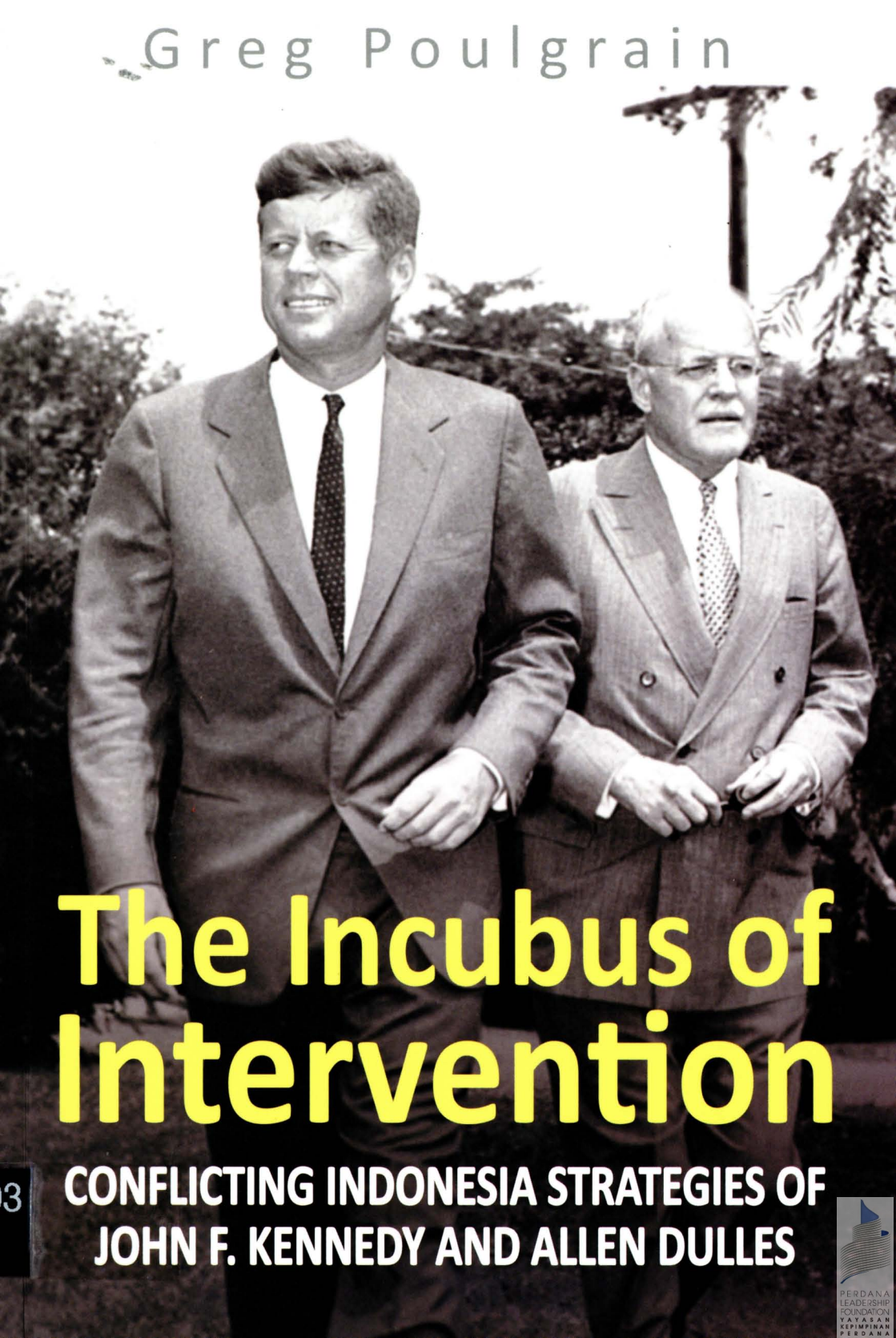


Greg Poulgrain



# The Incubus of Intervention

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



After discovering the world's largest gold deposit in the remote alpine region of West New Guinea in 1936, J.J. Dozy waited another 36 years before mining started. In December 1972, the American company Freeport Indonesia was the first to operate under President Suharto's 'New Order' regime – tax-free for ten years. Initially, from the Ertsberg mine at 4,100m (14,000ft) but now from Grasberg, ore is crushed into copper and gold slurry, prior to the 109km by pipeline down to the coast for export. (More refining is to be done in Java.) Grasberg ore goes to the crushing mill via the Heavy Equipment Access Trail (HEAT). The 'HEAT' road is about 10km long but covers only half that distance as the crow flies, so rugged is the terrain. (Courtesy Kal Muller)



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TUN DR. MAHATHIR MOHAMAD

# The Incubus of Intervention

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

Greg Poulgrain

PUSTAKA PERDANA



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Strategic Information and Research Development Centre  
Petaling Jaya, Malaysia



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*First published in 2015 by:*

Strategic Information and Research Development Centre

No. 2, Jalan Bukit 11/2

46200 Petaling Jaya

Selangor, Malaysia

Email: gerak@gerakbudaya.com

Website: www.gerakbudaya.com

ISBN: 978-967-0630-50-2 (pbk.)

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**Perpustakaan Negara Malaysia**

**Cataloguing-in-Publication Data**

Poulgrain, Greg, 1952-

The Incubus of Intervention : Conflicting Indonesia Strategies of John F.

Kennedy and Allen Dulles / Greg Poulgrain.

ISBN 978-967-0630-50-2

1. Military assistance, American--Indonesia.
2. Indonesia--History--1950-1966.
3. Indonesia--Politics and government--1950-1966.
4. Indonesia--Foreign relations--United States.
5. United States--Foreign relations--Indonesia.

I. Title.

959.8035

*Printed by:*

Vinlin Press Sdn Bhd

No. 2, Jalan Meranti Permai 1

Meranti Permai Industrial Park

Batu 15, Jalan Puchong

47100 Puchong, Selangor, Malaysia

959.8035  
POU

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

Dean Acheson (in relation to China) 1949

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





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# Abbreviations

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

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

# Acknowledgements

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

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

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

In the Netherlands, my thanks to Peter Schumacher, Gerald Aalders, Wim Klinkenberg (dec.), Marlies, R. de Graaf, Jelle Jeensma and Henri Krop. Bob Hering has passed away so, to Antoinette in Maastricht, please accept my sincere gratitude. In Indonesia, when interviewing General Nasution and others, Wisnu’s logistical assistance was indispensable, and for your generosity also thank-you to Wina, Wiwi and the rest of Sheikh Azahari’s family in Bogor. In Brisbane, I’d like to thank Michael Haan and also Harriot Beazley, Phillip Mahnken and David Trudinger at University Sunshine Coast – the latter two patiently proofread chapters and, may I say, their advice was appreciated. Any errors in this work are my responsibility.

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

# Foreword

## The Clash of Two Strategies

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

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

## Not Seeing the Connection

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

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

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

<sup>1</sup> *PRRI-Permesta: Strategi Membangun Indonesia Tanpa Komunis.*

<sup>2</sup> *Permesta: Kandasnya Sebuah Cita-cita.*

Sukarno was at the centre of the conflict between John F. Kennedy and Allen Dulles (Director of Central Intelligence). With the intention of removing Sukarno from power, Dulles' strategy of 'regime change' was well-advanced before Kennedy became president. Indeed, his career in intelligence had started even before Kennedy was born! In 1958, DCI Dulles was at the height of his power. He was not simply targeting the Outer Islands in Indonesia, but the entire Indonesian archipelago – including Netherlands New Guinea where the world's largest gold deposit was located (and is today still being mined). Unlike Dulles, neither Kennedy nor Sukarno was aware of this El Dorado.

But when the author interviewed Joseph Luns, the former Dutch Foreign Minister who became NATO Secretary-General, Luns said that he had asked the Americans involved to exploit the huge gold deposit jointly with the Dutch. It was their refusal, Luns said, that actually forced the Dutch out of New Guinea.

When Kennedy and Sukarno in 1963 resolved to work together, US foreign policy threatened to disrupt – unwittingly – Dulles' own Cold War strategy which was focused on Indonesia. JFK's wariness, after Allen Dulles' role in the Bay of Pigs, drew a tongue-in-cheek but prophetic comment: 'Domestic policy can only defeat us', he used to say. 'Foreign policy can kill us'.

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**Strategic  
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ISBN 978-967-0630-50-2



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