

## **The United States, the Cold War and Indonesia-People's Republic of China Relations, 1950–1955<sup>1</sup>**

RICHARD MASON

Institute of Malaysian and International Studies (IKMAS),  
Universiti Kebangsaan Malaysia, 43600 Bangi, Selangor, Malaysia  
masan5565@gmail.com

**Abstract.** The Cold War in the Third World was certainly much more dynamic than a mere clash of power and ideology between the belligerent big powers. In newly emerging areas like Southeast Asia for instance, many of the newly independent states have made clear from the outset that they do not wish to take sides in the Cold War, wanting to be non-aligned. For the United States, however, the Cold War was an uncompromisable situation and held that non-alignment was self-deception, naïve and even dangerous. This essay examines the interplay between the American policy of containment and the Indonesian policy of non-alignment with particular reference to the United States' reactions to Indonesia's relations with the People's Republic of China (PRC). The discussion covers the period from 1950 through to the Bandung Conference in 1955. An examination of the conflict between the American policy of "containment" and Indonesia's policy of "non-alignment" during the 1950s would serve to illustrate that the Cold War in Asia was much more dynamic than just clashes between the belligerent big powers.

**Keywords and phrases:** United States, Cold War, Indonesia, China, containment, non-alignment

The foreign policies of the United States (US) toward the newly emerged areas during the decades that followed the end of the Second World War were essentially a function of its Cold War policies of containing communism and the Sino-Soviet bloc. Initially focused on Europe, the Cold War promptly spread to other parts of the globe. In newly-emerged areas in the so-called Third World, the Cold War belligerents competed intensely for the allegiances of the newly-independent states. Many of these new states, however, have from the outset decided not to take sides in the Cold War, preferring to be non-aligned instead. India, Burma and Indonesia, for instance, adopted the stance of neutralism or non-alignment in the Cold War. "Neutralism" is a policy of non-participation in the Cold War whereas "non-alignment" refers to non-participation in formal military or political alliance with the belligerent major powers in the Cold War conflict. Despite the differences, up until the Non-aligned Movement Conference at Belgrade in 1961, both policy-makers and scholars used the terms "neutralism"

and "non-alignment" interchangeably, suggesting that the two words have the same meaning which, of course, is not the case.<sup>1</sup>

Scholarly accounts on non-alignment and neutralism in the Cold War in Asia are not very many, and these mainly focus on India. Indeed, even as late as the early 1990s, scholarly accounts on non-alignment and on regional developments in Asia during the Cold War in the 1950s tended to miss out Indonesia.<sup>2</sup> The more recent scholarships, on the other hand, tend to focus on developments in US-Indonesia relations during Indonesia's outer islands rebellions against Jakarta in the late 1950s and developments in US-Indonesia bilateral relationship during the early 1960s in the aftermath of that rebellion.<sup>3</sup>

This paper discusses US-Indonesia relations during the early Cold War from 1950 to 1955, from when Indonesia gained independence through to the Bandung Conference. The central theme is the conflict between the US' Cold War policy of containing communism and Indonesia's policy of non-alignment, with particular reference to the US reactions to Indonesia's relations with the People's Republic of China (PRC). It offers an analysis of how the PRC was a factor in US-Indonesia relations during the earlier half of the 1950s. This paper is primarily a study of American diplomacy and as such it draws largely from American documentary sources, particularly from the *Foreign Relations of the United States (FRUS)* series. These are contemporary documents which tell of the state of mind of the policy-makers in Washington and the relevant American outposts abroad regarding the issues at hand at that point in time. A discussion of the US' reactions to Indonesia's policy of non-alignment would help to elucidate the breath and the depth of the Cold War in Asia.

### **Recognition of the PRC**

The US and Indonesia differed greatly in their respective attitudes toward the PRC. The US had been deeply involved in the Chinese civil war on the side of Jiang Jieshi's nationalist government during the 1940s and had therefore refused to recognise the communist government of the PRC. As Merle Cochran, the American ambassador to Indonesia, explained the American position to President Sukarno:

We felt [the] communization of China came as directly from Moscow as if tremendous army of Muscovites had marched into China to install their institutions at point of sword... We did not feel Communism had been voluntarily adopted by the country and we doubted China would become irretrievably Communist. We did not risk believing however, that Communism as it now exists in China is different from Communism as found in Moscow.

In addition, Cochran pointed out, the communist regime had also "not conducted itself as a government of a sovereign state duly cognizant of rights of other sovereign states and following accepted methods and standards in international intercourse."<sup>4</sup> The communist regime had refused to honour the financial debt of China's past governments to its international creditors, including the US.

Indonesian leaders, however, were convinced that the overwhelming majority of the Chinese people supported Mao Zedung's communist government. They further believed that the cause of Jiang Jieshi's Nationalist regime was lost and that the communists had come to stay. Moreover, the Republic of Indonesia, which had only just gained independence in January 1950, wanted international recognition by other sovereign powers. Thus when the PRC recognised Indonesia, the Hatta government promptly reciprocated. The PRC dispatched an ambassador to Indonesia in August 1950 but it was not until early 1951 that Indonesia set up a consulate in Beijing. After its admittance into the United Nations (UN), Indonesia joined other like-minded nations in advocating that the representative of the Chinese Nationalist government in the UN be replaced by the representative of the Beijing government.<sup>5</sup>

Ambassador Cochran was disappointed at Indonesia's decision to enter into diplomatic relations with the PRC. In a conversation with Sukarno shortly after the arrival of the Chinese ambassador in Jakarta, Cochran warned of the dangers inherent in the Indonesian move in recognising the PRC:

I told Sukarno he and his people were inclined to become too self-satisfied and complacent over their newly-acquired sovereignty... I said they might lose everything in brief period unless they were keenly alive to dangers of Communist infiltration in their schools, labor organizations, army, etc. I told him to be sure not to under-rate recently arrived Chinese Communist Ambassador who now has large staff already here... His government would have to be most vigilant in watching Chinese activities which can be covered up so easily in a colony of two million Chinese in this archipelago.<sup>6</sup>

### **Korean War**

Differences between Washington and Jakarta over the PRC became more apparent during the course of the Korean War, especially after the PRC entered the fray in November 1950. In the first instance, the US and Indonesia reacted differently to the war. At the outbreak of the war, the Indonesian government issued a statement declaring that "the hostilities in Korea [was] yet another Cold War issue between the US and the Soviet Union" in which Indonesia wish to have no part. It banned all foreign warships taking part in the UN operation in

Korea from calling at Indonesian ports for refuelling, loading or repair. The Indonesian Ministry of Information advised that since Indonesia was not then a member of the UN, it was not obligated to observe the Security Council's order on aid to Korea; and that any vessel intending to call at Indonesian ports should submit a request to the Indonesian government.<sup>7</sup>

The State Department was particularly annoyed, and characterised the Indonesian action as "wrong-headed" and "indefensible." It instructed Cochran to represent with Indonesian authorities that while the US fully understood "the necessity for a new uncertain Indo[nesian] Govt maintaining neutrality within limits for a reasonable period of time," it should understand that "at this moment in the struggle between the USSR and the free world, Indonesian choice is not only unavoidable but has *been* made." Continued Indonesian refusal to allow UN ships port privileges in Indonesia would "create situations in Congress and with US public opinion that will force US government to reconsider its assistance programs."<sup>8</sup>

In a meeting on 25 August 1950, Cochran told Sukarno that he was disappointed that Indonesia, "which owed its birth so importantly to the UN" and was now waiting to be admitted as member into that body, had not come out publicly in support of the UN cause. The war in Korea, Cochran argues, "stemmed from communist North Korean aggression, with important support from the Russians"; that the US, in fighting in Korea, was merely upholding its pledge to the UN and would continue to fight on behalf of the UN-created state of South Korea. In view of the deployment of the American Seventh Fleet to the Formosa Straits, Cochran doubted that the PRC would dare attack Formosa and thereby risk a full war with the US; but if this should happen, then Indonesia "surely ought to realise more fully than ever that there is a concerted move on the part of the Communists stemming from Moscow to take over all of Asia including islands to the south." Indonesians should realise that only "US force alone that can save Indonesia from Communism and that [Sukarno] should keep that in mind in his international relations." Cochran emphasised that in the Cold War struggle, there was no place for a neutralist third path.<sup>9</sup>

US-Indonesia differences over the PRC became more marked after the Chinese entered the Korean War in November 1950. In the UN, Indonesia joined the Arab and Asian countries in petitioning the PRC to halt at the 38th Parallel. While that Indonesian move gratified Washington, it took exception when Indonesia joined other Asian countries in abstaining from voting on the motion to discuss a resolution on the withdrawal of Chinese troops from Korea. In a conversation on 8 December 1951, Cochran lectured Sukarno that "Indonesia should realize [that the] Chinese move into Korea [was] part of [an] overall Soviet plan to control Asia and that resolute defense on [the] continent of Asia

[was] vital if Indonesia itself was to be spared... Indonesia must be awake to and admit [the] danger of Communist movement southward and formulate its policies accordingly."<sup>10</sup> Sukarno was presumably unimpressed with Cochran's argument. Indeed, together with like-minded nations in the UN, Indonesia refused to accept the American-sponsored thesis that China was the aggressor nation in Korea.

Despite the refusal to accept the American-sponsored thesis of Chinese aggression however, Indonesia was discernibly beginning to retreat from its initial stridently non-aligned position. Being dependent on the US for economic and technical aid, and hoping to procure American military equipment on reimbursable basis, Indonesia began to compromise on its non-aligned stance. In the UN vote on 30 January 1951 on the American resolution branding China as an aggressor in Korea, Indonesia abstained. In contrast, India and Burma, two other Asian non-aligned countries, voted against the resolution.<sup>11</sup> The Burmese and Indian positions were categorical but the Indonesian position was ambivalent. Indonesia was opposed to the American position in the Korean War but it was desirous of American aid. Such was the Indonesian dilemma; as a way out, Indonesia took the middle path of abstention, hoping thereby not to offend the US unduly.<sup>12</sup> American officials were presumably aghast nonetheless at what seemed to them to be Indonesian indifference.

### **The Sukiman Cabinet**

Indonesia's progressive retreat from non-alignment toward anti-communism, both at home and abroad, became more obvious during the tenure of the Sukiman cabinet, which assumed office in March 1951. The Sukiman government was much more malleable to American interests than had the preceding Hatta and Natsir cabinets. Domestically, the Sukiman cabinet pursued repressive anti-communist measures and its foreign policy leaned toward the US. The decision of cabinet to accept American military aid under the terms of the Mutual Security Act in early 1952, in effect consummating an alliance with the US, belied the Sukiman government's claims to non-alignment in the Cold War. Significantly, it was the cabinet's flagrant pro-American foreign policies, particularly the decision to commit Indonesia to the US' Mutual Security Act aid, which led to its fall in February 1952.

The Sukiman government's anti-communism was most discernibly reflected in its policies toward the PRC. Its initial reactions to the UN's embargo on the shipment of strategic war materials to China, however, were misleading and did not betray its later pro-American/anti-communist tendencies. During the initial months of the Korean War, Indonesia was enjoying the "Korean boom" in rubber and tin, and therefore had serious misgivings about accepting the UN embargo resolution. In addition, Indonesians were strongly suspicious that the real

American motive in introducing the embargo motion was really to place the US as a single-buyer vis-à-vis the producing countries and thus to be able to push down the price of these raw materials.

The PRC, for its part, had not been slow in playing the rubber issue. Soon after the Sukiman cabinet assumed office, the Chinese embassy in Jakarta proposed a barter arrangement whereby Indonesia would get Chinese rice in exchange for Indonesian rubber. It was with this background that Ahmad Subardjo, the Indonesian Foreign Minister, in response to critical questions from the press, burst out that Indonesia would "sell to the devil if it would serve the people's interests."<sup>13</sup> The Indonesian government immediately revoked the statement however, and explained that the Subardjo's statement was made off-the-cuff and was meant entirely for domestic consumption.<sup>14</sup>

The State Department was particularly anxious that Indonesia observe the UN embargo. Should Indonesia sell rubber to China, the effectiveness of British embargo on rubber from British colonies would be destroyed.<sup>15</sup> In conversations with the Indonesian ambassador in Washington in mid-May, Assistant Secretary Dean Rusk and Secretary of State Dean Acheson emphasised that should Indonesia proceed with the sale of rubber to China, Indonesia could expect strong reactions from the US, particularly the economic aspects of US-Indonesia relations.<sup>16</sup> Wanting to continue to receive American economic and technical aid and, perhaps more importantly, hoping to procure American arms on reimbursable basis, the Sukiman government gave in to this American pressure. Thus, whereas India and Burma voted against the UN's resolution placing a trade embargo on strategic raw materials to China, Indonesia abstained; and after strong American demarches in Jakarta, Washington and New York, Indonesia reluctantly agreed to observe the UN embargo despite resentment at the loss of foreign exchange earnings because of the attendant fall in the price of rubber.

By complying however, Subardjo managed to squeeze a small "fee" from the US. Pointing to the difficult internal political situation and strong objection from among the press and in parliament to Indonesia subscribing to the embargo, Subardjo sought to obtain an additional US \$50 million loan from the US Economic Cooperation Administration (ECA) to help defray the estimated US \$150 million in losses Indonesia would incur as a result of compliance with the embargo. Cochran was disgusted and adamantly refused to recommend any additional loan, pointing out that Indonesia had yet to make full use of existing loans.<sup>17</sup> In mid-September, despite Cochran's opposition, the ECA agreed to give Indonesia the additional US \$50 million loan. Presumably, the State Department calculated that the additional US \$50 million loan was a small price to pay for Indonesia's agreement to observe the embargo.

By that time, moreover, the Sukiman government had taken several anti-communist measures domestically and internationally. Earlier in July 1951, it had refused entry to 16 Chinese diplomats although they all have been issued entry visas by the Indonesian consulate in Beijing. The Indonesian Foreign Ministry charged the Chinese of violating "diplomatic courtesy" by failing to give adequate "prior notification" of the arrival of new embassy personnel. Presumably the real reason behind this move was to restrict the activities and contain the influence of the Chinese embassy among the Indonesian Chinese community.<sup>18</sup>

Perhaps even much more gratifying to American officials were the anti-communist raids in August 1951. Acting on allegations of a communist plot to overthrow the government, the Sukiman government suddenly launched a series of mass arrests. Some 15,000 persons were arrested, largely communist and "leftist" leaders, several hundred resident Chinese, and the cabinet's other political enemies. In the end, however, the government was forced to release those arrested because it was unable to convince parliament that there had been any real threat to the state.<sup>19</sup>

The Sukiman cabinet eventually resigned in March 1952 over the Mutual Security Agreement crisis. On 5 January 1952, Ambassador Cochran and Subardjo secretly signed the Mutual Security Act Treaty which committed Indonesia to contribute fully "to the defensive strength of the free world." Subardjo was convinced that only through such an agreement could Indonesia procure the military equipment it desperately needed.<sup>20</sup> In concluding the agreement, however, Subardjo did not consult his cabinet colleagues. Prime Minister Sukiman was certainly informed of the negotiations but neither the Minister of Defence nor any member of the armed forces high command was consulted. Evidently, the Prime Minister noted that the expression "free world" would cause serious problems with the press and parliament and asked that this be changed to "peace-loving world" but Cochran refused to alter the language of the agreement. Despite some reservations, Subardjo nevertheless signed the agreement.<sup>21</sup>

The secret agreement broke to the public when, in early February, American military officials attached to the embassy in Jakarta approached the Indonesian Ministry of Defense on the matter of effecting the agreement. Over the next three weeks, Indonesian press rained down a torrent of criticism upon the cabinet. Subardjo was attacked both for conducting "secret diplomacy" as well as for the contents of the agreement, which in effect committed Indonesia to the American side in the Cold War. At the end of February the cabinet was forced to resign.

### **Sino-Soviet Peace Offensive**

After the fall of the Sukiman cabinet, US-Indonesia relations vis-a-vis China entered a new phase. The crushing failures of revolutionary armed struggles suffered by Asian communist parties outside of Vietnam and, more importantly, the stances of the neutral and non-aligned states during the Korean War had encouraged the Soviet Union and China to re-evaluate support for the revolutionary strategy and to shift toward an accommodation with the neutral and non-aligned states. Contrary to the Cominform's two-camp doctrine, neutral and non-aligned Asian states proved to be far from being stooges of the US. Both India and Burma had opposed the American-sponsored resolutions in the UN branding China an aggressor and declaring a trade embargo on her; and even Indonesia, which had been rather American-oriented, had abstained from voting on the UN condemnation of China. The stances of the neutralist and non-aligned states suggested to the communist powers that perhaps there was indeed a third force which, if properly handled, could usefully play to their advantage.<sup>22</sup>

Beginning in mid-1951, the PRC and the USSR gradually abandoned their hostility toward neutral and non-aligned states, seeking instead their sympathy and support. Attacks on neutralist and non-aligned leaders as "lackeys" of Western imperialism halted and by early 1953 the policy of actively courting neutral and non-aligned states was clearly in full command. Through offer of peaceful coexistence rather than instigating revolution, the Sino-Soviet bloc hoped to separate the "uncommitted" states from the West and thereby undermine American power and influence in South and Southeast Asia.

The shift in the Sino-Soviet strategy was initiated by the Chinese rather than the Soviets for it was China that had borne the brunt of American power in the Korean War.<sup>23</sup> To encourage the complete separation of neutral and non-aligned Asian states from American influence, the PRC undertook to allay the fear of Chinese aggression from amongst her Asian neighbours. In a speech in October 1951, Zhou Enlai, the Chinese Foreign Minister, disavowed any Chinese design toward her neighbours. Trade talks were initiated and concluded with India, Burma and Ceylon in 1952. Conciliatory gestures on the part of the PRC on the Korean and Indochinese problems at the Geneva Conferences also helped to convince the neutral and non-aligned states of China's peaceful intentions. In April 1954, India and China concluded an agreement settling their differences over Tibet, during which Zhou joined Nehru in affirming India's Five Principles in international relations. The PRC had also approached Indonesia in 1952 with a view to establishing trade relations, but the anti-communist Sukiman government was unresponsive. It was not until the advent of the Ali Sastroamidjojo government in mid-1953 that China was able to establish friendly relations with Indonesia.



Predictably, American officials viewed the Chinese "peace offensive" with misgivings. The US did not then accept the legitimacy of the Beijing regime and in fact regarded the PRC as an inherently aggressive regime, whose expansionist tendencies needed to be held in check by a powerful military coalition from outside.<sup>24</sup> American officials believed the Chinese conciliatory efforts to be a temporary change of tactics, and that their ultimate goal remained the subversion of the democratic Asian governments. A Special Study Mission to Asia and the Pacific headed by Republican Senator Walter Judd, which toured the region in late 1953, warned that "the moment is quickly approaching when the rising tide of Communism could engulf Asia" in consequence of changed Communist tactics. Failure to win by violence alone, together with involvement in the Korean War, had caused the Communists to revert to their former united front tactics. The report emphatically warned that there was great danger that this technique may now find a more ready response among war-weary people. To counter the new Communist offensive, the report recommended greater American military and economic presence in the region and the formation of a Pacific pact.<sup>25</sup>

The ensuing tension in US-Indonesia relations during the Eisenhower administration arose in large measure from the militant American anti-communist crusade and the consequent intolerance for the position of the "uncommitted" states which such a crusade entailed. At the same time, the government of Ali Sastroamidjojo was determined to exercise its "independent and non-aligned" foreign policy. To counter-balance its existing ties with the West, Indonesia proceeded to step-up diplomatic and trade relations with the communist bloc. Soon after the Ali cabinet came into office, the Indonesian consulate in Beijing was upgraded to an embassy and in October 1953 Indonesia sent its first ambassador to China. An agreement to establish diplomatic relations with the Soviet Union was concluded in December 1953 although it was not until March 1954 that an Indonesian embassy was set up in Moscow.

### **Sino-Indonesian *Rapprochement***

As between the two major communist powers, it was developments in Sino-Indonesian relations which began to worry the US. An important consideration which prompted the Ali government to normalise relations with the PRC was the status of the resident Chinese community in Indonesia. Indonesian government leaders had been dissatisfied for some time with the existing legal position of the Chinese minority in the country. According to the Chinese law then in force, foreign-domiciled Chinese were regarded as mainland Chinese citizens. The successive Indonesian governments have been apprehensive that the local Indonesian ethnic Chinese might serve as an alien fifth column, and their fear was exacerbated by the refusal of a large number of the resident Chinese to take

up Indonesian citizenship after independence. Thus, almost immediately upon the establishment of an embassy in Beijing, the Indonesian government raised the question of settling the Chinese citizenship issue. Talks began in Beijing in November 1953 and continued in Indonesia prior to and during the course of the Bandung Conference. In a treaty signed in April 1955 by Chinese Premier Zhou Enlai and Indonesian Foreign Minister Sunario, the PRC and Indonesia agreed that ethnic Chinese residents in Indonesia were given the right to choose between the two nationalities within two years.<sup>26</sup>

Another consideration which prompted the normalisation of Sino-Indonesian relations was trade. In December 1953 the Ali government concluded a trade agreement with China. The total value of the trade provided for under the treaty was only US \$2 million but it was a significant beginning. In August 1954 the agreement was renewed for 1955, and the value of goods to be traded was raised to US \$16.8 million.<sup>27</sup> The goods which Indonesia was to sell to China did not include strategic commodities covered under the UN embargo resolution of 1951. However, it was soon apparent that the Ali cabinet was seriously flirting with the idea of flouting the embargo resolution in selling rubber to China.

The UN embargo had been unpopular with the Indonesians, all the more so because soon after the institution of the embargo prices of major Indonesian exports dropped drastically. With the end of the hostilities in Korea, the price of rubber dropped further. Opposition to continued adherence of the embargo became increasingly vocal in 1954 with many quarters urging the government to take the lead in its recession. Indonesians generally blamed American intransigence on the rubber question as the primary cause of the serious difficulties facing the Indonesian rubber industry. Early in July 1954, amidst clamour in the Indonesian press for the government to seek additional outlets for rubber, the American embassy in Jakarta informed the State Department that some 6,000 tons of low quality rubber were being loaded aboard the Polish vessel *Pulaski* for shipment to the PRC.<sup>28</sup>

On 5 July 1954, acting on instruction from the State Department, Ambassador Hugh Cumming told Prime Minister Ali that sale of rubber to communist China would violate the UN embargo and that the US would be bound under the Battle Act to terminate all aids to Indonesia. Prime Minister Ali, Cumming reported, while never admitting directly that Indonesia planned to ship rubber to China, indicated that he was facing a dilemma: on one hand, 10 million Indonesians small-holder rubber farmers were dependent upon the exports of rubber; while on the other hand he was faced with adverse American reaction and possible invocation of the Battle Act plus being charged with breaching UN embargo. With respect to the UN embargo, Ali reminded Cumming that Indonesia had abstained in the vote on the resolution. As regard invocation of the Battle Act, he

"found it difficult to believe that in weighing [the] relative strategic importance to the US of a few shipments of low grade rubber to China [as] against [the] deterioration of Indonesia-US relations [the US] would not sympathize with Indonesia's economic and financial situation and therefore exercise discretion which he thought was permitted by [the] Battle Act." Ali also indicated that American technical assistance were much appreciated and had been helpful to Indonesia "but that its volume was not sufficient for it to be missed if withdrawn." Cumming reported that Ali repeatedly referred to his desire to improve US-Indonesia relations which had "deteriorated or at least lost their warmth" during the past three and a half years but had to balance this to his duty to look after the economic interests of the 10 million Indonesian small-holders rubber farmers. At the end of interview, Ali indicated to Cumming that he would "look carefully into the matter" and would let the ambassador know of the result.<sup>29</sup>

Cumming was convinced that Ali was in fact considering a rubber transaction with China but that Ali was dragging out implementation as long as possible to test US reaction, perhaps also to improve Indonesia's bargaining position during the current trade negotiations with the PRC, perhaps to induce offer of financial and economic assistance by the US, and at the same time trying not to go so far so quickly that he cannot reverse his course of action if necessary. Cumming also suspected that Ali was fully prepared to face up to the consequences of the rubber shipment to China if this should be his final decision and that for some time past his intentions to take such a decision had been firming. The ambassador further believed that Ali was banking very strongly on the possibility that the US would not take any retaliatory action under the Battle Act because of adverse effects on public opinion in Indonesia and Southeast Asia.<sup>30</sup>

Ali's response to Cumming's representation, particularly his statement that he found it difficult to believe that the US would not exercise discretion permitted by the Battle Act, troubled American officials. If that statement was not directly rebutted, the Indonesians might assume that silence was agreement and would proceed with the shipment untroubled by possible US reaction. If the US were to grant Indonesia exception after first having brought great pressure on Indonesia to avoid shipment, the Indonesians would regard the US as having been bluffing with consequent great damage to US prestige and adverse effect on future US representations on other subjects. Complicating the matter, application of the Battle Act in this instance was without clear precedence since this would be the first violation of the UN embargo and the US had not terminated aid to any country because of violation of the Battle Act.<sup>31</sup>

Cumming believed that the US could not afford to bluff but emphasised that invocation of the Battle Act, should rubber in fact be shipped, would "on balance

obstruct the attainment of our objectives in Indonesia." As Cumming understood it, "our primary objectives are to stem any drift of Indonesian policy away from one of 'independence' toward the Soviet bloc, to slow down and ultimately to turn back slow Communist influence within the government, and in the long run to deflect Indonesian policy towards a voluntary understanding and support of the US position in world affairs." Termination of the American aid program would not only be used by the anti-American elements in Indonesia but "would for at least a measure of time distress our friends and weaken their quiet but nonetheless influential efforts to reduce Communist effectiveness even if they cannot orientate Indonesian policy immediately in our direction." Moreover, invocation of the Battle Act would be regarded by many Indonesians of all political shades as proof that American aid programs were primarily bribes to bring Indonesia into the American camp in the Cold War. Cumming further believed that invocation of the Act would strengthen the position of the Ali government. Pro-government press and politicians would praise Ali for the courageous implementation of "independent foreign policy" while the strongly nationalist emotions aroused by termination of US aid would make it difficult for moderate elements both in the government and in the opposition to criticise the Ali government's decision to ship rubber to China.<sup>32</sup>

In the end however, the Ali cabinet decided against the shipment to China directly. On 19 July, Ali informed Cumming that the *Pulaski* rubber cargo was destined to London and that he had "no knowledge of or responsibility for destination of rubber beyond London."<sup>33</sup> Cumming surmised that the Ali government did not want to press the matter and risk punishment by the US for violation of the UN embargo. He suggested that this change might have been accentuated by the fact that the same rubber could be shipped to the Soviet Union and Soviet satellites and even to China itself via Soviet and satellite ports. Moreover, the Indonesians were also well aware of the current moves toward relaxation of control on certain trade with China.<sup>34</sup>

The *Pulaski* finally departed Indonesia on 17 August 1954 with London as its reported destination. Meanwhile, it had been determined at the top level in the Eisenhower administration that in the *Pulaski* case, the Battle Act would not be invoked "regardless of destination" because "the President has indicated that 'he does not want this shipment by Indonesia to create difficulties for the US in that country,' and action under the Battle Act adverse to Indonesia will not be taken."<sup>35</sup> A State Department circular telegram of 30 September suggested that if Indonesia make further rubber shipment to China, the US should take the position that Indonesia's action constituted *de facto* withdrawal of Indonesia's listing of rubber under the UN embargo and the US would urge Indonesia to inform the UN of its intent to withdraw rubber but to continue embargo coverage in all other respects. Other areas, such as Ceylon and Malaya, could then be

informed that the US would accept something less than a complete embargo on rubber to mainland China under the Battle Act.<sup>36</sup> It was not until mid-1956, however, that Indonesia actually withdrew its listing of rubber in the UN embargo.

### **Afro-Asian Conference, Bandung, 1955**

US-Indonesia differences over the PRC were highlighted again during the course of the convening of the Afro-Asian Conference at Bandung, April 1955. The idea for the conference originated with Prime Minister Ali who broached it at a meeting of the Prime Ministers of Ceylon, India, Pakistan, Burma and Indonesia at Colombo in April 1954. At the meeting, Ali suggested that the "Colombo powers" jointly sponsor a large and high-level conference of independent Asian and African states, with the purpose of promoting the relaxation of Cold War tensions in the two continents and to serve as a rallying point for the continuing struggle against colonialism in Asia and Africa.

Ali's proposal was initially received with some scepticism but Indian Premier Jawaharlal Nehru saw in it an opportunity to end China's isolation. Nehru was especially concerned about the increasingly dangerous tension developing between the US and China over Indochina and especially over the Chinese off-shore islands. After the visit of Zhou Enlai to New Delhi in June 1954, and impressed by China's restrained posture at the Geneva Conference, Nehru hoped to use the projected Bandung conference to lay a firmer foundation for China's peaceful relations with her Asian neighbours. Thus when Ali visited New Delhi in September Nehru agreed to the Asian-African Conference project, provided that China was invited to attend. Ali's original proposal had been for a conference of UN members only, but he agreed to the change. Both Ali and Nehru hoped that the conference would succeed in drawing China into closer association with her fellow Asian nations.<sup>37</sup>

The Eisenhower administration was apprehensive that the projected Asian-African conference would be inimical to the interests of the US. In particular, American officials expected Nehru to promote the formation of "a third force between East and West." Secretary Dulles feared that there was "a very real danger" that the conference "might establish firmly in Asia a tendency to follow an anti-Western and anti-white course, the consequence of which for the future could be incalculably dangerous." A loose Asian-African association meeting from time to time could become a very effective forum. He worried that if the nations invited to Bandung "acquired the habit of meeting from time to time without Western participation, India and China [would] very certainly dominate the scene and that one by-product will be a very solid block of anti-Western votes in the UN."<sup>38</sup>

Immediately more problematical was the participation of Communist China. This flew in the face of established American policy of not recognising the PRC. American officials especially dreaded that the conference might pass a resolution endorsing the admission of the PRC into the UN. Furthermore, as Assistant Secretary Walter Robertson worried, the Bandung meeting would provide Zhou Enlai with "an excellent forum to broadcast Communist ideology to naive audience in the guise of anti-colonialism." Indeed, Robertson believed that Bandung would be "a rigged conference." "The Communist will introduce one or more anti-colonial resolutions which no Asian leader would dare oppose, and will very probably ensnare the relatively inexperienced diplomats into supporting resolutions seemingly in favour of goodness, beauty and truth." Although Communist countries would constitute only a small minority at the conference, US State Department officials nevertheless expected the Chinese to exert disproportionate influence and would make every effort to use the conference to enhance their own prestige and discredit the US and its allies in the eyes of the Asian and African nations. State Department officials, it seemed, just did not have any confidence that the leaders of the newly emerged nations could exercise an independent state of mind. Indeed, they agreed that none of the leading personalities in the free Asian and African nations had the stature to rebut Communist propaganda effectively on behalf of the free world.<sup>39</sup>

In the months before the conference began the State Department maneuvered for position. Initially, it was inclined toward influencing American allies and other friendly countries which have been invited to the conference not to attend but was eventually persuaded that it would be a mistake to oppose the holding of the conference. The conference was going to be held in any event and, as such, it was important therefore to ensure that competent representatives from friendly countries attended it. Indeed, the State Department now hoped to "knock down or take over" the conference by providing counter-resolutions to these representatives.<sup>40</sup> Since only two of the thirty participating countries were communist, US objectives at Bandung were chiefly concerned with the "impact on uncommitted elements in neutralist countries and in countries aligned with the US." These objectives were "successful rebuttal of Communist charges, and encouragement of an affirmative attitude by the conference toward the Free World and US achievements and goals."<sup>41</sup> At Secretary Dulles' suggestion, the Southeast Asia Treaty Organization (SEATO) Council Meeting in Bangkok in February 1955 sent its greetings to Bandung, expressing the hope that the Indonesian conference would further the goal of ensuring that "free nations would remain free." "I believe that our message of greeting to the Afro-Asian conference," the Secretary cabled Eisenhower, "is a good touch which, if properly played, can have an excellent propaganda value, and to some extent put the conference on the spot."<sup>42</sup>

As it developed, much of the American preconceived anxiety about the conference proved unfounded. Zhou Enlai did emerge as the most effective participant in the conference, radiating moderation and calling for direct talks with the US to reduce tension in the Far East and the avoidance of armed conflict in the Taiwan Straits. Otherwise, no Afro-Asian ideology emerged from the conference. The group of states that met in Bandung was too diverse and was not of one mind on a number of important international questions. The final communiqué dealt in broad terms with questions of economic and cultural co-operation. It denounced colonialism in all its manifestations to be evil and declared that the signatories were in favour of peace. It was not until the 1960s, as more and more states which gained independence adopted non-alignment as a foreign policy stance, that the "Bandung movement" became significant. In 1955, the achievements of the conference were not yet apparent.

The Eisenhower administration was relieved at the outcome of the conference. The State Department had feared that Bandung might turn into an anti-American and anti-Western demonstration, but that did not happen. Secretary Dulles later informed a cabinet meeting that the State Department initially assumed that the conference was going to be dominated by Zhou and Nehru but turned out that it was dominated by "a group of friendly Asian nations who believed in association with the West." Nehru's attempt to gain converts to his neutralist philosophy and to stake his claim for the leadership of Asia failed on both counts. The Secretary conceded that the Chinese had made gains in disarming its neighbours, but this had been done only at the price of abandoning some of their more belligerent policies. He attributed the favourable result of the conference principally to the "friendly Asian countries" who had put on "an amazing performance with a teamwork and co-ordination of strategy which was highly gratifying" even though none of them enjoyed the personal prestige of Zhou. As a result, these nations gained a new sense of self-reliance and self-confidence which will serve the free world well in the future.<sup>43</sup>

## **Conclusion**

The history of the US' relations with Indonesia vis-à-vis the PRC during the early 1950s illustrated the interplay between the American Cold War policies and Indonesia's preference for non-alignment. To the US, the Cold War was an uncompromisable situation and that non-alignment was naïve, self-deceiving, dangerous and immoral. It was opposed to Indonesia's non-alignment especially because Indonesia was then effecting a *rapprochement* with the PRC. The US had refused to recognise the PRC and, indeed, had instituted policies of containing that communist power. Professing non-alignment in the Cold War Indonesia, on the other hand, recognised and engaged in diplomatic and commercial relations with the PRC, much to the dismay of the US. The tension

between the US and Indonesia during the early postwar period was due in no small measure to the American efforts to coerce Indonesia to annul its policy of non-alignment and to align itself with the Western bloc in the Cold War.

It is also quite clear that Indonesia's desire to non-aligned had been seriously constrained from the start. Desirous of and dependent upon American aid, the successive Indonesian cabinets during the early 1950s have slowly but discernibly compromised on their initial non-aligned stance. This also holds true for Ali government, which was arguably more non-aligned than the preceding Indonesian cabinets. As illustrated in the case of the *Pulaski* rubber cargo, the Ali government's ultimate decision not to follow through the idea of shipping rubber directly to China was for fear of compromising future American aid to Indonesia. Such was the Indonesians' dilemma of dependence.

The Ali government's decision to pursue non-alignment coincided with the onset of the Sino-Soviet "peace offensive"; and the positive responses given thereto by non-aligned states were particularly irksome to the Eisenhower administration. The US regarded the PRC as an inherently aggressive regime whose expansionist tendencies need be held in check by powerful military coalition from outside; that the Chinese conciliatory behaviour was but a temporary change of tactics, and that their ultimate goal remained the subversion of the Asian states. Impressed by Chinese moderation however, the Ali government sought a *rapprochement* with the PRC, and even tested the American resolve regarding the UN embargo on rubber to China in the process. Furthermore, working closely with Nehru's India, Ali organised the Bandung Conference to lay a firmer foundation for China's peaceful relations with her Asian neighbours. The Bandung conference flew in the face of the US' policy of refusing to recognise the PRC.

In terms of its wider goals, the Afro-Asian Conference at Bandung in 1955 had only limited success. However, one undisputable result of the conference was that China broke out of its American-imposed isolation. In the aftermaths of Bandung Conference, the PRC was to figure much larger than it had previously in US-Indonesia relations and in the wider international relations in Southeast Asia. The Communist peace offensive and the positive reactions thereto given by neutralist and non-aligned states had set the stage for a new phase in US-PRC relations and in the relations of the US with the middle powers such as Indonesia in the Cold War.



## Notes

1. An earlier version of this paper was read at the workshop "Relations between China and its Neighbouring Countries during the Cold War: Archives and Documentation," Institute for Cold War International History Studies, East China Normal University, Shanghai, PRC, 22–23 December 2014. The author thanks the Institute for Cold War International History Studies, East China Normal University and the History and Public Policy Program, Woodrow Wilson Center for Scholars, Washington DC, for sponsoring the author's trip to the workshop. The author also thanks the anonymous reviewers whose comments and suggestions had helped to make this a better paper.
2. See for example, Martin, L. W. (ed.), *Neutralism and nonalignment: The new states in world affairs* (New York: Fredrick A. Prager, 1962). For a useful article discussing the differences between neutralism and non-alignment, see among others, Choucri, N., "The nonalignment of Afro-Asian states: Policy, perception, and behaviour," *Canadian Journal of Political Science*, Vol. 2, No. 1 (March 1969), 1–17.
3. For example, H. W. Brands' pioneering, *The specter of neutralism: The United States and the emergence of the Third World, 1947–1960* (New York: Columbia University Press, 1990), discusses US policies toward non-aligned Egypt, India and Yugoslavia but not Indonesia. Even as late as the 1990s, scholarly accounts which discussed regional developments in Asia during the 1950s also tended to overlook Indonesia. See for example, among others, Cohen, W. I. and Iriye, A. (eds.), *The great powers in East Asia, 1953–1960* (New York: Columbia University Press, 1990); Immermann, R. (ed.), *John Foster Dulles and the diplomacy of the Cold War* (Princeton: Princeton University Press, 1992).
4. The period under study in this article remains a lacunae in the historiography of the US-Indonesia relations in the Cold War. Apart from Robert McMahon's *Colonialism and the Cold War* (Ithaca: Cornell University Press, 1981), which is an in-depth treatment of the US' policy toward the Indonesian struggle for independence, 1945–1950, most of the recent scholarly accounts tend to look at developments in the US-Indonesia relations during the late 1950s and after. Audry, R. and Kahin, G. M., *Subversion as foreign policy: The secret Eisenhower and Dulles debacle in Indonesia* (New York: The New Press, 1995) deals with the attempt of the Eisenhower Administration to overthrow the Sukarno regime during 1957–1959; as does Roadnight, A., *United States Policy toward Indonesia during the Truman and Eisenhower years* (New York: Palgrave Macmillan, 2002). Simpson, B., *Economist with guns* (Princeton: Princeton University Press, 2008) also examines the US' policy toward Indonesia during the 1960s, in the aftermath of the American involvement in the failed outer-island rebellions; and Robert Rakove's recent *Kennedy, Johnson, and the non-aligned world* (New York: Cambridge University Press, 2012) also deal with US-Indonesian relations during the 1960s. Two important memoirs by American ambassadors who served in Indonesia are Jones, H. P., *Indonesia: The possible dream* (New York: Harcourt Brace Javanovich, 1971) and Gardner, P., *Shared hopes, separate fears* (Westview Press, 1997). On related scholarly works to the period under study: Mazingo, D., *Chinese policy toward Indonesia, 1949–1967* (Ithaca: Cornell University Press,

- 1976) is an old study but is still useful. Lu, S. C., "'Trade with the devil': Rubber, Cold War embargo, and US-Indonesian relations, 1951–1956," *Diplomacy and Statecraft*, Vol. 19, No. 1 (May 2008), 42–68, focuses on the rubber connection in the US-Indonesia-China relations. On the US reactions to the convening of the Bandung Conference, 1955: Jones, M., "A 'segregated' Asia?: Race, the Bandung Conference and Pan-Asianist fears in American thought and policy, 1945–1955," *Diplomatic History*, Vol. 20, No. 5 (November 2005), 841–868; and Mason, R., "The Manila Conference, 1954 versus the Bandung Conference, 1955: The United States, the Cold War and the challenge of non-alignment," *Jebat: Malaysian Journal of History, Politics and Strategic Studies*, Vol. 38, No. 1 (2011), 1–11. On China-Indonesia relations, see Cao, Y. and Mason, R., "A historiographical review of studies on Sino-Indonesian relations during the early stages of the Cold War, 1949–1967," *Reality of Politics*, No. 5 (2014), 183–209.
5. Telegram, Cochran to the Department of State, 26 August 1950, *Foreign relations of the United States 1950, Volume VI: East Asia and the Pacific* (Washington: US Government Printing Office, 1976), 1054. Hereafter, the series is abbreviated *FRUS*.
  6. Also see Kahin, G. M., "Indonesian politics and nationalism" in Holland, W. (ed.), *Asian nationalism and the West* (New York: The Macmillan Company, 1953), 172; Mazingo, D., *Chinese policy toward Indonesia, 1949–1967* (Ithaca: Cornell University Press, 1976), 86–90.
  7. Telegram, Cochran to the Department of State, 26 August 1950, *FRUS 1950, VI*, 1054–1057.
  8. Information Office, Embassy of Indonesia, Washington DC, *Report on Indonesia*, Vol. 1, No. 48 (June 30, 1950), 1–2.
  9. Telegram, Department of State to Cochran, 26 July 1950, *FRUS 1950, VI*, 1039. Author's italic.
  10. Telegram, Cochran to the Department of State, 26 August 1950, *ibid*, 1055–1057.
  11. Telegram, Cochran to the Department of State, 8 December 1950, *ibid*, 1096–1098.
  12. For official view on the Indonesian position on the Chinese intervention in the Korean conflict, see *Report on Indonesia*, Vol. II, 14–19 (Aug–Dec 1950). For discussion of Indonesian position in the UN, see among others, Finkelstein, L. S., "Indonesia's record in the United Nations," *International Conciliation*, No. 474, (November 1951), 526–533; Colbert, E., *Southeast Asia in international politics, 1941–1956*. (Ithaca: Cornell University Press, 1977), 152–160.
  13. On this dilemma of dependence, see Weinstein, F. B., *Indonesian foreign policy and the dilemma of dependence: From Sukarno to Soeharto* (Ithaca: Cornell University Press, 1976).
  14. Kahin, "Indonesian politics and nationalism," 177.
  15. Telegram, Department of State to Cochran, 9 May 1951, *FRUS 1951, VI*, 647.
  16. Memorandum, Rusk to Secretary Acheson, 14 May 1951, *ibid*, 650–652.
  17. Telegram, Department of State to Cochran, 11 May 1951, *ibid*, 647–649; Telegram, Department of State to Cochran, 14 May 1951, *ibid*, 653; telegram, Cochran to the Department of State, 15 May 1951, *ibid*, 655.
  18. Telegram, Cochran to the Department of State, 21 June 1951, *ibid*, 681–682.
  19. Mazingo, *Chinese policy toward Indonesia*, 98–100.

20. Feith, H., *The decline of constitutional democracy in Indonesia* (Ithaca: Cornell University Press, 1962), 187–192.
21. Telegram, Cochran to the State Department, 19 February 1952, *FRUS 1952–1954, Volume XII: East Asia and the Pacific* (Washington: US Government Printing Office, 1987), 268–269.
22. For discussion on the Indonesian side of MSA Agreement, see Kahin, "Indonesian politics and nationalism," 193–194; Feith, *Decline of constitutional democracy*, 198–201.
23. McLane, C. B., *Soviet strategies in Southeast Asia: An exploration of Eastern policy under Lenin and Stalin* (Princeton: Princeton University Press, 1966), 452–454; Hinton, H. C., *China's turbulent quest: An analysis of China's foreign relations since 1949* (Bloomington: Indiana University Press, 1970); Mozingo, *Chinese policy toward Indonesia*, 103–106.
24. Mozingo, *Chinese policy toward Indonesia*, 105.
25. On the Eisenhower administration's policy toward the PRC, see the essays by Tucker, N. B. and Heinrichs, W. in Cohen, W. I. and Iriye, A. (eds.), *The great powers in East Asia, 1953–1960* (New York: Columbia University Press, 1990). Also Devine, R. A., *Eisenhower and the Cold War* (Oxford: Oxford University Press, 1981), Chapter 2. For overview of Sino-American relations in the post-war period: Garson, R., *The United States and China since 1949: A troubled affair*. (London: Pinter Publishers Ltd., 1994); Schaller, M., *The United States and China in the twentieth century* (New York: Oxford University Press, 1979); MacFarquhar, R. (ed.), *Sino-American relations, 1949–1971* (New York: Praeger Publishers, 1972); Dulles, F. R., *American foreign policy toward Communist China, 1949–1969* (New York: Crowell, 1972). An overview of Chinese perspectives, see Chen, J., *Mao's China and the Cold War* (Chapel Hill and London: University of North Carolina Press, 2001).
26. United States House of Representatives, Committee on Foreign Affairs, "Special study mission to Asia and the Pacific: A report," 29 January 1954 (Washington: Government Printing Office, 1954), 99–100.
27. Mozingo, *Chinese policy toward Indonesia*, 114–120.
28. Feith, *Decline of constitutional democracy*, 389.
29. Telegram, Cumming to the Department of State, July 2, 1954, *FRUS 1952–1954, Vol. XI*, 435.
30. Telegram, Cumming to the Department of State, 5 July 1953, *ibid*, 437–438
31. *Ibid*, 439.
32. Telegram, Department of State to Cumming, 9 July 1953, *ibid*, 439–440.
33. Telegram, Cumming to the Department of State, 12 July 1954, *ibid*, 443–445.
34. Telegram, Cumming to the Department of State, 19 July 1954, *ibid*, 450–451.
35. *Ibid*, 447–448.
36. Executive Secretariat, US State Department "Policy briefing for the Far East," 12 September 1954, *ibid*, 469.
37. Telegram, Department of State to Cumming, 30 September 1954, *ibid*, 470. See also telegram from John Steeves, Charge d'Affairs in Indonesia, to the Department of State, 2 October 1954, *ibid*, 469–471.
38. See especially Kahin, G. M., *The Asian-African Conference. Bandung, Indonesia, April 1955* (New York: Kennikat Press, 1955); Kimche, D., *The Afro-Asian*

*Movement: Ideology and foreign policy of the Third World* (Jerusalem: Israel Universities Press, 1973).

39. Minutes of a meeting, Secretary's Office, 7 January 1955, *FRUS 1955–1957, Volume XXI: East Asian Security; Cambodia; Laos* (Washington: US Government Printing Office, 1990) 1–4; Memorandum of conversation, 9 April 1955, *ibid*, 82–84.
40. *Ibid*; Minutes of a meeting, Secretary's Office, 18 January 1955, *ibid*, 11–16.
41. Memorandum of conversation, 10 January 1955, *ibid*, 5; Minutes of a meeting, 18 January 1955, *ibid*, 11–14; Circular Telegram from the Department of State to Certain Diplomatic Missions, 25 January 1955, *ibid*, 23; Memorandum of conversation, 27 January 1955, *ibid*, 26.
42. Memorandum from the Acting Chief of the Afro-Asian Working Group to the Secretary of State, 8 February 1955, *FRUS 1955–1957, XXI*, 29–30.
43. Secretary Dulles to Eisenhower, 26 February 1955 as quoted in Brands, H. W., *The specter of neutralism: The United States and the emergence of the Third World, 1947–1960* (New York: Columbia University Press, 1989), 111.
44. Minutes of a cabinet meeting, 29 April 1955, *FRUS 1955–1957, XXI*, 91–92; Memorandum of conversation, Washington, 5 May 1955, *ibid*, 95–98.