon the sympathy and support of all who believe in democracy and the right to self-government.”¹ Four years earlier, however, when Sukarno had declared Indonesia independent following the capitulation of Japan, it had been awkwardly silent at the other side of the Pacific, until four months later a press statement was issued that essentially recognized Dutch sovereignty. It called for a peaceful settlement between the Dutch and Indonesians “recognizing alike the natural aspirations of the Indonesian peoples and the legitimate rights and interests of the Netherlands.”² Over the course of the Dutch-Indonesian colonial conflict then, from 1945 to 1949, American foreign policy regarding the issue underwent a gradual shift from a position of neutrality that benefited the Netherlands towards full support of Indonesian independence. This thesis will demonstrate that although the eventual support for Indonesian independence allowed the United States to live up to its self-proclaimed ideals of freedom, democracy and self-determination, the policy shift was truly brought about by a set of pragmatic considerations that took place in the context of the Cold War.

Scholars have studied American foreign policy in relation to the Indonesian decolonization process in various time frames and from different perspectives. The work of Frances Gouda and Thijs Brocades Zaalberg, *American Visions of the Netherlands East Indies/Indonesia*, provides an extensive analysis of America’s relations towards the Netherlands East Indies from the 1920s until independence in 1949.³ Andrew Roadnight discusses American-Indonesian relations in another wide time frame in *United States Policy towards Indonesia in the Truman and*

1. Department of State *Bulletin*, 1950, Vol. 22, no. 549 (Washington: US Government Printing Office, 1950): 55.

2. Department of State *Bulletin*, 1945, Vol. 13, no. 339 (Washington: US Government Printing Office, 1945): 1021.

3. Frances Gouda and Thijs Brocades Zaalberg, *American Visions of the Netherlands East Indies/Indonesia: US Foreign Policy and Indonesian Nationalism, 1920-1949* (Amsterdam: University Press, 2002).

Eisenhower Years.⁴ The work of Roadnight and that of Gouda and Zaalberg overlap in their discussions of the period of Indonesia's decolonization process, and they largely concur on the factors they identify as central to the American policy shift. Their chronological approach encompasses a wide range of factors, from the Eurocentric focus in Washington that resulted in a hands-off attitude in the early years, to the proliferation of concerns over communism in Indonesia that they identify as a key factor to the American policy change. Roadnight adds to the debate the economic interests of the United States itself in Indonesia, to which end political stabilization was important, whereas Gouda and Zaalberg spend more in-detail attention on Washington's changing alliances with the Dutch and the Indonesians.

Other work has taken on a narrower time frame, focusing on the immediate postwar period. Earlier work by historian George McTurnan Kahin from 1977, for example, comprises of a comparative analysis of the United States in relation to the nationalist developments in Indochina and the Netherlands East Indies, in which the tension between American anti-imperialism and strategic interests comes forward as primary element.⁵ Cary Fraser discusses this tension more in-depth in *Understanding American Policy Towards the Decolonization of European Empires, 1945-64* and puts a pragmatic approach to containment to the center of explaining American policy towards nationalist movements in European empires in the postwar period. Fraser argues that the US made a case by case assessment based on what approach best served the containment of communism.⁶ Kahin's work further contributes to the debate by examining the role of economic considerations in the reassessment of policy towards Indonesian decolonization, also incorporating America's consideration of Dutch economic interests. Kahin also brings forwards the role of the prestige of the United Nations in inducing a policy reassessment in Washington. Research by Gerlof D. Homan discusses the significance of the year 1948 to the changing American position vis-à-vis the Indonesian colonial dispute, a

4. Andrew Roadnight, *United States Policy towards Indonesia in the Truman and Eisenhower Years* (New York: Palgrave MacMillan, 2002).

5. George McT. Kahin, "The United States and the Anticolonial Revolutions in Southeast Asia," in *The origins of the Cold War in Asia*, ed. Yōnosuke Nagai and Akira Iriye (New York: Columbia University Press, 1977).

6. Cary Fraser, "Understanding American Policy Towards the Decolonization of European Empires, 1945-64," *Diplomacy & Statecraft* 3, no. 1 (1992).

year in which a number of significant developments unfolded.⁷ In this year, a communist uprising took place in Madiun, Java, and the Dutch executed a second military action in the Republic Indonesia, two events that are generally recognized as key moments in the shift in American policy.

Although scholarship on the changing American position in the Indonesian decolonization conflict has been studied extensively and from various perspectives, it lacks a thorough and critical analysis of the numerous factors that contributed to American policy shift. A great number of factors have been brought forward in this academic debate, but these have not resulted in a definitive answer to the question as to what moved American policymakers to change their policy towards Indonesia by 1949. The chronological approach of Roadnight and Gouda and Zaalberg, for example, has provided a great number of factors to the table, but lacks a clear assessment of the weight of these individual factors and a clear understanding of how American policy was influenced from various levels. Other works of scholarships with smaller scopes discuss one or a number of factors in detail, confirming the centrality of certain factors, such as the significance of containment politics. They also bring forward factors that operated alongside the undeniable force of containment politics, such as economic considerations in Washington and the role of the UN.

This thesis aims to bring together this wide range of scholarly work and contribute to that debate by structuring the debate in a categorial framework while incorporating primary sources. Using diplomatic correspondence from the *Foreign Relations of the United States* series and archival documents of the Central Intelligence Agency, this thesis will provide an in-depth understanding of the historical context of these factors and their weighted balance in the shift in American policy. A number of factors have been explicitly identified as significant to the American policy shift in one or multiple academic works. For example, the second military action by the Dutch in Indonesia is repeatedly and unequivocally reported as a watershed in Washington's reassessment of policy regarding Indonesian decolonization. In addition, this thesis will extract additional factors from the cross-analysis of the academic debate and primary sources that are essential to a complete

7. Gerlof D. Homan, "The Netherlands, the United States and the Indonesian Question, 1948," *Journal of Contemporary History*, 25 (1990).

understanding to the research question, for example America's interest in protecting its reputation in the context of the ideological Cold War with the Soviet Union.

These factors are presented in a categorial framework that is meant to provide structure to the discussion of a great number of factors. This framework is inspired by the three categories of theories on imperialism: systemic, metrocentric, and pericentric theories. Systemic theories focus on the rivalry between great powers, metrocentric theories focus on the characteristics within the imperialist states themselves, and pericentric theories focus on the characteristics of the colonized entity.⁸ As Hager and Lake have indicated, this categorization does not translate entirely to discussions on decolonization.⁹ The discussion of the United States' involvement in the Indonesian decolonization conflict requires adaptation to these categories. First, because it introduces a third party to the conflict alongside the imperialist and colonized party. Second, because this third party, the United States, is the center of focus in this discussion, whereas in discussions on imperialism the focus lies at the imperialist and colonized parties themselves. However, the essence of the categorization – the differentiation between the levels upon which factors operate – can be translated to the discussion of American foreign policy regarding the Dutch-Indonesian conflict. Inspired by these three categories, this thesis will structure the discussion of factors that contributed to the American policy shift by the level they operated on.

The first chapter of this thesis will focus on the systemic aspect, in other words, the context of the Cold War in the American reassessment of policy regarding Indonesian decolonization. As the Cold War spread into Southeast Asia, the Indonesian question acquired a renewed significance to the US State Department that provided an important background to the American policy shift. The second chapter will focus on the pericentric aspect, in this context meaning the state-level actors that are not the United States: the Netherlands and the Republic Indonesia. Taking place in the *periphery* of the central nation in this case, the United States, this chapter will discuss a number of events and developments that affected Washington's relations to

8. Michael W. Doyle, *Empires* (Ithaca: Cornell University Press, 1986), 22-30; David A. Lake, "Imperialism," in *International Encyclopedia of the Social and Behavioral Sciences*, ed. James W. Wright (Oxford: Elsevier, 2015), 683, <http://dx.doi.org/10.1016/B978-0-08-097086-8.93053-8>.

9. Robert P. Hager and David A. Lake, "Balancing Empires: Competitive Decolonization in International Politics," *Security Studies* 9, no. 3 (Spring 2000): 118.

the Dutch and Indonesians which affected its policy reassessment. The third chapter will discuss domestic and international pressure on the State Department to reassess its policy regarding the Indonesian question. Taking place in the epicenter of the American policy shift, metrocentric factors took place within American borders and include the domestic pressure exerted on the State Department by the US Congress and labor organizations. In addition, the State Department faced pressure from the international arena, as foreign nations petitioned the United States to take a more active role in persuading the Dutch to give up their claims to the Indonesian archipelago. The international level is hard to accommodate under either category, as it neither pertains exactly to great power competition nor to individual states. International pressure is discussed alongside American domestic factors because these discussions intersect at their discussion of the United Nations. As an outside pressure, the UN pressured the United States to take a more leading role in the dispute. But as the US held a great stake in the success of this organization, and as the Dutch would continue to defy UN mandates by late 1948, the UN also influenced an American policy reassessment from within.

In so doing, this thesis seeks to investigate the tension between idealism and realism that the issue of the American position in Indonesia's decolonization process embodies.¹⁰ In the academic debate on this topic, the tension between American anti-imperialism and strategic interests comes forward as a primary element. In fact, it may be so that America's identity as a former colony and a nation that holds freedom, democracy and self-determination in such high esteem is exactly what makes the changing American position in Indonesia's decolonization so interesting. The fact that Washington initially chose a position of neutrality that quietly backed their Dutch ally makes it impossible to argue that American foreign policy was solely shaped by idealist considerations. Nor can idealism be fully omitted from any thorough study in this field, because of developments before and during the war, such as President Wilson's Fourteen Points and the Atlantic Charter, both of which

10. The tension between realism and idealism has been a dominant topic of discussion in international relations scholarship. Influential works of the twentieth century are E.R. Carr's *The Twenty Years' Crisis*, and Hans J. Morgenthau's *Politics among Nations* published. More recent scholarship in the realism versus idealism debate includes the work of Robert M. A. Crawford, *Idealism and Realism in International Relations: Beyond the Discipline*, and that of Martin Griffiths, *Realism, Idealism, and International Relations: A Reinterpretation*.

suggested an anti-imperialist course for American foreign policy. And in 1949, the recognition statement of the United States of Indonesia, again expressed American idealism of freedom and self-determination. This thesis will demonstrate that even though American foreign policy by 1949 allowed the United States to measure up to its self-proclaimed anti-imperialist identity, the American policy shift was driven by strategic interests in the context of the Cold War that trumped idealist considerations at every turn.

Chapter 1:

The Cold War Context: From Eurocentricity to a Southeast Asian Affair

Before and during World War II, the United States government had aimed for the gradual decolonization of European empires. President Woodrow Wilson's Fourteen Points of 1918 included self-determination for colonial populations as one of the objectives for the world after the Great War.¹¹ And under the leadership of President Roosevelt, an outspoken anti-imperialist, the US had signed the Atlantic Charter in 1942, that proclaimed "the right of all peoples to choose the form of government under which they will live."¹² These developments had led American politicians and a portion of the American public to hope for the dismantling of empire after the war. US foreign policy towards the Indonesian nationalist struggle initially disproved such hopes, as the US took a position of neutrality in the conflict. It was only in 1949 that the United States put its weight behind support of Indonesian independence, when it marked "the creation of a sovereign Indonesian state" of great importance.¹³ A number of factors contributed to the transition of policy that took place between 1945 and 1949, but these were able to induce a reassessment only when the Cold War in Southeast Asia had attached great urgency to the resolution of the Dutch-Indonesian conflict. This chapter will describe how the Cold War initially led the State Department to prioritize European reconstruction and containment over anti-imperialist considerations, and how the development of the Cold War into Southeast

11. "Woodrow Wilson: Fourteen Points Speech (1918)," US Embassy & Consulate in the Republic of Korea, accessed June 28, 2020, <https://kr.usembassy.gov/education-culture/infopedia-usa/living-documents-american-history-democracy/woodrow-wilson-fourteen-points-speech-1918/>.

12. *The Atlantic Charter*, ed. Franklin Delano Roosevelt and Winston Churchill, (Placentia Bay, Newfoundland: 1941), article 3.

13. *Foreign Relations of the United States, 1949*, Vol. XII, Part II, The Far East and Australasia, ed. John G. Reid (Washington: US Government Printing Office, 1976), Document 317, www.history.state.gov/historicaldocuments/FRUS1949v07p2/d317. In March, the State Department's Policy Planning Staff presented a new foreign policy for Southeast Asia, policy review NSC 51. It signaled a new phase in the Department's position towards Indonesia, recognizing its strategic importance and suggesting an active role for the United States in the region to secure American interests. It was accepted as official policy by President Truman in July 1949.

Asia provided the context for the reassessment of policy that took place from 1947 onwards.

Eurocentricity: American interests post-World War II

The Second World War had ravaged the European economy, and in the immediate postwar years, the United States focused on the reconstruction of Europe for economic and political purposes. American policy aimed at reviving the European economy had various aspects and objectives. One of these was the unification of the European market, which the US believed would stabilize the European economies. In addition, the US aimed at tying Europe more closely to the American market, through transatlantic trade and commerce.¹⁴ Besides economic benefits, economic revival served the American political agenda. The US had become increasingly worried about communist movements and radicalized labor parties that had emerged in Western European nations as a result of the despairing postwar situation, for example in the Netherlands, Great Britain, France, and Italy. Communist influence in Western European politics would threaten American influence on political and economic policy if these countries were to move closer to the Soviet sphere of influence. Economic prosperity was believed to be of great importance to the containment of communism in Europe.¹⁵ The logic behind this was that economic prosperity undermined the viability of communists' discontent with capitalism. Economic reconstruction would therefore benefit the policy of containment in Europe.

In addition, the US believed that economic reconstruction was contingent upon restoring the European imperialists' ties to their colonies, a particularly powerful argument for the Netherlands and the East Indies (NEI). Cary Fraser's study on American policy towards postwar decolonization indicates that in the early postwar years, the US acknowledged that colonial possessions were vital to the recovering economies of imperialist states. They provided access to cheap raw materials, that could be exported for dollars of which there was a shortage at the time. The colonial markets were protected from outside competition, where domestic manufactured goods were to be sold with minimal competition. And lastly, Fraser mentions the

14. James. E. Cronin, *The World the Cold War Made: Order, Chaos, and the Return of History* (London: Routledge, 1996), 38.

15. Gouda and Zaalberg, *American Visions*, 28-30.

profitable trade in services that the colonial economy provided.¹⁶ The economic interdependence was perceived as particularly significant in the Dutch situation with the NEI, because the Dutch economy had strongly relied on this colony before the war, more so than their European counterparts.¹⁷ As a result, the Netherlands East Indies was the only colony that was to receive financial aid through the Marshall Plan.¹⁸ Moreover, the colonial economy had been profitable to the American economy too, as there were significant American investments in Indonesia, and the US had exported raw materials such as oil and rubber.¹⁹

Economic reconstruction and containment in Europe were prioritized over the anti-imperialist considerations of the Roosevelt years, to which end the US sought to avoid agitating the Dutch. Not only were the Dutch a long-standing and loyal ally,²⁰ the agitation from anti-colonial criticism might hurt American strategic interests in the Netherlands in the context of the Cold War. The Truman administration needed the Netherlands on the side of the West in the newly divided Europe. The US was occupied at this time with enhancing the military security of Europe against the USSR, for which it needed the cooperation of the French and Dutch. To that end, the US avoided agitation that could demise the willingness of colonial powers such as the Dutch to cooperate in such a program that was perceived as tremendously important in Washington.²¹

Besides, in these early years, the US was convinced that its interests were similar to those of the Dutch, which was the economic and political stabilization of the NEI. Andrew Roadnight, diplomatic historian and author of *United States Policy towards Indonesia in the Truman and Eisenhower Years*, identifies stability in Indonesia as a key policy objective in these early years, when stability was threatened by the

16. Fraser, "Understanding American Policy," 116.

17. Kahin, "The US and the Anticolonial Revolutions," 348; Hager and Lake, "Balancing Empires," 140.

18. Gouda and Zaalberg, *American Visions*, 29.

19. Roadnight, *United States Policy*, 7; Gerlof D. Homan, "The United States and the Netherlands East Indies: the Evolution of American Anticolonialism," *Pacific Historical Review* 53, no. 4 (November 1984): 437; Gouda and Zaalberg, *American Visions*, 159.

20. Gouda and Zaalberg, *American Visions*, 28.

21. Kahin, "The US and the Anticolonial Revolutions," 347-349.

capitulation of Japan and the yet obscure nationalist movement.²² To achieve stability, it was important to establish peace, security and economic prosperity, all of which it believed was best secured by a Dutch restoration of authority. The Dutch would ensure a swift assimilation of the NEI into the world economy, an important aspect of Indonesia's economic rehabilitation. Another aspect of stability was containment of communism, a concern that became particularly influential from 1947 onwards, but that Washington now believed was best served by the political stability created by Dutch authority. Furthermore, Roadnight identifies the extension of political freedom to the Indonesians as a key policy objective. Again, the Americans were confident that this would be settled through negotiations between the Dutch and the Indonesian nationalists, as the United States was convinced that The Hague shared its conviction that a complete return to the prewar colonial system was not an option. American policymakers believed that, with British mediation, a settlement was possible that would satisfy the nationalists' demand for political freedom while leaving a significant degree of influence for the Dutch.²³

Eurocentricity: American neutrality in the Indonesian question

Although the State Department believed in the benefits of a Dutch restoration of power in Indonesia, the State Department was unwilling to publicly declare its support for the Dutch, leading it to pursue an official policy of neutrality. The US had significant investments in Southeast Asia, and to secure the future profitability of these investments once economic stability was to return, it had to remain on good standing in the region. Besides, the Americans did not have the focus nor the resources to concentrate both on European reconstruction and support Southeast Asian nationalism. The urgent situation in Europe, where communism and economic destruction were an immediate threat to American interests, consumed the attention of the State Department, and was prioritized over anti-imperialist considerations.²⁴ Frances Gouda and Thijs Brocades Zaalberg, Dutch historians and authors of *American Visions on the Netherlands East Indies/Indonesia*, argue that the limit of

22. Gouda and Zaalberg, *American Visions*, 148.

23. Roadnight, *United States Policy*, 7-8; Homan, "The Indonesian Question, 1948," 124.

24. Kahin, "The US and the Anticolonial Revolutions," 347-349; Gouda and Zaalberg, *American Visions*, 159-163.

American military resources helped tip the scales in favor of the Dutch.²⁵ In the words of Acting Secretary of State Robert Lovett, the US should not “spread [itself] too thinly and ... [should] keep [its] commitments down.”²⁶ The US was also able to justify its policy of non-intervention through article 2 of the Atlantic Charter, that protected states’ domestic jurisdiction from outside interference.²⁷

What followed was a position of neutrality, in which the US aimed not to agitate its Dutch ally, while also not estranging the Indonesians all too much.²⁸ In public, Washington was careful in detailing its policy. Emblematic of this ambiguous approach was a press release on December 19, 1945, calling for such a settlement that both respected Dutch sovereignty in the NEI as well as the legitimacy of the demands of the nationalists for some degree of political reform.²⁹ Another indication of the American effort to keep a distance from the conflict, was when it ordered the ‘USA’ insignia on Lend Lease military material used by the British Allied Command in Southeast Asia (SEAC) to be removed.³⁰ This Allied command was tasked with liberating the NEI following the capitulation of Japan, but became entangled in the colonial conflict when the nationalists declared independence. The fact that the SEAC came under British, not American control, resulted from America’s desire to publicly distance itself from reclaiming European colonial territory in Asia.³¹ Thus, the US avoided any public endorsement of either side, although what happened behind the scenes shows a strikingly different story.

Covertly, the United States supported the Dutch effort in the Netherlands East Indies through military and financial aid. Officially, the US held a policy against arming either side of the conflict, but in practice this policy was violated on a consistent basis. First, the Dutch used American Lend Lease material that they accessed in the transition of power from the SEAC.³² Second, a Dutch battalion trained by the US Marine Corps was authorized to be armed and sent from its

25. Gouda and Zaalberg, *American Visions*, 159.

26. Roadnight, *United States Policy*, 77.

27. Gouda and Zaalberg, *American Visions*, 173.

28. Fraser, “Understanding American Policy,” 119.

29. Gouda and Zaalberg, *American Visions*, 179.

30. Roadnight, *United States Policy*, 11.

31. Roadnight, 8; Homan, “The United States and the Netherlands East Indies,” 446.

32. Gouda and Zaalberg, *American Visions*, 190-91.

American base to the NEI in the fall of 1945.³³ Third, the Netherlands purchased additional military resources from the US, as well as Great Britain, throughout 1947 and 1948. Gouda and Zaalberg discuss a Dutch-orchestrated scheme to circumvent violation of the aforementioned policy, in which they shipped military material indirectly to the NEI through the motherland first, recognizing that media scrutiny of American support to the Dutch may “cause Washington’s sympathy and cooperation to vanish”.³⁴ The Dutch similarly channeled financial loans from the War Assets Administrations through the Netherlands to the colony, as loans requested directly for the Indies were rejected. In addition to these loans, the Dutch received Marshall Aid for its domestic reconstruction, which scholars have concluded was instrumental for the Dutch to finance their military efforts in the NEI and in keeping the Dutch economy afloat amidst these great expenditures.³⁵

This implicit support was not unlimited, as the US rejected various requests for military and financial aid. In 1946, for example, the Truman Administration rejected a request for military aid, as well as the aforementioned loan requests in October 1947. These requests were turned down to avoid any public appearance of supporting the Dutch in restoring colonial authority.³⁶ Moreover, the Americans obstructed the shipment of Dutch-purchased ammunition to Java, and they refused to arm Dutch prisoners of war in the Philippines set to be stationed in Java.³⁷ First, these restraints show that the State Department was struggling with giving expression to its loyalty to the Dutch, while being cautious not too get involved in a conflict that it was essentially uneasy with. Second, the US had to be careful to keep the appearance of neutrality under scrutiny from foreign nations, as well as the American public and Congress, factors that will be discussed in detail in chapter three. Gouda and Zaalberg indicate that the removal of the ‘USA’ insignia on Lend Lease Material had followed

33. Homan, “The United States and the Netherlands East Indies,” 445.

34. Gouda and Zaalberg, *American Visions*, 190-93; Kahin, “The US and the Anticolonial Revolutions,” 355-356.

35. Kahin, 355-356; Pierre van der Eng, “Marshall Aid as a Catalyst in the Decolonization of Indonesia, 1947-49” *Journal of Southeast Asian Studies* 14, no. 2 (1988), 192-196.

36. Gouda and Zaalberg, *American Visions*, 192; Kahin, 356.

37. *Foreign Relations of the United States*, 1945, Vol. VI, The British Commonwealth, The Far East, ed. E. Ralph Perkins and S. Everett Gleason (Washington: US Government Printing Office, 1969), Document 859, www.history.state.gov/historicaldocuments/frus1945v06.

public and congressional pressure on the State Department.³⁸ And on December 6, 1945, Congresswoman Clare Boothe Luce expressed criticism at the State Department for its policy regarding colonialism in the Pacific, which she termed “moral laziness and moral cowardice”.³⁹

The Cold War moves to Southeast Asia

Increasingly, over the course of 1947 and 1948, fears increased of Soviet entanglements in Southeast Asia and the rise of communist movements in Indonesia. Already in 1947, US rhetoric became more and more antagonistic towards the Kremlin. With great influence from George Kennan, head and founder of the Policy Planning Staff, the Truman Doctrine was presented in March 1947, which expressed the necessity to curb the growth of communism worldwide.⁴⁰ The merge of the socialist People’s Democratic Front (FDR) with the Communist Party of Indonesia (PKI) in August 1948 was particularly alarming to the US, as this indicated a significant swerve to the left in Indonesia’s political landscape.⁴¹ In a telegram from Secretary of State George Marshall to the Embassy in Belgium, Marshall explained that “the situation within the [Republic Indonesia] has recently deteriorated markedly”, discussing how the Hatta government was under increased pressure from the left.⁴² The formation of the leftist coalition was preceded by the return of PKI leader Muso from exile in the Soviet Union. This charismatic communist leader had returned to restore order in the PKI and succeeded quickly in launching a new party program inspired by the success of the Czechoslovakian strategy. Muso was also critical of Hatta and Sukarno in handling the decolonization effort.⁴³ Washington grew worried that the communist movement in Indonesia was gaining foothold as the colonial conflict dragged on. A 1948 CIA evaluation on the Indonesian question

38. Gouda and Zaalberg, *American Visions*, 190.

39. 79 Cong. Rec. A5340 (daily ed. December 6, 1945) (statement of House Representative Clare Boothe Luce).

40. Gouda and Zaalberg, *American Visions*, 150.

41. Gouda and Zaalberg, 150, 276.

42. *Foreign Relations of the United States*, 1948, Vol. XI, The Far East and Australasia, ed. John G. Reid and David H. Stauffer (Washington: US Government Printing Office, 1974), Document 245, www.history.state.gov/historicaldocuments/FRUS1948v06/ch5subch1.

43. Gouda and Zaalberg, *American Visions*, 275-276.

judged that the continuing delay of a settlement was bolstering the communist movement as it made the Republican government vulnerable to claims that it was incapable of leading the Indonesians to independence. The communists, the report said, were posing as “the true [guardians] of Indonesia’s nationalist aspirations.”⁴⁴ Therefore, an ongoing struggle with the Dutch was feared to drive moderate Indonesians into the hands of the communists.⁴⁵ Also, suspicions of a second military action by the Dutch were rising in Washington. The Dutch had initiated a first “police action” in the summer of 1947 in an attempt to forcibly reclaim authority on Java and Sumatra, which had led to the formation of a Good Offices Committee by the United Nations to oversee peaceful negotiations between the Netherlands and the Indonesian nationalists.⁴⁶ A second military action, the CIA report warned, would seriously increase the likelihood of a communist coup.⁴⁷

Besides communist mobilization in Indonesia, the US became increasingly suspicious of Soviet activities in Southeast Asia from mid-1948 onwards, whereas before that time it had faced little competition in the region from their rival power. What made Soviet activity in the region particularly worrisome to the US, was that under the newly proclaimed “Zhdanov agenda”, the Soviets were attempting to homogenize all communist movements across the globe.⁴⁸ The attempted homogenization of worldwide communism obliterated any comfort the US may have had that communism did not necessarily equal ties to the Soviet Union. The actual influence of the USSR on the communist movement and Muso have been called into question by various scholars, but Washington’s perception of this matter nevertheless grew increasingly pessimistic.⁴⁹ Roadnight states that the State Department was

44. National Archives Website, Records of the Central Intelligence Agency, Record Group 263 “The Communist Threat in Indonesia,” file CIA-RDP78-01617A006000040009-9, www.cia.gov/library/readingroom/document/cia-rdp78-01617a006000040009-9.

45. Marc Frey, “Decolonization and Dutch-American Relations,” in *Four Centuries of Dutch-American Relations 1609-2009*, ed. Hans Krabbendam, Cornelis A. Van Minnen, and Giles Scott-Smith (Amsterdam: Uitgeverij Boom, 2009), 611.

46. The Dutch referred to the military actions they executed in Indonesia as *politioenele acties* (police actions), a word that implied the legitimacy of Dutch claims to sovereignty in Indonesia.

47. NA Website, “The Communist Threat in Indonesia.”

48. Kahin, “The US and the Anticolonial Revolutions,” 339; Gouda and Zaalberg, *American Visions*, 150, 275.

49. Kahin, 343; Gouda and Zaalberg, 276.

growing worried that the USSR was presenting itself “as a friend of colonial peoples”.⁵⁰ Moreover, the aforementioned CIA report estimated that the Soviets had at that time nearly exhausted possibilities of “communist expansion in Europe”, and that this may lead them to extend their endeavors to “strategic areas elsewhere [...] available for profitable exploitation.”⁵¹

A communist takeover or significant Soviet influence in Indonesia, was judged a considerable drawback to American interests, which besides economic and political stabilization, acquired a strategic and military aspect in 1948. By 1948, it was recognized that Indonesia held a greater significance in the Cold War in the region. George Kennan wrote in December of that year that the Dutch-Indonesian conflict was “the most crucial issue of the moment”, arguing for the strategic importance of Indonesia as an “anchor in that chain of islands ... which we should develop as a politico-economic counter-force to communism on the Asiatic landmass.”⁵² By that time, the Chinese Communist Party was making headway against Chiang Kai-Shek on mainland China, further fanning fears of communist expansion in Asia. Whereas before, the settlement of the colonial conflict was mostly motivated economically, Indonesia gained a large-scale strategic interest in the context of the Cold War in Asia, making the speedy settlement of the colonial conflict all the more important.⁵³

And so, over the course of 1947 and 1948, the Cold War theater gradually expanded from Europe into Southeast Asia, which was facilitated by the perceived success of American policies in Western Europe. Although Washington remained deeply occupied with European reconstruction, it was able to ease its concerns in Europe somewhat as it observed some success in effecting economic revival and containment in Europe. In early 1948, Dutch economic productivity had almost reached pre-war levels, despite the first ECA payments yet having to arrive. And as

50. Roadnight, *United States Policy*, 49.

51. National Archives Website, Records of the Central Intelligence Agency, Record Group 263, “Possibility of Direct Soviet Military Action during 1948-49,” file 6924342, <https://catalog.archives.gov/id/6924342>.

52. Wilson D. Miscamble, *Kennan and the Making of Foreign Policy, 1947-1950*, (Princeton: Princeton University Press, 1993), 274.

53. Roadnight, *United States Policy*, 53.

projected, this economic prosperity had proven its effect on weakening the electoral strength of the Dutch communist movement.⁵⁴

Conclusion

The Cold War developed from a primarily European affair in 1945, to a concern that expanded into Southeast Asia over the course of 1947 and 1948, which gave the resolution of the colonial conflict between the Netherlands and the Republic Indonesia a renewed urgency in Washington. The early postwar years had been marked by a hands-off policy as a result of the emerging Cold War. Focusing on the economic and political reconstruction of Europe, the State Department showed a significant break with the anti-imperialist rhetoric before and during World War II. It took on an official policy of neutrality while implicitly supporting a Dutch return to power in the NEI. In 1947 and 1948, the United States acquired a renewed interest in the Indonesian conflict as the Indonesian communist movement gained foothold and as the State Department suspected Soviet infiltration in Indonesia. Besides economic interests, the development of the Cold War into Southeast Asia gave Indonesia a greater strategic significance for containment of communism in the region. The perceived success of American policy objectives in Europe facilitated a shifting focus from Europe to Southeast Asia. However, the expansion of the Cold War into Southeast Asia cannot explain the shift of American policy towards Indonesian independence by itself. Gouda and Zaalberg indicate that the rising antagonism and paranoia of Soviet intentions initially reinforced the pro-Dutch stance of the State Department. They note that the American position only started to change in 1948 when “perceptions of the latter anti-colonial struggle began to shift.”⁵⁵ The growing strategic importance of the Indonesian question as a result of the rising Cold War in Southeast Asia, however, gave the upcoming developments and events the urgency that was needed for these to lead to a reassessment of policy in the State Department.

54. Gouda and Zaalberg, *American Visions*, 29-30.

55. Gouda and Zaalberg, 152.

Chapter 2:

The Netherlands and the Republic Indonesia: A New Balance of Favor

At the end of 1948, George Kennan, the influential strategist of the State Department who would be behind the Truman Doctrine, articulated that the colonial conflict in the Indonesian archipelago was “the most crucial issue of the moment”.⁵⁶ The State Department had come a long way from its Eurocentric, hands-off attitude, which was perhaps best illustrated by its inert response to the first police action, which it failed to condemn despite the Department having repeatedly pled a peaceful settlement in public.⁵⁷ The previous chapter has described how the development of the Cold War into Southeast Asia led the resolution of the Dutch-Indonesian conflict to become an urgent matter to the State Department. This chapter will describe the developments in the Indonesian Republic and the Netherlands that, within the urgent context of the Cold War, altered Washington’s relations to both parties and contributed to the reassessment of its initial policy of implicit support to the Dutch. Firstly, the Republic of Indonesia improved its standing with the United States as it proved its anti-communist nature and abilities to govern. Secondly, the Dutch damaged their trust and goodwill with the Americans, leading the State Department to realize that the Dutch were in fact the destabilizing factor in Indonesia.

The Republic Indonesia: From obscurity to Cold War alliance

As leftist movements in the Indonesian archipelago became increasingly worrying to the US, Sukarno and Hatta came to be perceived as moderate while their government was increasingly vulnerable under growing social unrest and leftist opposition. The People’s Democratic Front (FDR), the newly formed coalition of leftist groups, was expressly critical of the Republican government, not in the least for its perceived soft approach in handling the decolonization effort.⁵⁸ Under that criticism Sukarno and Hatta appeared to Washington to be the moderates, rather than the radicals in the Indonesian political landscape. That landscape had become increasingly polarized, as

⁵⁶. Miscamble, *Kennan and Foreign Policy*, 274.

⁵⁷. Roadnight, *United States Policy*, 56.

⁵⁸. Gouda and Zaalberg, *American Visions*, 274-275.

US Consul General in Batavia, Charles Livengood, wrote to Secretary of State Marshall in September 1948: “[The] lines [are] now clearly drawn and are [generally] Communist versus non-Communist rather than along old party lines”.⁵⁹

Moreover, Washington came to perceive Hatta and Sukarno as the only chance at uniting Indonesian independence with ties to the Western world, as the opposition appeared more favorable towards the Soviet sphere of influence.⁶⁰ As a complete restoration of the pre-war colonial system had been ruled out as an option early on in the conflict, Washington hoped for a future Indonesia that would preserve economic and political ties to the West. While it seemed that the Yogyakarta government was the only and last chance of that happening, that government was now threatened by communist subversion.

The Republic was perceived in Washington to be in a vulnerable position under growing social unrest and possible Soviet interference. In 1948, an economic embargo imposed by the Dutch created hardship among the Javanese population, likely explaining the labor unrest erupting on the island.⁶¹ A memorandum of James W. Barco, a former GOC staff member now working at the State Department wrote to his superior Dean Rusk, warning that “there are some able communist agitators who are making capital of the natural discontent of the population.” The social unrest created by Dutch actions facilitated growing popular support of communism, which Barco predicted would inevitably lead to growing communist influence if the situation were to deteriorate.⁶² Such fears of potential communist mobilization were heightened by rumors about Soviet influence on the PKI and its leader Muso, and although scholars have noted that these held no basis in fact, these led the State Department to become “deeply concerned” with the communist threat to the Republican government.⁶³

The looming threat of communism in Indonesia made containment an urgent theme in American policymaking regarding the Dutch-Indonesian colonial conflict, and this necessitated a speedy settlement in order to preserve the moderate nationalist government. A settlement that satisfied a broad base of nationalists, it was

59. *FRUS*, 1948, Vol. XI, Document 241; Gouda and Zaalberg, 33.

60. Gouda and Zaalberg, 33, 273; Roadnight, *United States Policy*, 56.

61. Gouda and Zaalberg, 33.

62. *FRUS*, 1948, Vol. XI, Document 239.

63. *FRUS*, Document 243; Gouda and Zaalberg, *American Visions*, 276-278.

believed, would create order and stability in Indonesian politics that would prevent a communist foothold, besides allowing economic activity to resume.⁶⁴ The time-span for such a settlement to be reached was believed to be narrowing under pressure of the deteriorating civil circumstances and the breeding ground that provided to communist mobilization. Barco, in the aforementioned document, went as far as predicting that “the fall of the Hatta Government ... is almost certain within a short time unless rapid progress is made in the settlement of the dispute.”⁶⁵

When in September 1948, the Cochran Proposal was submitted as a basis for a settlement to the dispute, the State Department expressed its satisfaction with its contents and expressed the urgency of prompt action on the drafted proposal. Following the first police action in mid-1947, India and Australia had appealed to the United Nations Security Council, resulting in the formation of a Good Offices Committee (GOC) by the UN to mediate a settlement of the conflict. Belgium was the state picked by the Netherlands to be delegated to the GOC and was generally favorable to the interests of its neighbor country, whereas Australia, picked by the Republic, was highly critical of Dutch practices and colonialism in general. The United States was assigned the neutral delegate to the committee.⁶⁶ The idea of a federation called the United States of Indonesia (USI) was central to the ensuing negotiations, but the distribution of power between the Dutch and the Republic, the timing of elections, and the design of the transitional period until the establishment of the USI remained contentious topics. Named after the US delegate to the GOC, the Cochran Proposal offered a compromise to this power struggle. It also set elections to take place before February 1949, which would form an elected government that was to lead an independent Indonesia. The State Department deemed the proposal fair and expressed the necessity to act promptly on its ratification to the GOC. Marshall wrote to Cochran on September 9 that “[the Department] agrees with you [that] the time factor [is] of the greatest importance”.⁶⁷ And on the same date, Marshall sent a message to the Belgian and Australian embassies, with the request to forward to the GOC delegations the urgency of continuing talks on the Cochran proposal, adding

64. Gouda and Zaalberg, *American Visions*, 272; Roadnight, *United States Policy*, 65.

65. *FRUS*, 1948, Vol. XI, Document 239.

66. David Newsom, *The Imperial Mantle: The United States, Decolonization, and the Third World*, (Bloomington: Indiana University Press, 2001), 57.

67. *FRUS*, 1948, Vol. XI, Document 242.

that “time is of the essence in preventing further deterioration within [the Republic]”.⁶⁸

On 18 September 1948, a communist revolt erupting in Madiun initially confirmed America’s worst fears, but the quick suppression of this rebellion by the Yogyakarta government played out to become a decisive moment for American policy regarding the Indonesian decolonization process. It was a key moment in the American policy shift, because it unequivocally expressed the anti-communist nature of the Hatta government and its capabilities to govern.⁶⁹ This had been a necessary fact to prove, as in the eyes of the State Department the Republicans had not “as energetically opposed” to communism as it should have.⁷⁰ On September 20, Cochran informed Marshall of his conversation with prime minister Hatta, whom Cochran had informed that the US saw the Madiun revolt as an opportunity for the government to prove itself as the moderate, non-communist regime it claimed to be. In the words of Gouda and Zaalberg, it “passed the test with flying colors.”⁷¹ In November, the State Department drafted an *aide memoire* that would become known primarily for compelling the Dutch to resume negotiations and to discourage them from resorting to military action. The document also addressed the heightened confidence in the moderate, anti-communist Hatta government. “Developments since [the] Communist uprising in Madioen would seem [to] emphasize [the] great desirability [of] strengthening this government and encouraging it to pursue policy cooperation with the Netherlands and [the] West as [a] whole.”⁷² Economist and historian Pierre van der Eng adds that the suppression of the communist revolt also demonstrated the “ability to maintain order” of the Yogyakarta government, thereby proving its capability to govern an independent state. This too, was a necessary fact to prove, as heretofore the paternalistic idea that sovereignty should only be transferred when

68. *FRUS*, 1948, Vol. XI, Document 245.

69. Roadnight, *United States Policy*, 50; Frey, “Decolonization and Dutch-American Relations,” 613; Kahin, “The US and the Anticolonial Revolutions,” 350; Homan, “The Indonesian Question, 1948,” 131; Van der Eng, “Marshall Aid as a Catalyst,” 343; Fraser, “Understanding American Policy,” 116.

70. *FRUS*, 1948, Vol. XI, Document 279.

71. *FRUS*, Document 272; Gouda and Zaalberg, *American Visions*, 280.

72. *FRUS*, 1948, Vol. XI, Document 353.

nationalists could carry this responsibility impacted American policy regarding decolonization.⁷³

The Madiun revolt and its dissolution by the Yogyakarta government was of crucial influence on the American shift in policy towards the colonial conflict, but it should not be mistaken for the end of worries about communism in Indonesia. George McTurnan Kahin, a political scientist who had been in Indonesia on research that year, explains that the Madiun revolt led the Americans to realize that the Indonesian Republic could play a significant role in the containment of communism in Indonesia. The fresh confidence in the Hatta government led “the thrust of the anticommunist factor ... to operate differently with regard to Indonesia”.⁷⁴ Whereas anti-communism had translated to implicit support of the Netherlands at first, Madiun initiated a reevaluation in which, perhaps, decolonization served that objective better. This pragmatic approach to containment politics is the central concept to Cary Fraser’s “Understanding American Policy towards the Decolonization of European Empires”. She makes the case that in the postwar surge of nationalist movements in the European colonies, the United States made a case by case assessment of supporting either decolonization or colonialism, as “[b]oth were seen as instruments of containment.”⁷⁵ The suppression of the Madiun uprising by no means signaled the end of communism in Indonesia. The vulnerability of the Hatta regime remained urgent and so the US continued to seek a speedy settlement between the two parties. However, Madiun instilled a confidence of the US towards the Hatta administration and a goodwill towards their cause. The Americans had believed in the importance of the Hatta government in containing communism before Madiun, but it had now unambiguously proved its capabilities in containing communism, an argument the Americans used in persuading the Dutch to sign the Cochran Plan.⁷⁶

73. Van der Eng, “Marshall Aid as a Catalyst,” 343; Roadnight, *United States Policy*, 41; Cees Wiebes and Bert Zeeman, “United States’ ‘Big Stick’ Diplomacy: The Netherlands between Decolonization and Alignment, 1945-1949,” *The International History Review* 14, no. 1 (1992): 438-441.

74. Kahin, “The US and the Anticolonial Revolutions,” 357.

75. Fraser, “Understanding American Policy,” 113.

76. *FRUS*, 1948, Vol. XI, Document 347, 351.

Another deciding factor to the shift in US policy in favor of the Republican government, was the attitude of the Republicans in the negotiations mediated by the GOC that took place in the context of the urgent threat of communism to the moderate, pro-Western government. In November 1947, peace talks between the Dutch and the Indonesian Republic had recommenced under GOC supervision on the *USS Renville*, at a time when US policy was still preoccupied with European stabilization. The Dutch were insistent on excluding the Republic from designs for the United States of Indonesia and insisted on keeping the military gains made following the first police action.⁷⁷ The agreement that was finalized in January 1948 did demand some concessions from the Netherlands, primarily because the agreement secured a position of the Republican government in the USI and in the preceding transitional period. However, as Andrew Roadnight indicates in *United States Policy towards Indonesia in the Truman and Eisenhower Years*, even the US realized it was much more favorable to the Dutch than the Republicans.⁷⁸ Reluctantly, the Republic had agreed to a proposal that had yielded them only their continued existence, which was not received enthusiastically at home and led to the fall of the Sjarifuddin administration several days later. The subsequent attitude of President Sukarno and Sjarifuddin's replacement, Mohammed Hatta, impressed the State Department. Roadnight explains that it showed the US the great commitment of the Republicans in negotiating a settlement.⁷⁹ When in September 1948, the Cochran Plan was submitted, the Republicans' willingness to negotiate left an even greater impression on the State Department. The nationalists quickly accepted the Cochran Plan as a basis for continued negotiations, in contrast to the Dutch. Dutch obstinance prompted the Republicans to threaten to bring the issue to the United Nations Security Council: "The Republican Government has for the second time accepted as a basis for discussion proposals which might lead to a fair and reasonable settlement in conformity with the Renville Agreement. It was hoped that the Netherlands Government would do likewise, ... [but] these hopes have not been fulfilled."⁸⁰ The Republican attitude furthered their reputation at the State Department, where it was

77. Homan, "The Indonesian Question, 1948," 1948," 125.

78. Roadnight, *United States Policy*, 39-40.

79. Roadnight, 43; Gouda and Zaalberg, *American Visions*, 274-275.

80. *FRUS*, 1948, Vol. XI, Document 319.

recognized that they showed a greater willingness to negotiate than the Dutch.⁸¹ Emblematic of the Republicans' willingness to come to a peaceful solution was a document sent by Hatta proposing further concessions to the Dutch, in the wake of an impending second military action by the Dutch. The effort was endorsed by the Americans, who strongly urged the Dutch to evaluate these concessions, but it was of no avail, and shortly after, the Dutch launched their second "police action."⁸²

The Netherlands: From reliable ally to bitter reality

The Republican willingness and flexibility to negotiate stood in stark contrast to the attitude of the Dutch, but initially, it did not cause friction with the Americans. Before the formation of the GOC in August 1947, the Truman Administration avoided involvement in the Dutch-Indonesian negotiations.⁸³ The United States' appointment to the GOC had, however, forcefully engaged the United States in the conflict. Before the containment of communism had become an urgent matter to the Americans however, the Dutch were able to continue turning the negotiations to their advantage. The Renville Agreement, for example, had allowed the Netherlands to retain military advances they had made following the first police action, which had severely decreased the size of the Republic.⁸⁴ Although they had had to concede to the provisional inclusion of the Republic into the USI, in the negotiations following Renville, the Dutch continued to undermine Republican sovereignty by insisting on restoring law and order before elections, which effectively meant a capitulation of sovereignty for the Republic and an accommodated breach of the truce agreement.⁸⁵ In June 1948, a deadlock had been reached, which led the American and Australian GOC delegates, Coert Du Bois and Thomas K. Critchley to draft a plan on their own account.⁸⁶ The DuBois-Critchley Plan failed to materialize into an agreement, which DuBois imputed to the Dutch. His advice to Marshall that the performance of the GOC was hindered by the Dutch, and his suspicions of another "police action" were

81. *FRUS*, Document 321.

82. Gouda and Zaalberg, *American Visions*, 292.

83. Roadnight, *United States Policy*, 28-30.

84. Homan, "The Indonesian Question, 1948," 125-126.

85. *FRUS*, 1948, Vol. XI, Document 252; Document 239.

86. Roadnight, *United States Policy*, 45-46; Homan, "The Indonesian Question, 1948," 128-129.

repudiated by Marshall. As historian Gerlof Homan explains in his assessment of the year 1948, the time was not yet ripe for such sentiment towards the Dutch.⁸⁷

In September 1948, however, Dutch actions did cause friction with the State Department when negotiations continued over the Cochran Plan, this time under increased pressure from the communist threat in Indonesia. The Americans assigned partial blame to the Dutch for the events in Madiun in September by creating social unrest through the economic embargo and their “dilatatory tactics” in the negotiations.⁸⁸ In addition, Dutch-American relations soured when the Netherlands continued to drag their feet in responding to the Cochran Plan. First, the Dutch expressed displeasure with the US delegation presenting the plan before exchanging views with the Dutch delegation. Second, the Dutch were disappointed with the contents of the proposal, which they viewed as a recycled Du Bois-Critchly Plan. In a conversation with Cochran, Dutch delegate Willem Riphagen complained it was “90 percent Du Bois” the rest being 5 percent better and 5 percent worse.⁸⁹ The Dutch Foreign Minister, Dirk Stikker, protested that a number of elements would impossibly pass the Dutch chambers of legislature and proposed alterations.⁹⁰ All the while, the Republic was fighting the communists following the Madiun uprising.

This behavior at such a critical time was inexplicable to the State Department, where it led to distrust of the motivations of the Dutch and a growing impatience.⁹¹ By this time, Gouda and Zaalberg explain, Dutch demands were dismissed by American officials, who viewed them as “unrealistic, anachronistic, and most of all, self-serving.”⁹² The State Department made it clear that the proposal enjoyed Washington’s full support and that it saw it as a nearly definitive plan that did not require extensive renegotiations. Marshall explained to Cochran that “we do not believe time remains for prolonged negotiations and ... are of [the] opinion ... [that the] draft represents most that can be expected.”⁹³ Dutch intransigence had a significant influence on the shift in American policy towards the Indonesian

87. Roadnight, *United States Policy*, 45; Homan, “The Indonesian Question, 1948,” 129.

88. Gouda and Zaalberg, *American Visions*, 33; *FRUS*, 1948, Vol. XI, Document 274.

89. *FRUS*, Document 252, 260.

90. *FRUS*, Document 261.

91. Homan, “The Indonesian Question, 1948,” 130.

92. Gouda and Zaalberg, *American Visions*, 270.

93. *FRUS*, 1948, Vol. XI, Document 257.

question.⁹⁴ However, the American position did not fully turn against the Dutch, as the State Department continued to operate with Dutch interests in mind. Kahin explains that the State Department anticipated that an end to the conflict would protect Dutch investments in Indonesia and saw the economic benefit of cutting Dutch expenses on an ongoing military engagement abroad.⁹⁵ Rather, using the terms coined by Dutch ambassador Van Kleffens, the American position towards the Dutch shifted from “benevolent-neutral” to “neutral-neutral,” or perhaps even “reluctant-neutral.”⁹⁶

Despite warnings that a military intervention would severely hurt the Dutch bargaining position, the Dutch launched their second “police action” on 18 December 1948; another deciding factor in the shifting American position in the Indonesian conflict. The Americans had sought a peaceful and quick settlement to the dispute and saw no justification for the Dutch having resorted to force.⁹⁷ Scholars have widely acknowledged the second police action as highly significant. Andrew Roadnight explains that it “shattered US policy in the region and also delivered a hammer blow to Washington's hope for a peaceful transition to independence.”⁹⁸ Gouda and Zaalberg state that “during December 1948, American trust in Dutch authorities’ sincerity in trying to reach a peaceful solution had plummeted to an all-time low.”⁹⁹ American predictions of the detrimental effects of a military action came true, as a CIA report dated January 17, 1949 described the damages to American security interests. It indicated that, among other things, the police action would hinder the political and economic stabilization of both the Netherlands and the Republic. It also listed as a detrimental effect of the action the weakened prestige of the UN, which will be discussed in detail in chapter three.¹⁰⁰ President Truman told the Indonesian head

94. Gouda and Zaalberg, *American Visions*, 287; Homan, “The Indonesian Question, 1948,” 130.

95. Kahin, “The US and the Anticolonial Revolutions,” 352.

96. Gouda and Zaalberg, *American Visions*, 286.

97. *Foreign Relations of the United States*, 1949, Vol. XII, Part I, The Far East and Australasia, ed. John G. Reid (Washington: US Government Printing Office, 1975), Document 103, [www/history.state.gov/historicaldocuments/FRUS1949v07p1](http://www.history.state.gov/historicaldocuments/FRUS1949v07p1).

98. Roadnight, *United States Policy*, 55.

99. Gouda and Zaalberg, *American Visions*, 290.

100. National Archives Website, Records of the Central Intelligence Agency, Record Group 263, “Consequences of Dutch Police Action in Indonesia”, file 6924324, www.catalog.archives.gov/id/6924324.

delegate to the UN, Dr. Soemitro, that he thought the blame “rested pretty equally on both parties, up until the recent unfortunate events,” indicating that this event tilted the balance of favor towards the Republic.¹⁰¹

Conclusion

This chapter has construed the turbulent year of 1948, that shook up Washington’s relations with its long-standing Dutch ally and the nationalist government in Indonesia. Whereas the Republic had proven itself as a moderate and able government, Dutch obstinance in the negotiations and their resort to military action helped move the balance of favor towards the Yogyakarta government. The context of containment politics was essential to these changing relations. Before communism was perceived as an urgent threat to Indonesia, Dutch negotiation tactics did not cause friction with the State Department. They only did from the summer of 1948 onwards, when the formation of a leftist coalition, fears of Soviet interference, and a communist uprising on Java caused serious concern in Washington over the threat of communist subversion in Indonesia. The suppression of the communist uprising by the Republic was of great importance in providing the United States with an able alternative to the Dutch in Indonesia. The situation in Indochina in this same period corroborates this theorization, where the nationalist movement was led by the communist Ho Chi Minh and the United States continued to support the French. If the Hatta government had not proved its anti-communist credentials by crushing the Madiun uprising, it is questionable whether the United States would have supported Indonesian independence, regardless of Dutch actions.

Washington’s response to the second police action demonstrated a renewed resoluteness and a firmer stance towards the Dutch. The US publicly condemned the Dutch attack as “reminiscent of a totalitarian technique” and took the initiative in calling on the Security Council to review the issue.¹⁰² However, the US insisted on such a multilateral approach, unwilling as it was to “accept the role of world policeman either in military or political sense.”¹⁰³ President Truman informed Secretary of State Lovett on December 20 that the US should “avoid taking any action

101. *FRUS*, 1948, Vol. XI, Document 447.

102. *FRUS*, Document 469.

103. *FRUS*, Document 452.

in the Security Council that we would be unable to maintain ... through defection of our allies or because of the inadequacy of our own facilities".¹⁰⁴ Although the step of initiating action in the Security Council showed a significant departure from initial American foreign policy that implicitly supported the Netherlands, the new balance of favor resulting from Dutch and Republican actions did not finish the shift of policy towards the Indonesian issue. As the next chapter will demonstrate, international and domestic pressure following the second police action would put significant pressure on the Truman Administration to take an even tougher line towards The Hague, that in fact would include elements of unilateralism and that would finalize the shift of American foreign policy regarding the decolonization of Indonesia.

104. *FRUS*, 1948, Vol. XI, Document 444.

Chapter 3:

The United Nations, Foreign States, and the US Congress: International and Domestic Pressure on the Department of State

The year 1948 had concluded after a second “police action” by the Netherlands had shaken up the Indonesian archipelago. The Dutch succeeded in conquering significant parts of territory of the Republic Indonesia and had captured their leadership. The operation was a military victory, as the Netherlands had largely completed the restoration of their authority on Java and Sumatra. In every other aspect, however, the operation was a disaster for the Dutch as it proved a watershed in turning the tide against them. With the police action they had violated the UN mandated truce of the Renville Agreement. Moreover, in the following weeks, the Dutch continued to defy UN authority, after the Security Council had mandated a cease-fire, the release of political prisoners, and the reinstatement of the Yogyakarta administration. This chapter will describe the flood of criticism following the second police action and continued Dutch defiance of the United Nations from the international arena and from within the United States, that put significant pressure on the Truman Administration to take a more critical position towards the Dutch. When Dutch-Indonesian negotiations reconvened in the spring of 1949, these pressures came to influence American foreign policy significantly in bolstering its determination to end the colonial conflict once and for all, and to put its full weight behind independence for Indonesia.

International factors: Foreign pressure on the United States

Before the second police action in December 1948, the US attempted to deflect international pressure through the United Nations, as foreign nations exerted significant pressure on the United States to take a more active role in the dispute. Various states had referred the Indonesian colonial dispute to the United Nations Security Council. For example, in February 1946, the Ukrainian Soviet Socialist Republic argued at the United Nations Security Council that the Allied British mission in Indonesia threatened world peace. And in August 1947, following the first police action, the newly independent nation of India sided with Australia in enforcing

action against the Dutch at the UNSC.¹⁰⁵ Up until the second police action, however, the US had attempted to deflect international engagement by urging for bilateral talks between the Dutch and Indonesians and minimizing the power of the United Nations. To that end, George Kahin explains, it had successfully ensured only a modest role for the Good Offices Committee in August 1947, when the role of that committee was limited to mediation without any power of enforcement.¹⁰⁶ The issue continued to draw the expressed concern of Indian and Australian diplomats, who noticed the growing communist threat in Indonesia and the deteriorating conflict with the Dutch, and suggested a more active approach for the Americans. For example, on September 22, 1948, India's foreign minister Ratan Kumar Nehru expressed his government's hope that the United States "would make every effort to impress upon the Netherlands" the necessity for a settlement to end the colonial dispute.¹⁰⁷ A day later, a telegram from Canberra read that "the Australian government ... hopes that the United States will resist any attempt [from the Dutch] to change the substance of [the Cochran] proposals."¹⁰⁸

International concern exploded following the second police action, as the Dutch resort to military action was widely perceived in Asia as an attack on a righteous nationalist struggle. In Burma, Pakistan, and India student demonstrations broke out, Australian dockworkers initiated a boycott of Dutch shipments, and India threatened to sever diplomatic ties with The Hague.¹⁰⁹ The second police action forced the United States to take a public stand against the Dutch, as it "could hardly fail to respond to the obvious moral pressures which had resulted from the Dutch resort to force", in the words of William Lacy of the State Department's Division of Southeast Asian Affairs.¹¹⁰ The US initiated the review of the issue at the United Nations Security Council, and although this initiative was appreciated by foreign nations, they continued to urge the US to take an even tougher stance towards the Dutch. India and Australia suggested the suspension of Marshall Aid to the Netherlands, not just financial aid destined for the Dutch controlled parts of

105. Roadnight, *United States Policy*, 18; David Newsom, *The Imperial Mantle*, 57.

106. Kahin, "The US and the Anticolonial Revolutions," 353.

107. *FRUS*, 1948, Vol. XI, Document 274, 215, 258.

108. *FRUS*, Document 279.

109. Roadnight, *United States Policy*, 57.

110. *FRUS*, 1948, Vol XI, Document 438.

Indonesia, which the United States had suspended the day after the initiation of the Dutch military action.¹¹¹ The Americans, however, insisted on a multilateral approach through the UNSC. Unilateral action would set a precedent “of attempting to achieve solutions to world problems by direct individual nation approach”, and the US thought it inappropriate to suspend ECA aid to Holland as this would “establish a dangerous precedent ... of employing economic aid for political goals.”¹¹²

Nevertheless, the second police action put the United States in a difficult position in the international sphere, because it put past and present policies under close scrutiny. The second police action had prompted outside nations to question how it was possible that a world power with such strong ties to the Netherlands could have let the Dutch take such outrageous steps. It did not pass the attention of foreign governments that American neutrality in the conflict had permitted the Dutch a certain degree of indiscretion. Foreign nations’ insistence on suspending Marshall Aid to the Netherlands implies a concern that American financial aid had enabled the Dutch to take such an action in the first place, a sentiment explicitly expressed by the Republic of Indonesia.¹¹³ The Dutch military action thereby greatly embarrassed American foreign policy abroad, because to the outside world it was somewhat complicit to Dutch actions. The United States was susceptible to such outside criticism because in the postwar world, with an international arbitrating organization, the United Nations, the US had to justify its actions if it wanted the respect of other member states.

To that end, international embarrassment of the United States through Dutch actions also harmed American objectives in the ideological warfare with the Soviet Union. In the emerging Cold War in the late 1940s, the United States and the USSR competed for influence in nations around the world. Initially, the center stage had been in Europe, but from 1947 the focus shifted increasingly to the newly emergent nations in Asia from the former European colonies. An important feature of this *cold* war was the battle for the hearts and minds of people across the globe, which came to influence American policy towards the Indonesian question particularly from December 1948 onwards. Laura Belmonte’s *Promoting American Anti-Imperialism in the Cold War* discusses the propaganda war between the United States and the

111. Roadnight, *United States Policy*, 59; *FRUS*, Document 446-447.

112. *FRUS*, 1949, Vol. VII, Part I, Document 97.

113. Van der Eng, “Marshall Aid as a Catalyst,” 345.

Soviet Union, in which the US aimed to promote the American political system of political democracy as one that symbolized true democracy, individual freedom, and freedom of oppression. The effort was countered by Soviet propaganda that attempted to mark the United States as an expansionist, imperialist hegemon. Soviet propaganda accused the US of “dollar imperialism” with the Marshall Plan, and that it sought the political and economic domination of the world. Fearing that Soviet propaganda would fuse misunderstanding of capitalist democracy and the American identity, the US sought to disclaim these attacks by launching propaganda campaigns that, among other things, promoted the US as anti-imperialist.¹¹⁴

This objective was conflicted by its caution not to agitate its Western European allies and its preoccupation in rebuilding the European economy, and so in order not to harm either objective, the US attempted to remain neutral in its association with the nationalist movement in Indonesia. The first police action, however, had forcibly engaged the United States in the conflict as the neutral representative to the GOC. The US remained reluctant, however, to distance itself publicly from its Dutch ally, instead attempting to deescalate the conflict by mediating a peaceful settlement and discouraging military action. Those efforts notwithstanding, its alliance with the Dutch became highly problematic when the Dutch resorted to military action in December 1948. A CIA report dated 27 January 1949 listed the detrimental effect of the second police action to the propaganda war with the Soviet Union. The second police action had given the Soviets “an opportunity to identify the United States as a partner of the Dutch ... and to discredit the US further in the Far East.” This endangered American ties to Asia, where it feared the emergence of a “Pan-Asian Bloc” dominated by India and lacking Western influence. Such a rift between the West and the East would not only be detrimental to Western economic interests, it would also benefit the Soviet Union even if that Pan-Asian bloc were not to associate itself with communism.¹¹⁵ The recognition that Dutch deliberate actions had

114. Laura A. Belmont, “Promoting American Anti-Imperialism in the Early Cold War,” in *Empires Twin: US Anti-Imperialism from the Founding Era to the Age of Terrorism*, ed. Ian Tyrrell and Jay Sexton, (Ithaca, NY: Cornell University Press, 2015), 188-191.

115. National Archives Website, Records of the Central Intelligence Agency, Record Group 263, “Consequences of Dutch Police Action in Indonesia”, file 6924324, www.catalog.archives.gov/id/6924324, 4.

undermined greater American policy objectives further strained Dutch-American relations.

Domestic factors: Foreign policy challenged from within

Besides inducing outside pressure, defiance of the United Nations mandated cease-fire provoked a more critical position towards the Dutch from within the State Department as the United Nations was held in high esteem in Washington. The second police action had not only struck a severe blow to Dutch-American relations by damaging trust and confidence in the Netherlands' willingness and ability to settle the dispute. It had also shown a blatant contempt of the authority of the United Nations as it violated the truce of the Renville Agreement, mediated by the UN mandated Good Offices Committee.¹¹⁶ Washington held the UN in high esteem and held a great stake in this institution becoming a success. In response to the two world wars of the twentieth century, the United States was committed to creating an organization that could secure international peace and security and to prevent future wars from happening.¹¹⁷ American attempts at minimizing the role of the UN in the early dispute should therefore not be mistaken for contempt of the UN. This was rather an effort aimed at the stabilization of the Dutch economy, and it had trusted in the willingness and ability of the Dutch to settle the situation with the Indonesian Republic. By December 1948, however, Eurocentricity had made room for a strong concern with Asian stabilization because of the Cold War, and the trust and confidence with the Dutch had significantly worn off. The second police action led the US to follow through on its threat to bring the issue back on the table at the UNSC.

The Dutch, however, continued to defy the mandates following the emergency meetings of the United Nations Security Council, causing the issue to escalate into a challenge of the authority and success of the United Nations, which further damaged Dutch-American relations. Two emergency meetings of the UNSC called for a cease-fire and the release of political prisoners, but the Netherlands neglected to honor these demands. Dutch defiance of the authority of the United Nations, George Kahin

116. Roadnight, *United States Policy*, 56.

117. Kahin, "The US and the Anticolonial Revolutions," 354; "The Formation of the United Nations, 1945," Office of the Historian, accessed June 25, 2020, <https://history.state.gov/milestones/1937-1945/un>.

contends, called the authority of this new institution in question.¹¹⁸ A CIA report dated January 29, 1949, confirms such a concern in Washington, as it listed as one of the effects of the second police action the weakened prestige of the UN.¹¹⁹ The escalation of the issue into a challenge of the United Nations dismantled even more of the goodwill and the tolerance that the Americans had with the Dutch. Kahin explains that the Netherlands had “so flagrantly flouted the UN-monitored truce in Indonesia” that domestic hopes for the success of the UN “fused with American anti-colonial sentiment in condemning Dutch actions.”¹²⁰ The vulnerability of the United Nations added significant weight to the settlement of the Indonesian conflict, because this endangered American hopes of the organization becoming a successful arbitrator of global conflicts.

Moreover, the Dutch military action and defiance of the United Nations fueled domestic criticism against the Dutch, inducing pressure from labor unions and Congress on the Truman Administration to take a tougher stance towards The Hague. American media reporting after the second police action had poignantly made a connection between Marshall Aid to the Netherlands and the Netherlands’ ability to finance the military effort in Indonesia. A *New York Times* article published on 13 January 1949, revealed that the Dutch had received 400 million dollars from the European Recovery Program, while its military expenditures had amounted to 436 million dollars.¹²¹ American public opinion following the second police action channeled through to the State Department, through the Congress of Industrial Organizations (CIO) and the US Congress. The CIO was a democratically organized national labor union organization, representing millions of American workers, that put pressure on the American government to take a firmer position with the Dutch, on the basis that American financial aid had been abused by the Netherlands for purposes it had not been intended for.¹²²

Secondly, the US Congress put pressure on the State Department to reassess its policy towards the Dutch. On February 7, 1949, Senator Owen Brewster filed a

118. Kahin, “The US and the Anticolonial Revolutions,” 354.

119. NA Website, “Consequences of Dutch Police Action in Indonesia”, file 6924324, www.catalog.archives.gov/id/6924324.

120. Kahin, “The US and the Anticolonial Revolutions,” 354.

121. Van der Eng, “Marshall Aid as a Catalyst,” 345-346.

122. Roadnight, *United States Policy*, 57.

resolution to postpone Marshall Aid payments to Holland until it was certain that payments were not used for military purposes in the colony.¹²³ This came at a time when new appropriations for the European Recovery Program for 1949 were being discussed in Congress. The amendment got support in Congress and threatened the ratification of the ERP legislation in Congress as a whole.¹²⁴ The State Department wished to avoid such a situation, because it would jeopardize the economic reconstruction of Europe. As the ratification of the ERP was yet in the hands of Congress, the dissent by the legislative branch put significant pressure on the State Department to make sure that the UN mandates were respected by the Dutch. In an effort to deescalate Congressional pressure, Merle Cochran told Dutch ambassador Dirk Stikker that Dutch defiance of Security Council mandates “would give [the] press and Congress added reason for attack and for suggesting cutting of all funds.”¹²⁵ Cochran explicitly added that this was not to be seen as a threat from the State Department to suspend ERP aid, suggesting that the Department indeed avoided using the ERP as a unilateral tool of force. Alternately, the fact that the State Department was not shy in reiterating the congressional pressure it was under may be interpreted as an indirect way of putting pressure on the Dutch without being held accountable for the threats it was directing. The initiative passed Congress in early April with the new ERP legislation mandating that no financial aid was to be granted to states against which the UN was taking disciplinary action. A similar problem evolved over the Military Assistance Program (MAP), part of the design for European defense in light of the Cold War threat from the Eastern bloc. Again, Congress refused to authorize the program before Dutch conformation with Security Council mandates, putting yet another important American policy objective on the line.¹²⁶ George Kahin explains that domestic pressure put significant pressure on the State Department by late spring of 1949, and influenced Department officials to “talk more sternly to the Dutch than ever before.”¹²⁷

123. Wiebes and Zeeman, “United States ‘Big Stick’ Diplomacy,” 52.

124. Wiebes and Zeeman, 52; *FRUS*, 1949, Vol. XII, Part I, Document 162; Document 250.

125. *FRUS*, 1949, Vol. XII, Part I, Document 162.

126. Roadnight, *United States Policy*, 68-69.

127. Kahin, “The US and the Anticolonial Revolutions,” 354.

A new phase: A revised foreign policy for Southeast Asia

These events were followed by a renewed policy review in March 1949 that signaled a new phase in American foreign policy regarding the Indonesian question. Policy review NSC 51 laid down future American policy towards the nationalist movements in Indonesia and Indochina, and it opened by stating that it was no longer an option to fully support imperialist states, nor to grant indefinite support to militant nationalist organizations. It took the decolonization of Indonesia as a basic premise, as it now concluded that Dutch control could no longer satisfy larger American objects in the region. It stipulated once more the greater economic objectives of the United States in the region, stating that it should seek to develop Southeast Asia “in harmony with the Atlantic Community and the rest of the Free World”. The US should encourage Asian leaders to “take the public lead in political matters” so as to curtail accusations of imperialism while securing a “sympathetic Western influence” in the region. To this end, “the creation of a sovereign Indonesian state” was of utmost urgency, because the longer it would take, the more it would weaken the non-communist Republican administration. The US should therefore “endeavor to induce the Dutch ... to adapt their policies to the realities of the current situation.”¹²⁸ Policy review NSC 51 was formalized as official policy by President Truman in July 1949.

The renewed resoluteness in resolving the conflict that policy paper NSC 51 articulated materialized into actions from the reconvention of negotiations in the spring of 1949 toward the Round Table Conference that finalized the foundation of the United States of Indonesia in December. Merle Cochran put significant pressure on both the Dutch and the Republicans to come to an agreement so that the conflict would end once and for all. To the Dutch, it warned that resistance to cooperation to reinstating the Republican government would force the US to “take the position that the Netherlands is not in compliance with SC resolution.” And to the Republicans it clarified that they, too, were expected to make compromises, and that their continued “cooperative spirit and broad outlook” were needed to preserve its favorable position at the UN.¹²⁹ The State Department promised to help the Dutch in overcoming the financial set-back of losing their colony.¹³⁰ Cochran also promised financial aid to the

128. *FRUS*, 1949, Vol. XII, Part II, Document 317,
www.history.state.gov/historicaldocuments/FRUS1949v07p2/d317.

129. *FRUS*, 1949, Vol. XII, Part I, Document 263.

130. *FRUS*, 1949, Vol. XII, Part II, Document 317.

Republic as a compensation towards the Indonesians taking over a large amount of debt from the Dutch in the transfer of sovereignty, one of the contentious topics of the RTC.¹³¹ Compensating both sides for their losses with American dollars indicates a departure from the multilateral approach, and the sense of determination in concluding the negotiations. Even more, it illustrates that even in this last phase of the conflict, American policy was not fully partial to either side. Rather, the United States continued to hold Dutch interests at heart while seeking a fair solution to the now publicly acknowledged legitimate claims to independence of the nationalist government.

Conclusion

Thus, as this chapter has demonstrated, the State Department faced additional pressure from the international and domestic sphere to reassess its foreign policy towards the Indonesian decolonization conflict and to take a tougher line with the Dutch. Dutch defiance of the UN provoked a more critical position in Washington, in addition to Congressional pressure which put American policy objectives in Europe on the line. Foreign nations petitioned the US to take a more active role in the dispute from early on in the conflict, but the second police action proved a watershed in amassing international criticism of American policy. Despite repeated efforts to deescalate the conflict and stern warnings to the Dutch of the consequences of resorting to violence, the United States had not distanced itself enough from their ally which had made them appear accessory to the Netherlands' actions. This harmed the American effort in the ideological warfare with the Soviet Union, exposing it to charges of hypocrisy for not following up on its idealist claims against imperialism. In fact, the United States did abandon its idealism until its strategic interests allowed it to live up to these ideals that denounced imperialism. But in the war for the hearts and minds of people with the Soviet Union, it had to keep up the appearance that it was a loyal defender of freedom, democracy, and self-determination.

131. Roadnight, *United States Policy*, 73.

Conclusion

Although on December 27, 1949, President Truman acknowledged the newly independent nation of Indonesia and promised that it “may count upon the sympathy and support of all who believe in democracy and the right to self-government,”¹³² this thesis has demonstrated that American support for Indonesian independence had little to do with anti-imperialist ideology. Although on some level, American policymakers may have certainly disliked the European colonialist endeavors, American policy was shaped by a set of pragmatic factors in the context of the early Cold War.

This thesis has described how a combination of systemic, pericentric, and metrocentric factors contributed to the reassessment of foreign policy towards the Indonesian colonial dispute and has demonstrated that America’s pragmatic approach towards the containment of communism provided the essential background for the reassessment of policy in Washington to take place between 1945 and 1949. Considerations over the spread of communism in Southeast Asia put the Dutch-Indonesian conflict on the State Department agenda. Developments regarding the Netherlands and the Indonesian Republic shifted the balance of favor towards Indonesian independence, and international and domestic pressure further pushed the State Department towards a reassessment of its initial policy of benevolent neutrality towards the Dutch.

In the context of urgency provided by the Cold War in Southeast Asia, a number of events and developments influenced the American policy shift, of which the Madiun uprising and the second police action were two major components. The contribution of the crushing of the Madiun uprising by the Hatta government in shaping American favor towards the Republic is unquestionably significant, as it is repeatedly mentioned in diplomatic correspondence between the State Department and the various parties involved in the negotiations. It is also helpful in this regard to draw a comparison to the war in Indochina that took place in this same period. Here, the nationalist movement was dominated by the communist Ho Chi Minh, and the United States continued to back the French effort against that movement.¹³³ In Indonesia, the anti-communist credentials of the Hatta government, that were

132. State Dept. *Bulletin*, 1950, Vol. 22, no. 549, 55.

133. Kahin, “The U.S. and the Anticolonial Revolutions,” 357-358.

unequivocally proved by the shift defeat of the Madiun revolt, provided a foundation of trust in the nationalist government that allowed the United States to shift away from the Dutch when the Dutch proved to operate in conflict with American interests.

The second police action, another watershed in the policy reassessment in Washington, influenced the State Department on multiple levels. First, the attack had harmed the trust and goodwill with the Dutch because it was seen as completely unjustified in Washington and would stand in the way of economic and political stabilization in the region. Second, the military action induced Congressional pressure that put important policy programs for Europe on the line. Third, the second police action made the US vulnerable to outside criticism which was harmful for the ideological Cold War with the USSR, to whom the Dutch had unwittingly given a strong propaganda tool. At this point, it was important for the Indonesian Republic to have proven itself as anti-communist and capable of withstanding the communist threat. Without the defeat of the Madiun uprising, it is likely that the United States would still have had doubts about the capabilities and loyalties of the Hatta government. It is likely that the United States would then not have formulated such a decisive policy aiming at the speediest possible transfer of authority, “free of Dutch control.”¹³⁴

In conclusion, the American shift in position in regards to the Indonesian decolonization conflict was the result of strategic considerations in the context of the Cold War in Southeast Asia, and although these interests eventually aligned with American idealism, this was a side-benefit of the policy transition rather than a driving force towards it. Rhetoric before and during World War II indicates that Americans hoped for the postwar dismantling of imperialism, exemplified by President Wilson’s Fourteen Points and President Roosevelt’s signing of the Atlantic Charter. Both documents stipulated the right of self-determination for colonial peoples as an important aspiration for the future, but the emergence of the Cold War interfered with American wartime idealism. Both in its initial policy of benevolent neutrality and in inducing a policy shift between 1947 and 1949, strategic interests trumped American idealism that principally objected to imperialism. Cold War realism defined American foreign policy throughout the Dutch-Indonesian conflict,

134. *FRUS*, 1949, Vol. XII, Part II, Document 317.

but ultimately permitted the United States to walk their talk, and live up to their self-proclaimed ideals of freedom, democracy, and self-determination.

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