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The historical foundations of Indonesia's regional and global role 1945–75

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INTRODUCTION

Indonesia's eventful history since independence is that of a rising power in Asia and increasingly important nation on the world stage. Many scholars have highlighted Indonesia's large population and its abundance of strategic resources as the reason for its prominence in regional and global affairs.¹ Some have also emphasised Indonesia's strong sense of nationalism as a legacy of its long struggle for independence from Dutch colonialism,² while others have stressed the importance of international relations during the Cold War.³ Stemming from these three perspectives are considerations of how much influence Indonesian leaders themselves have had on their nation's future, and the degree to which outside powers shaped the development of Southeast Asia's most populous country. Indeed, the primary source material in this chapter shows that Indonesia's regional position was forged by various factors. Internationally, Indonesia was considered strategically and economically important, and examples of the close ties between the Suharto government and the United States reveal both the influence that Jakarta could wield and its dependence on foreign support.

REVOLUTION AND INDEPENDENCE

Before independence, Indonesia had been a major colony in Southeast Asia, ruled by the Dutch and known as the Netherlands East Indies consisting of wealthy estates producing rubber, sugar, spices, tea and other crops. Under the Dutch, all Indonesian expressions of nationalism were suppressed. The colonial administration refused requests for indigenous participation in the work of government, and exiled nationalist leaders. Thus, by 1942, many Indonesians were hostile to Dutch rule.

The Second World War prepared the foundation for change. In 1942 the Japanese occupied the Netherlands East Indies, freeing exiled nationalist leaders and promising Indonesian independence. Indonesian nationalists then exploited the power vacuum created by the Japanese surrender in 1945. In Jakarta on 17 August Achmed Sukarno proclaimed independence and became Indonesia's first president. Despite this declaration, Holland was keen to reestablish its position in Southeast Asia. For the Dutch, Indonesia remained of great economic value and was important for Holland's post-war economic recovery as well as a symbol of its wider world importance.

However, the Dutch did not possess sufficient military power to restore its colonial authority, and sought British and Australian assistance. Britain had the responsibility of disarming Japan in southern Indochina and western Indonesia, including the most populous island there, Java. Australia held military control over eastern Indonesia. Australian troops allowed Dutch forces to reestablish a military presence in the East Indonesian islands, where Republic of Indonesia forces were weaker. Yet, Britain was initially unwilling to permit Dutch troops to land in the republican strongholds of Java and Sumatra, having been forewarned that it would be a major military task, thus pressing the Dutch into negotiations. London's concern was that a given area of Southeast Asia could be disadvantaged by instability in its other sectors, both economically and politically. Consequently, the welfare of British territories in the Far East depended on the stability of other parts of that region.⁴ Recovery of trade and assets of the Netherlands East Indies depended on settlement of the troubles in Java. London saw its role as 'trustees for our Allies the French and the Dutch, whose sovereignty in their respective colonial territories we have a strong moral obligation to restore' and therefore hoped to play a leading role in a settlement between the nationalist movements and Britain's own allies.⁵

America and the Cold War became key factors in Indonesian independence. After World War II, the United States was rebuilding the Japanese economy with a view to preventing the spread of communism in the region. Japan's economic progress would depend greatly on expanded exports of industrial goods and imports of regional resources. Washington had begun to consider Southeast Asia, and especially resource-rich Indonesia as a good market for Japanese trade. In 1947, the United States provided aid to the Netherlands East Indies to fast-track economic reconstruction and resume trade in the region. This aid had been supplied on the assumption that the Dutch would regain sovereignty over all of Indonesia. Washington noted that the goal of Indonesian nationalists, despite making public statements about welcoming private foreign capital, appeared 'to be the achievement of a state along Socialist lines' and that republican leaders seemed to be trying to balance their 'basic Socialist aspirations' with the need to attract foreign capital for the sake of the economy.⁶

1 Evan A. Laksmana, 'Indonesia's Rising Regional and Global Profile: Does Size Really Matter?', *Contemporary Southeast Asia: A Journal of International and Strategic Affairs*, Vol.33, No.2, August 2011, p. 157.

2 Dewi Fortuna Anwar, *Indonesia in ASEAN: Foreign Policy and Regionalism*, Institute of Southeast Asian Studies, (Singapore: 1994), p. 17.

3 Richard Mason, 'Nationalism, Communism and the Cold War: The United States and Indonesia during the Truman and Eisenhower Administrations', in Richard Mason & Abu Talib Ahmad (eds), *Reflections on South East Asia History since 1945*, (Penerbit Universiti Sains Malaysia, 2006).

4 'Paper on Principal British Interests in the Far East', (January 1946), CO 537/4718, *The British National Archives*, TNA.

5 'Draft paper by Far East Civil Planning Unit, Circulated by Cabinet Office', (14 January 1946), CO537/1478, TNA.

6 'Background Information on Far Eastern Countries: Political Conditions and Economic Recovery Problems, Prepared for the use of the Committee on Armed Services in consultation with the Department of State, 80th Congress, 1st Session' – Senate Committee Print, (September 9 1947), *Papers of John D. Sumner*, ECA Files (C-1), Box 6, Harry S. Truman Presidential Library (HSTL).

However, Holland was losing control of the territory, and continued instability in Southeast Asia could work to communist advantage. So, Washington lent its support for United Nations (UN)-sponsored Indonesian-Dutch negotiations, leading to a cease-fire agreement in January 1948. Later that year, the Indonesian army crushed a rebellion at Madiun in Java launched by the Indonesian Communist Party (PKI), then closely associated with the Communist Party of the Soviet Union. For the Americans, this action made Sukarno a much more acceptable independence leader. The Dutch made a last ditch effort at military conquest, but Washington responded by encouraging The Hague to agree in November 1949 to hand over all the islands of the NEI, with the exception of West New Guinea (also known as West Irian, Irian Jaya, West Papua), to the Indonesian Republic.

In short, the Netherlands was not a major European country that the United States needed to appease. American support for Indonesia was associated with Washington's growing eagerness to halt communist expansion in Southeast Asia, particularly in light of communist rebellions in Malaya and the Philippines. The insurgency in Vietnam was also increasingly viewed as communist-led. Behind this lay an interest in exploiting the substantial natural resources in the region and the fact that in 1950 Malaya and Indonesia produced more than half of the world's natural rubber and tin, and that Indonesia's exports in 1949 reached the value of US\$500,000,000.⁷ Therefore, as the producers of 'strategically important commodities', the threat of communist takeovers in Malaya and Indonesia could greatly threaten Japan's political and economic reconstruction.⁸

GUIDED DEMOCRACY

By the mid-1950s there was increasing support in Indonesia for communism. In Indonesia's first national election in 1955, the PKI received almost 16 per cent of the vote – a major comeback after the Maduin uprising in 1948. Furthermore, the PKI had been allowed to campaign openly. After these elections, the Communists were the fourth largest party in a parliament where no party held a majority of seats, thus ensuring their role in future Indonesian governments.⁹ In 1957, Sukarno abolished parliamentary government in favour of presidential rule under the term 'Guided Democracy'. As this new system took shape, the PKI and the army began to strengthen their positions as well as trying to infiltrate each other's organisations.¹⁰

7 'Address by Allen Griffin, publisher of the Monterey Peninsula Herald, Monterey, California, delivered at the Institute on Southeast Asia', (San Francisco: San Francisco State College, July 21 1950), Student Research File (B File), Pacific Rim: Indochina, Thailand, Burma, Malaya, Indonesia and the Philippines, #31A, Box 1 of 2, HSTL.

8 'Report to the National Security Council by the Executive Secretary on Security of Strategically Important Industrial Operations in Foreign Countries', (26 August 1948), White House Office, National Security Council Staff Papers, 1948–6, Disaster File, Box 33, Dwight D. Eisenhower Presidential Library (DDEL).

9 Syamsuddin Haris, 'General Elections Under the New Order', in Hans Antlov & Sven Cederroth (eds), *Elections in Indonesia: The New Order and Beyond*, RoutledgeCurzon, (London: 2004), pp. 18–19.

10 M. C. Ricklefs, *A History of Modern Indonesia since c.1200*, 3rd ed, (Stanford University Press, 2001), Ch.20.

From the mid-1950s Jakarta gradually moved away from Western support, reflecting not only the growing influence of the PKI in the Sukarno government, but also the Indonesian leader's own philosophy of independence in foreign policy. Sukarno emphasised that Indonesian people should see themselves as part of a global struggle against the forces of imperialism. In that context, he sought to establish himself as leader of a force of non-aligned states. He thus hosted a conference of non-aligned states at Bandung, Java in 1955. Indonesian scholar Dewi Fortuna Anwar has argued that Sukarno wanted to maximise Indonesian independence and to avoid committing the country to external agreements beyond its control. However, despite Indonesia pursuing an active foreign policy, during the 1950s and 1960s internal subversion was viewed as the primary threat to national security.¹¹

Concern over internal unrest was one of the purported reasons that Sukarno overthrew parliamentary democracy, although this did not prevent revolts from occurring. In February 1958 an insurrection took place in northern Sumatra and the rebels received outside help in the form of weapons and equipment. Australia, Britain and the United States were involved covertly because of the anti-communist views expressed by the rebels and what they perceived as politically dangerous elements in Sukarno's government. The regional uprisings were quickly crushed by the Indonesian military, leaving a legacy of Indonesian hostility to the West. As a result of this Sukarno turned to Eastern Europe and the Soviet Union for military support and economic aid. Soviet leader Nikita Khrushchev's visit to Indonesia in 1960 resulted in an arms deal with the USSR.¹² By 1961, armed with new Soviet weaponry, Jakarta turned its attention to West New Guinea.

There was now deep concern in Washington over the possibility of Jakarta slipping into the communist camp. Eager to stop the spread of communism in Indonesia, the United States persuaded the Netherlands to participate in peace talks with Indonesia. The result was that in August 1962 Indonesia achieved the right to occupy West New Guinea on 1 May 1963, subject to a face-saving clause favouring the Netherlands. In 1969 indigenous people would participate in a UN-supervised vote on the future of the territory. Indonesia had finally completed its struggle for independence from the Netherlands. However, the international environment in 1963 was significantly different to that of 1945. Indonesian nationalism and political independence had moved from being part of the post-war decolonisation process to an important factor in Cold War strategy in Southeast Asia.

11 Dewi Fortuna Anwar, *Indonesia in ASEAN: Foreign Policy and Regionalism*, (Singapore: Institute of Southeast Asian Studies), 1994, pp. 18–19.

12 Audrey R. Kahim & G McT. Kahim, *Subversion as Foreign Policy: The Secret Eisenhower and Dulles Debacle in Indonesia*, (Seattle: University of Washington Press, 1995).

Indonesia's shift towards a foreign policy of national independence raised concerns in Washington. When in 1960 Jakarta first officially claimed sovereignty over the waters of the Indonesian Archipelago, the United States, Britain and their allies protested, refusing to recognise the claim. For the Americans it was vital that the area remain part of international waters, as any challenge to the freedom of navigation there threatened the status of other disputed sea-lanes and also threatened US access to the sea and airspace separating Australia from the South China Sea.¹³

At home, Sukarno's New Order policies coincided with economic decline: the government had neglected restoration of the domestic economic infrastructure, which had been shattered during World War II and the war for independence; Indonesia could not gain the full benefit of its natural resources; and there was massive national debt and accelerating inflation. This period saw a contest between those leaders looking for economic stabilisation and those who 'wanted to keep the revolution alive'.¹⁴ Under these conditions Sukarno initiated another regional military campaign, this time against the newly formed Federation of Malaysia.

KONFRONTASI

Malaysia was a solution to the problem of the decolonisation of Britain's remaining Southeast Asian possessions. These were Singapore and the territories of Brunei, Sarawak and British North Borneo. Of these, Singapore was the natural geographic part of Malaya, which had become independent in 1957. Singapore was administered separately by Britain and hosted a British naval base. However, there was pressure for Singapore's inclusion in Malaya. This prompted opposition among Malay political leaders, because the incorporation of Singapore, where the majority of the population was ethnically Chinese, would give the latter a clear majority population. To head off such a prospect, in May 1961 the Malay premier Tunku Abdul Rahman advocated the inclusion of the British colonies in Borneo in an amalgamated state of Malaya and Singapore. That proposal would give the new nation a majority of Malay people.¹⁵

Britain agreed to this proposal because its Borneo territories would have difficulty surviving economically as independent countries or even as an independent federation. Also, it would ensure security and regional stability for Britain's military base at Singapore, so that Britain could, in time, withdraw its forces from Southeast Asia. Within Britain's Borneo territories there was only one major source of opposition to the idea from the Sultan

of Brunei, who did not wish to share his country's oil wealth with the rest of Malaysia; as a result Brunei became its own independent state.¹⁶

However, there was opposition to the creation of Malaysia, notably from Indonesia. In response, Sukarno launched a campaign against Malaysia, known as Confrontation, which the Indonesians called *Konfrontasi*. The conflict never reached the level of a full-scale war, but hostilities were nonetheless maintained by support of Malaysia with reinforcements from Britain, Australia and New Zealand. Sukarno labelled the Federation of Malaysia as British neo-imperialism, reflecting his anti-imperialist ideology. However, *Konfrontasi* also provided a useful distraction from the economic problems in Indonesia and the conflict between the differing factions within the government.

Sukarno was careful not to provoke Britain into a declared war, which was the reason for only token intervention in Malaysia. He knew that his navy and air force would be no match against the British, and apart from communist nations, his only real support derived from the Philippines, which had its own historically based claim to Sabah. Concerned about relations with Indonesia, the United States had initially left *Konfrontasi* to be waged by the British. Washington regarded Indonesia as a vital nation in the region and was careful to seek to maintain and improve relations.¹⁷ However, since September 1963, American aid to Jakarta decreased significantly and concentrated on civilian training within Indonesia and training Indonesian military personnel in the United States. Washington was careful to avoid providing aid that would help Sukarno's campaign against Malaysia, but wanted to maintain a military training program that would continue the links the United States had developed with Indonesian army officers, 'which have reinforced the army's anti-Communist posture and have given us unique entrée in to the leadership of the country's strongest politico-military force'.¹⁸

The two major groups in Sukarno's government – the PKI and the army – backed the campaign. The British believed that even if Sukarno left office, *Konfrontasi* was likely to continue, as his successor would probably carry on balancing the interests of the army and the PKI, as no leader would want to appear to be unpatriotic by easing *Konfrontasi*. For Britain, the best hope of ending *Konfrontasi* was for internal instability in Indonesia that would draw resources away from the conflict.¹⁹

13 'Memorandum of Information for the Secretary of the Navy' by Richard S. Craighill, Director, Politico Military Policy Division, Department of the Navy, (9 September 1964), 'Papers of Lyndon Baines Johnson President, (1963–1969)', *National Security File*, Country File, Asia and the Pacific, Indonesia, Box 246, Lyndon Baines Johnson Library (LBJL).

14 Dewi Fortuna Anwar, *Indonesia in ASEAN: Foreign Policy and Regionalism*, (Singapore: Institute of Southeast Asian Studies, 1994), p. 22.

15 'Cabinet Submission, Garfield Barwick, Minister for External Affairs', (25 February 1963), A5619, C470 Part 1, *National Archives of Australia* (NAA).

16 A. J. Stockwell, 'Introduction', in A. J. Stockwell (ed), *British Documents on the End of Empire: Malaysia*, Series B, Volume 8, Institute of Commonwealth Studies, London, 2004.

17 'Cabinet Submission no. 572', Garfield Barwick, Minister for External Affairs, (2 February 1963), A519, C470 Part 1, NAA.

18 'Memorandum, Papers of Lyndon Baines Johnson President, 1963–1969', *National Security File*, Country File, Asia and the Pacific, Indonesia, Box 246, LBJL (15 September 1964).

19 'Guidance Telegram from Foreign Office to certain missions', 6 January 1965, FO 371/180310, & letter from A. Golds, Joint Indonesia–Malaysia Department to A. Gilchrist, (Jakarta: British Embassy, 18 June 1965), FO 371/181528, TNA.

Ultimately, internal instability did take hold in Indonesia and *Konfrontasi* ended because of an attempted coup on the night of 30 September and the early morning of 1 October 1965, which resulted in the murder of six army generals. The British Embassy in Jakarta informed London that a coup had been attempted by 'elements of the Indonesian armed forces' but had been put down.²⁰ The following day, the embassy reported that the cause of the uprising appeared to be a split within the Indonesian army. Rumours were already circulating that the PKI was responsible for the operation; although uncertainty persists as to whether this was indeed the case.²¹ Nevertheless, as a consequence Suharto was able to assume power and ease Sukarno aside. The new Suharto government ended *Konfrontasi* in 1966.

THE NEW ORDER

Indonesia's foreign policy changed under Suharto, who was strongly anti-communist. Jakarta severed ties with Beijing, Hanoi, and Pyongyang, banned the PKI, and pursued efforts to obtain Western aid. Another change in policy was Indonesia's decision to participate in a new regional forum, the Association of Southeast Asian Nations (ASEAN), made up of Thailand, Malaysia, Singapore, Indonesia and the Philippines. The initiative to form ASEAN came out of the Bangkok talks to end *Konfrontasi*. The members were all anti-communist, and the new organisation received support from the United States and Britain. For the Western powers, the creation of ASEAN heralded a new era of regional stability. London and Washington believed that the biggest threat to the region was internal insurrection rather than external invasion, and that economic development was therefore essential. There was also less perceived need for Western military presence because Indonesia had ended its campaign of confrontation and cut its ties with China. This represented a new diplomatic strategy, and Washington indicated that in order to achieve a 'stable political security situation', that it would disband bilateral relationships and introduce cooperative organisations; to achieve this, American assistance and directorship was vital.²²

When ASEAN was inaugurated on 8 August 1967, Washington decided not to make a statement on the formation of the new group in case the United States was accused of stealing the initiative, or of having conceived its inception.²³ ASEAN's declaration stated that the countries in Southeast Asia 'share a primary responsibility for strengthening the economic and social stability of the region'.²⁴ Even though ASEAN was not directly concerned with defence, it added that all foreign bases

were temporary and that the countries in the region shared the main responsibility for defending Southeast Asia. Of the five founding members, Indonesia was the only country that did not host Western forces inside its territory, and Jakarta insisted that the declaration should stress the temporary nature of the regional Western bases. At first, the Philippines opposed the passage, acquiesced after the inaugural meeting began. However, the final statement was a compromise: Indonesia initially wanted reference to no foreign bases, but accepted the word 'temporary'; and Malaysia accepted this as a condition of Indonesian membership.²⁵

At the start, ASEAN was loosely structured. There was no economic unity among member states and only Singapore gained any great benefit from trade between the ASEAN nations. Internal tension also persisted. The Philippines' ongoing claim to the territory of Sabah caused the breakdown of Philippines–Malaysian diplomatic relations in 1968. However, ASEAN displayed strength in encouraging successful resolution of this crisis.

One factor encouraging ASEAN unity was a change in the strategic environment in Southeast Asia. This was signalled by President Nixon's declaration in 1969 on a visit to the American island of Guam that the United States was not going to venture into any future military involvement in Asia and that Asian nations would increasingly have to take responsibility for their own defence. This statement was known as the Nixon or Guam doctrine. It had as much to do with internal American politics as with US relations with Asian countries. Nixon had commenced withdrawal of troops from South Vietnam, demonstrating a halt to new involvement. However, it did reflect the long-held policy of past American administrations to support regionalism in Southeast Asia, and following its announcement, Washington began improving relations with the USSR and China through the policy of *détente*.²⁶

The other strategic change was Britain's announcement of withdrawal from its military commitment to the defence of Malaysia and Singapore by disbanding its military base in Singapore and ending the Anglo-Malaysian Defence Agreement. This was a result of cost-cutting measures. London was keen to avoid any future military expense like *Konfrontasi* in a region that had become much less important to Britain.²⁷

20 Telegram, *British Embassy in Jakarta to London*, (1 October 1965), FO371/180316, TNA.

21 Telegram, *British Embassy in Jakarta to London*, (2 October 1965), FO 371/180317, TNA.

22 Airgram, 'Bangkok to Department of State', 6 September 1967, Box 1850, *Central Policy Files 1967–69*, Political Affairs and Relations, RG 59, [US] National Archives and Records Administration (NARA).

23 *Department of State Circular Telegram*, Box 1519, General Records of the Department of State, Central Policy File 1967–69, Defence, RG 59, NARA, (6 August 1967).

24 B.K. Gordon, *Toward Disengagement in Asia*, (1969), p. 116.

25 'Outward Savingram to all posts from Department of External Affairs', (5 September 1967), A1838, 3004/13/21 Part 3, NAA.

26 Telegram, *Australian Embassy in Washington to Secretary of the National Intelligence Committee, Department of Defence*, (30 November 1972), A1838, 683/72/57, NAA.

27 *Memorandum by Healey and Stewart*, OPD (69) 27, (19 May 1969), CAB 148/92, TNA.

Western military retreat from Southeast Asia had been Jakarta's aim during the negotiations to form ASEAN, and its strategic outlook suited the aims of the Nixon Doctrine. Since independence, Indonesia's policy was to build its own strength without involving foreign powers in any commitment. Jakarta's efforts to promote co-operation and self-reliance among ASEAN countries was greatly valued in Washington, and in the early 1970s, Indonesia was one of the main drivers behind mutual support in economics, security and other areas. For the United States, Indonesia was 'one of the models of the Nixon Doctrine' – it was using American economic aid, military aid, and private investments, to build its own strength without drawing the United States into any military commitment. Jakarta viewed American financial assistance as vital to achieving national economic development that would promote regional stability. This was necessary to resist the expansion of Chinese political influence and Japanese economic domination. The Australian Government's assessment of the situation reflected this position:

Indonesian attachment to the forms of an independent and active (i.e. non-aligned) foreign policy, and the 'low posture' scrupulously maintained by the United States in Jakarta, mask a very close relationship, based on a shared conviction that the two countries' policies and performance serve each other's national interests.²⁸

For the United States, underpinning these efforts to contain communist influence in Southeast Asia was the region's importance as a source of raw materials, including petroleum.²⁹ Washington was very grateful to Indonesia for not participating in the 1973 OPEC-led oil embargo. And despite Indonesia's increased petroleum revenues, Washington continued to supply military aid to Jakarta.³⁰ Yet the country remained one of the poorest in the world on a per capita basis, and while there were signs in 1973 that management of the Indonesian economy had improved over the course of several years, there was still, 'an increasing risk of distortions due to the use of political power to enrich individuals.'³¹

While Indonesia took a leading role in regional stability through ASEAN, it also risked instability through its own aspirations to incorporate West New Guinea and Portuguese Timor within its borders, and the United States chose not to stand in Jakarta's path in achieving these ambitions. For the Americans, Indonesia was 'the largest and most important non-Communist Southeast Asian state and a significant Third World Country'.³²

When Indonesia took control of West New Guinea, which it called Irian Jaya, but which indigenous nationalists called West Papua, it started to prepare the territory for the UN-supervised self-determination plebiscite in 1969, as set out in the agreement with the Netherlands. A little over 1,000 Papuans representing a population of about 800,000 participated in the act of 'free choice' in front of UN representatives and foreign diplomats. Washington chose not to become involved. US National Security Adviser Henry Kissinger viewed the so-called act of free choice as consisting, 'of a series of consultations rather than a direct election, which would be almost meaningless among the stone-age cultures of New Guinea'.³³

A similar reaction occurred six years later when Jakarta, fearing a left-wing takeover in Portuguese Timor, sought to incorporate the small colony by force within Indonesia. Washington was aware that a guerrilla war would be the result of any Indonesian action. US President Gerald Ford and Kissinger discussed these issues with Suharto during a visit to Jakarta in early December 1975. In a meeting between the three, the Indonesian leader sought his counterpart's 'understanding if we deem it necessary to take rapid or drastic action'. The response from Ford was that the United States would 'understand and will not press you on the issue. We understand the problem you have and the intentions you have'.³⁴ This close relationship between Washington and Jakarta thus proved extremely beneficial to Suharto in his quest for regional leadership and financial aid.

28 'Summary of the situation in Indonesia in mid-1973, Department of Foreign Affairs', (Canberra: July 1973), A1838, 638/72/57, NAA.

29 'Memorandum to Mr Peachey, from G.C. Lewis, Intelligence Assessment Section', (4 September 1973), A1838, 638/72/57, NAA.

30 'Memorandum for the President, from Robert S. Ingersoll, Acting Secretary', 1 July 1975, Office of the Assistant to the President for National Security Affairs, Henry Kissinger and Brent Scowcroft Files, (1972) 1974–1977, Temporary Parallel File, Box A, Gerald R. Ford Presidential Library, GRFL.

31 'Memorandum, Department of Foreign Affairs', (July 1973), A1838, 683/72/57, NAA.

32 'Memorandum for the President, from Henry Kissinger, US Secretary of State', (21 November 1975), *The [US] National Security Archive*, NSA.

33 'Memorandum from Henry A. Kissinger to the President on Djakarta Visit', *Your Meetings with President Suharto*, (18 July 1969), NSA.

34 Telegram, 'Embassy Jakarta to Secretary of State', (6 December 1975), NSA.

CONCLUSION

Regional leadership and great power dependence are dominant characteristics of Indonesia's post-war history. Since gaining independence from the Dutch, the new nation's place in the world was viewed as pivotal by outside powers, and Jakarta struggled to balance its desire to avoid external interference in its affairs with the need for external financial support. Nevertheless, Indonesian leaders were able to make use of their advantageous position and gain support for some foreign policy initiatives. However, internal instability continuously threatened to destabilise the country. Indonesia's rise to prominence both regionally and globally, thus comprised a mixture of factors: certainly the country's population and abundance of resources were major issues. However, leadership does not only derive from size and wealth, but is based on vision, and Indonesia's leaders had a role to play in their nation's successes as well as the setbacks. Their sense of nationalism and independence was inherited from the long struggle against the Dutch, and this helped to forge Indonesian foreign relations. But Indonesian leaders did not always capitalise on the economic potential of their nation, adding problems to an already unstable region, and strengthening the influence of the outside powers. This presented a contradiction between Indonesia's own aspirations for non-alignment and its expansionist policies in regards to East Timor and West New Guinea against its dependence on foreign financial assistance and a desire to maintain regional security. The onset of regional cooperation provided Indonesia with its chance to seize a leadership role, as stability could not be achieved without the support of Southeast Asia's largest nation. Yet, despite its role in ASEAN, Indonesia continued to be dependent on external powers: while this dependence supported some leadership aspirations, it has also exposed internal vulnerabilities.

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