A Transformation in the Shadows: The American Intelligence Community and the Indonesian War of Independence (1945-1949)

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Introduction

The twentieth-century wars of decolonisation were highly influential in shaping recent global history. They hold major significance for the newly independent states that were forged in them and for the European powers that saw their overseas empires dissolve over a period of just three decades following the Second World War.[1] In many cases, these wars represented more than just a national struggle for independence against a colonial power, as growing Cold War tensions led to ideologically motivated international involvement, typically by the United States and the Soviet Union. Although this involvement sometimes involved direct military intervention, merely providing financial, logistical or diplomatic support to one of the warring parties was more typical.[2] An often overlooked example of American interference in such conflicts is the Indonesian War of Independence. This conflict took place from 1945 until 1949 and saw the newly proclaimed, nationalist Indonesian Republic prevail over its Indonesian competitors for national sovereignty and the Dutch, who were intent on re-establishing their colonial presence in the archipelago. Although many nations were involved in the Indonesian War of Independence, directly or through the newly established United Nations, the favour of the United States was continuously sought after by the Dutch and the Indonesian republicans, and its diplomatic weight proved essential in finally resolving the conflict.[3]

While the war in Indonesia saw two short and intense large-scale military offensives by the Dutch, euphemistically designated as "Police Actions" by the Dutch to frame the war as an internal matter, they only represent 34 days in a conflict lasting over four years. Instead, most of the war was characterised by both parties nominally adhering to fixed treaty lines, with the Indonesians conducting guerrilla activities and incursions into the territories the Dutch unsuccessfully attempted to pacify.[4] Given this standoff, with both sides unable to defeat their enemy militarily, it is unsurprising that the developments at the negotiating table and in international diplomacy often proved decisive. While the resulting agreements - made under increasing international scrutiny - were generally not unfavourable to the Dutch, the talks also

[1] Roger Chickering et al., *The Cambridge History of War* (27), 515–20.
[2] Robert J McMahon, *Colonialism and Cold War: The United States and the Struggle for Indonesian Independence, 1945-49* (Ithaca, 1985), 7–8.
[3] Alan J. Levine, *The United States and the Struggle for Southeast Asia, 1945-1975* (Westport, Conn., 1995), 41.
[4] P. M. H. Groen, *Marsroutes en dwaalsporen het Nederlands militair-strategisch beleid in Indonesië 1945-1950* (’s-Gravenhage, 1991), 100–106, 189–95.

played into the Indonesians' hands, legitimating the unproven Indonesian Republic as a serious political actor over time.[5] Meanwhile, transitioning into the Cold War, the United States found itself walking a diplomatic tightrope: it had to simultaneously protect its relations with the Dutch, a financially dependent but valued ally in Europe, and limit the risk of communist expansion into the strategically crucial Indonesian archipelago.[6]

Going by the bulk of the relevant diplomatic historiography, most of which was written between 1960 and 1985, the nature of the American involvement in the war was reactive and passive. According to McMahon, Levine and Reid, the United States' policy on the *Indonesian question* was mainly shaped by macropolitical considerations.[7] Immediately after WWII, the US deemed the economic recuperation of Western Europe and the alliance with its nations more important than the right to self-determination of the Third World's colonial subjects, resulting in tacit American support for Dutch reoccupation efforts in Indonesia. Once Europe had mostly been stabilised, the principal Cold War tensions shifted towards the colonial empires throughout 1947 and 1948, which contributed to the development of the Truman Doctrine.[8] Consequently, the United States took a harsher stance towards the Dutch to force an end to the dragging conflict, which had prevented any single party from providing a stable government and combating the spread of communist influence.[9] Nonetheless, in the past twenty years, authors such as Gouda, Brocades Zaalberg and Rust enriched the debate on American motivations by emphasising the evolving American appraisal of developments specific to the conflict rather than the broader Cold War context. They primarily ascribe the associated increase in sympathy for the Indonesian cause and conviction of the Dutch inability to bring stability to the region among American policymakers to the steadily improving reporting by the American diplomatic representation in Indonesia.[10]

Still, this relatively reactive stance, merely based on formal diplomacy, seems out of character for the United States. Given the colossal intelligence apparatus the US developed

[5] A. Taylor, *Indonesian Independence and the United Nations* (London, 1960), 306–10.
[6] McMahon, *Colonialism and Cold War*, 7–8.
[7] A. J. S. Reid, *The Indonesian National Revolution, 1945-1950* (Hawthorn, 1974); McMahon, *Colonialism and Cold War*; Alan J. Levine, *The United States and the Struggle for Southeast Asia, 1945-1975* (Westport, 1995), 44–46.
[8] Walter LaFeber, 'American Policy-Makers, Public Opinion, and the Outbreak of the Cold War, 1945-50', in *The Origins of the Cold War in Asia*, ed. by Yōnosuke Nagai and Akira Irie (Tokyo, 1977), 61–62.
[9] Gabriel Kolko, *Confronting the Third World: United States Foreign Policy, 1945-1980* (New York, 1988), 17–19.
[10] Frances Gouda and Thijs Brocades Zaalberg, *American Visions of the Netherlands East Indies/Indonesia: US Foreign Policy and Indonesian Nationalism 1920-1949* (Amsterdam, 2002); William J Rust, *The Mask of Neutrality: The United States And Decolonization In Indonesia 1942–1950* (Seattle, 2019).

during the Second World War and the reputation for covert operations the Central Intelligence Agency (CIA) gained throughout the Cold War, it seems unlikely that American intelligence activity – not to mention its influence on US policy - was almost negligible between 1945 and 1950, especially in a theatre as important as the Indonesian archipelago.[11] Intelligence agencies habitually shroud themselves in secrecy, while the documents they produce remain classified for long after the fact – often decades longer than regular diplomatic sources. In the Indonesian case, many relevant documents that have survived in the CIA and NSA archives were only declassified from the early nineties onwards, years after the historical debate had generally settled down. This raises the question of whether the historiography on American involvement in the Indonesian War of Independence suffers from what Christopher Andrew and David Dilks termed 'the missing dimension'. [12] Along with other sources on US intelligence, these 'newly' released documents allow us to formulate an answer to this question by reconstructing the American intelligence community's presence, capabilities and activities in Indonesia between 1945 and 1949 and determining its effect on the US foreign policy establishment's information position and considerations.

This approach takes the form of a classic problem within Intelligence Studies. This broad interdisciplinary field has only gained traction in academia in relatively recent times and is still developing rapidly.[13] Not all of its tenets will benefit the historical case-based approach taken in this thesis.[14] For clarity, this thesis will use a practical and grounded approach to studying intelligence, following the generally agreed-upon stages of the intelligence cycle: planning and direction, collection, analysis, processing and dissemination.[15] Although the intelligence cycle does not and cannot fully reflect all aspects of the complex and nuanced historical reality, this simple analytical tool makes it easier to judge the efficiency of the US intelligence processes during this period and to identify developments over time. Another central theme within this thesis will be the interesting and often tense relationship between intelligence and foreign

[11] Eugene Liptak, *Office of Strategic Services 1942–45: The World War II Origins of the CIA* (New York, 2013), 5–6.
[12] Christopher M Andrew and David Dilks, *The Missing Dimension: Governments and Intelligence Communities in the Twentieth Century* (London, 1984), 1–6.
[13] Len Scott and Peter Jackson, 'The Study of Intelligence in Theory and Practice', *Intelligence and National Security*, 19/2 (2004), 140–41.
[14] John Prados, 'Cold War Intelligence History', ed. by Richard H. Immerman and Petra Goedde, Oxford Handbooks in History (2013), 14–16.
[15] Guillaume Gustav de Valk, *Dutch intelligence--towards a qualitative framework for analysis* (The Hague, 2005), 12–14.

policy domains.[16] On the one hand, intelligence can provide the foreign policy establishment with valuable information on developments abroad to improve decision-making. On the other hand, uncovered clandestine activities can severely damage international relations, especially among allies. Furthermore, throughout history, many diplomats and foreign ministry workers tended not to welcome intelligence analyses and other interference in their area of expertise, priding themselves on their presumed superior understanding of the *bigger picture*.[17] With this knowledge, the various US intelligence organisations' performance in this conflict cannot be seen separate from their relations with other federal departments with foreign interests.

The US intelligence community is the most well-researched and arguably the most transparent of its kind. However, academic attention for the subject has not been divided evenly over all periods or events.[18] The American intelligence involvement in the Indonesian War of Independence has seen little study, partly due to the scattered nature of US intelligence capacity and operations immediately after World War II. The Americans' wartime intelligence agency, the Office of Strategic Services (OSS), was disbanded mere weeks after the Japanese surrender and has been studied extensively by historians. The OSS is generally regarded as the spiritual predecessor of the Central Intelligence Agency (CIA), founded in September 1947 after a long and complex bureaucratic struggle.[19] The works that pay attention to the interim period often do so teleologically and with a perspective confined to the organisational chaos in Washington DC.[20] Apart from a dissertation and a few articles, little consideration is given to the short-lived Strategic Services Unit (SSU) and Central Intelligence Group (CIG) in their own right, which means that the operational side of their global activities remains largely unknown, especially outside of the European theatre.[21] A similar fate befalls the CIA in its earliest years, as most of its Cold War histories identify the Korean War (1950-1953) as the agency's "first great test".[22]

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[16] Christopher Andrew, 'Intelligence and International Relations in the Early Cold War', *Review of International Studies*, 24/3 (1998), 323.
[17] Robert Jervis, 'Intelligence and Foreign Policy: A Review Essay', *International Security*, 11/3 (1986), 141–42.
[18] Huw Dylan, David Gioe and Michael S Goodman, *The CIA and the Pursuit of Security: History, Documents and Contexts*, 2020, 1–2.
[19] Richard Harris Smith, *OSS: The Secret History of America's First Central Intelligence Agency* (Berkeley, 2005).
[20] Bradley F. Smith, *The Shadow Warriors: O.S.S. and the Origins of the C.I.A.* (New York, 1983); Michael Warner, ed., *The CIA under Harry Truman* (Washington DC, 1994).
[21] Nicholas Dauphinee, 'The Strategic Services Unit in Historical Perspective' (2007), 111–20; Michael Warner, 'The Creation of the Central Intelligence Group', *Studies in Intelligence*, 39/5 (1995), 111–20.
[22] Tim Weiner, *Legacy of Ashes: The History of the CIA* (London, 2011), chap. 6.

The limited attention given to the continuity in intelligence activity and operations in the immediate post-WWII period means that there is much left to be said on the effectiveness of US intelligence between 1945 and 1949 and its role in shaping the country's policy on the war in Indonesia. Many historiographical mentions of US intelligence activity during the conflict can be traced back to George Kahin's chance meeting with a CIA agent in Republican territory in November 1948.[23] However, it was not until the early 2000s that the CIA's rapprochement to the Republican government during and after the *Madiun Affair* in September 1948 was summarily explored by Frances Gouda and Thijs Brocades Zaalberg.[24] Meanwhile, the first work focusing on the American pre-CIA intelligence presence in Indonesia only appeared in 2016 as an article by William Rust, which he later integrated into his broader 2019 diplomatic history on the war.[25] Despite a recent trend to include the intelligence angle as a sub-narrative in works featuring the conflict, American intelligence in Indonesia has rarely been adopted as a work's primary perspective.

Our current understanding of the American role in the Indonesian War of Independence can be improved by integrating the now separate historiographies on the development of the US intelligence community and its activities between 1945 and 1950 and the war's diplomatic theatre into a single narrative. This will be done in three thematic chapters, the first of which concerns the interactions and nature of the key players, such as the different intelligence agencies and diplomats, both in Washington and on the scene, and policymakers. Placing the main actors in their proper context and considering factors such as dependency relationships and competition will ensure narrative clarity in the subsequent chapters. The second chapter deals with the Americans' intelligence collection capabilities, considering their methods and sources, collection volume, perceived and actual reliability and timeliness. The third and final chapter will take a more abstract look at the entire US intelligence process from its planning to the dissemination to analyse its efficiency and development from the end of World War II until 1950. Based on the intelligence cycle, this approach will allow for a well-founded

[23] George Kahin, 'The United States and the Anticolonial Revolutions in Southeast Asia, 1945-1950', in *The Origins of the Cold War in Asia*, ed. by Yōnosuke Nagai and Akira Irie (Tokyo, 1977), 350; Gouda and Brocades Zaalberg, *American Visions*, 364–65.
[24] Gouda and Brocades Zaalberg, *American Visions*, 284–86.
[25] William J Rust, 'Transitioning into CIA: The Strategic Services Unit in Indonesia', *Studies in Intelligence*, 60/1 (2016), 1–22; Rust, *Mask of Neutrality*.

assessment of intelligence's reach, heft, and potential influence on the American policy towards the *Indonesian problem*.

This thesis will build on several bodies of primary sources, of which two primarily consist of intelligence-related sources. The first is the CIA's CREST database, which contains an extensive collection of declassified and recently published CIA (and predecessor agencies') files.[26] This collection's most complete and numerous files are the Daily and Weekly Intelligence Summaries, produced from February 1946 onwards as quick digests on the global intelligence situation and distributed to the President, key policymakers, and department chiefs. The CIA CREST database also contains numerous non-periodical reports on the situation in Indonesia, regarding topics like the political tensions, current military status or Dutch conduct during the conflict. Secondly, Cees Wiebes' personal collection, held in the International Institute for Social History (IISH) in Amsterdam, proved to be a valuable and rare primary source on American signals intelligence between 1944 and 1950.[27] It consists mainly of copies of declassified materials from the NSA archives, such as intercept reports and intelligence summaries, although the Indonesia-related material is relatively limited.

Holding the middle ground between intelligence and non-intelligence sources is the personal collection of William J. Rust, which he compiled whilst writing his recent book *The Mask of Neutrality*, and which he kindly made available to me.[28] This collection consists of a large number of records from the American National Archives and Records Administration (NARA), spanning the period 1945-1950. The documents are primarily diplomatic in nature, containing many reports and cables sent back and forth with the State Department, and also contain a wealth of information and correspondence about the early American intelligence presence in Indonesia. Finally, two relevant non-intelligence sources are the collections of Dutch and American diplomatic and policy-related documents and correspondence, published in numerous volumes of the *Officiële Bescheiden betreffende de Nederlands-Indonesische Betrekkingen 1945-1950* and the Truman-era Foreign Relations of the United States (FRUS) documents, respectively.[29] These sources are curated collections of telegrams, memos,

[26] CIA FOIA Reading Room [https://www.cia.gov/readingroom/collection/crest-25-year-program-archive].
[27] International Institute of Social History (hereafter IISH), Amsterdam, Collectie Cees Wiebes.
[28] Rust, *Mask of Neutrality*.
[29] *Officiële Bescheiden* available at [http://resources.huygens.knaw.nl/retroboeken/nib]; FRUS volumes available at [https://history.state.gov/historicaldocuments/truman].

reports and letters from relevant archives, aiming to present and illuminate policy formulation and execution as accurately and representatively as possible.

To determine whether intelligence can be regarded as a missing dimension in the story of American involvement in the Indonesian War of Independence, its role needs to be analysed both concretely and abstractly. The primary sources will play a crucial role in reconstructing the American intelligence operatives' concrete capabilities, physical presence in the region, and effectiveness in collecting valuable material. They can deliver the lower-level operational details required to complement the narrative on the institutional landscape already provided by the secondary literature. Although the sources rarely contain direct reflections on operating procedures, effectiveness and other areas of interest, many relevant answers can be inferred from raw and (semi-)finished intelligence reports, status updates and correspondence on the operatives' directives or grievances. Similarly, in the third chapter's more abstract analysis of the intelligence community's role in shaping the American information position and policy on Indonesia, there are few literal answers to be found. However, the theory-driven structure of the third chapter, based on the intelligence cycle, marks a break from the previous two. Structuring this chapter around the intelligence cycle eases focusing on the intelligence processes rather than their ever-changing organisational context and facilitates an analysis centred around continuity and development instead of disruption and fragmentation.

Regarding the primary source material, especially the documents originating from intelligence agencies themselves, some questions on censorship do remain. For example, many records include blacked-out passages that obscure information still deemed too sensitive for declassification but could contain crucial insights. Another, more speculative question concerns the documents that are still unreleased. Unfortunately, it is impossible to know which documents are still classified and how severely their absence impacts the overall narrative of American intelligence in Indonesia. These challenges are inherent to Intelligence Studies and need to be addressed by adopting a highly critical attitude towards the source material and formulating conclusions with due diligence.

Chapter 1: The US eyes and ears in Indonesia

To analyse the American intelligence community's role in shaping US foreign policy between 1945 and 1950, it is essential to create a clear picture of the main actors and their interaction. This involves reconstructing the American intelligence and diplomatic presence in Indonesia as well as identifying the strategic relationships between the relevant agencies, departments, committees and key individuals in Southeast Asia, Washington DC and, to a certain extent, The Hague. The evolution of these relationships through time, including the biases, grudges, inter-agency competition and dependency relationships that shaped them, will prove crucial in understanding the motives behind American policy formulation regarding Indonesia in the immediate post-World War II period. The first part of this chapter will be concerned with the ever-changing American intelligence presence in and around Indonesia, parallel to the major upheavals and reforms in the American intelligence community. The focus will then shift to the American diplomatic presence in the archipelago, taking into account both the State Department's permanent representatives in the Consulate General and those temporarily assigned to the region through the UN during the later stages of the conflict. Finally, the role of the policymakers in the State Department headquarters will be assessed since their view of proceedings in Indonesia was largely dependent on their receptiveness to information from the different sources available to them.

By the end of World War II, the United States had constructed a mighty military intelligence apparatus, both for Human Intelligence (HUMINT) and Signals Intelligence (SIGINT) operations. The diminutive size of the US military intelligence community before 1941 urged a rapid expansion of intelligence capacity. However, since the existing intelligence units operated independently and allocated their increased capacity to the problems they regarded as the most urgent, the expansion occurred haphazardly. The lack of central coordination and planning led to inter-agency strife and disapproval, and conflicts over the division of responsibilities.[30] The arrival of peace and the imminent decrease in security spending did little to ameliorate the situation, as disagreements between the White House

[30] David Alvarez, 'Trying to Make the MAGIC Last: American Diplomatic Codebreaking in the Early Cold War', *Diplomatic History*, 31/5 (2007), 881–83; Liptak, *Office of Strategic Services 1942–45*, 5–7; Robert Louis Benson, *A History of U.S. Communications Intelligence during World War II: Policy and Administration* (Fort Meade, 1997), 133–34.

and the Departments of State, War and Navy on the future of peacetime foreign intelligence left the remaining intelligence services were left without clear objectives.[31] Moreover, questions of obsolescence resulted in many intelligence practitioners responsible for identifying intelligence requirements shifting their focus inwards to argue for the continued relevance of their organisations. Meanwhile, active efforts were also being made to salvage wartime intelligence expertise.[32] It is against this backdrop that the US intelligence activity in the Indonesian archipelago should be regarded.

In the Indonesian context, three intelligence agencies and their successors are of particular interest. The first is the Office of Strategic Services (OSS), founded in 1942 to gather intelligence and conduct subversive activities and psychological warfare. The OSS proved effective in its operations but was, by all means, a wartime organisation. The OSS enjoyed an unusually broad mandate, and most of its personnel consisted of civilian experts in a wide range of fields that were hastily drafted into the war effort, yielding it the nickname "Glorious amateurs". Primarily out of fears over the OSS' role in peacetime, President Truman disbanded the service mere weeks after the Japanese surrender. While most of its personnel gradually flowed back to civilian life, some of the agencies' core capabilities were salvaged. Its Research & Analysis branch was transferred to the State Department, while the Operations branch was accommodated in the hastily founded Special Services Unit (SSU) under the War Department and faced an uncertain future. A September 1945 SSU report reflecting on the service's presence in Southeast Asia reads: "It is assumed that we shall continue to perform this vital service for the country until such time as the State Department and other organizations make it unnecessary or undesirable to continue trying to perform peacetime intelligence work with a wartime intelligence organization."[33]

Despite their broad mandate, the OSS or its successors could never intercept and decrypt enemy messages. Instead, this crucial SIGINT work was done by two separate units: the Army Security Agency (ASA) and the Navy's OP-20-G.[34] Both agencies evolved from communications units that adopted an intelligence role due to their experience with radio

[31] Arthur B. Darling, *The Central Intelligence Agency: An Instrument of Government, to 1950* (London, 1990), 29–32.
[32] Christopher M Andrew, *For the President's Eyes Only: Secret Intelligence and the American Presidency from Washington to Bush* (New York, 1998), 156–61.
[33] "Strategic Services Officer's Report", October 8, 1945, RG 226, Entry A1 110, box 20.
[34] The ASA had previously been known as *Signals Intelligence Service* (SIS) up until 1943 and *Signal Security Agency* (SSA) until 1945.

equipment and cryptology, and operated intercept sites around the globe. Despite developing into full-fledged intelligence organisations, their main goal remained remarkably narrow and technical: producing verbatim transcripts of foreign diplomatic and military communications.[35] In this, they were highly successful, as both services could intercept and decrypt numerous countries' diplomatic and military traffic. However, despite continuous efforts to promote cooperation, such as introducing a Coordinator of Joint Operations (CJO) in early 1946, overcoming the prevalent inter-service rivalry proved difficult.[36] This rivalry had temporarily resulted in a bizarre situation during the war where the ASA and OP-20-G were responsible for decrypting Japanese radio communications on alternating days.[37] Both services would remain operating independently until 20 May 1949, when they were combined into the short-lived Armed Forces Security Agency (AFSA), eventually becoming the National Security Agency (NSA) in 1952.[38]

During the Japanese occupation of Indonesia, it had been nearly impossible for the Allied intelligence services to infiltrate the region.[39] Therefore, when the responsibility of overseeing the return to civil government in Indonesia fell to the British South East Asia Command (SEAC), they were unsure what to expect.[40] Even though the region stood under British authority, which would remain the case until late 1946, the US command dispatched a small OSS – but soon to be SSU - team to Batavia under the guise of identifying and aiding American POWs.[41] Their hidden objective was to set up a field station to provide the US with economic and political intelligence on this strategically important region, in which the Americans had significant financial interests.[42] The Americans' intentions were not lost on the British and the Dutch, especially after the SSU team informed them that most of the intelligence they gathered would be for US eyes only. The distrust between the allies was fuelled even further

[35] Alvarez, 'Trying to Make the MAGIC Last', 880–81.
[36] Thomas L Burns, *The Origins of the National Security Agency, 1940-1952*, 1990, 11–13, 29–45.
[37] John Prados, *Combined Fleet Decoded: The Secret History of American Intelligence and the Japanese Navy in World War II* (Annapolis, 2001), 164–65.
[38] Burns, *The Origins of the National Security Agency, 1940-1952*, 59, 97.
[39] Richard J Aldrich, *Intelligence and the War against Japan: Britain, America and the Politics of Secret Service* (Cambridge, 2008), 193–94.
[40] Peter Dennis, *Troubled Days of Peace: Mountbatten and South East Asia Command, 1945-46* (Manchester, 1987), 5, 12–14.
[41] Richard McMillan, *The British Occupation of Indonesia 1945-1946: Britain, the Netherlands and the Indonesian Revolution* (London, 2005), 105–6.
[42] Gouda and Brocades Zaalberg, *American Visions*, 102, 162; Office of the Historian - State Department, *Foreign Relations of the United States, 1945–1950: Emergence of the Intelligence Establishment (EIE)*, ebook (Washington, DC, 2013), sec. 96.

by the relatively conspicuous way the SSU operated. The British and Dutch authorities in Batavia knew the unit's personnel, which left them with scant opportunity for covert meetings. The local SSU commander even reported that "the covert aspect could hardly be maintained".[43] Especially their overt contact with Indonesian leaders was viewed suspiciously.[44] The sudden shift to being a neutral party in a tense, developing conflict made the SSU's wartime roots painfully obvious. American HUMINT procedures would have to be revised to avoid compromising relations with the allied powers.

This was not a problem faced by the ASA and OP-20-G. The close cooperation and exchanges in the field of signals intelligence the Americans and British had enjoyed throughout the Second World War was continued into the early Cold War, formalised by the different "BRUSA Agreements".[45] This partnership had proved spectacularly successful during the war in intercepting and decrypting Axis communications but also resulted in the British and Americans gaining access to the diplomatic and military traffic of numerous neutral and allied nations, including that of the Netherlands.[46] The relationship between the Allied powers was surprisingly multifaceted, as the apparent friction *on the ground* in Indonesia contrasts starkly with the close cooperation in the more classified SIGINT sphere. Here, the Americans and British cooperated against the Dutch, who did little to counteract this threat for years, despite strong evidence that their communications were compromised.[47] Remarkably, the ASA and OP-20-G each achieved a greater level of cooperation with the British SIGINT agency than with each other, although their collaboration in operations improved in the face of post-WWII cuts to the military budget.[48] Their tension can best be explained through reasons of prestige, both services' wish to retain their independence and to perceived differences in doctrine and intelligence requirements.[49]

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[43] "Operational Report – ICEBERG", 25 October 1945, RG 226, Entry A1 110, box 25.
[44] Rust, 'Transitioning into CIA', 1–4, 7, 11.
[45] Benson, *A History of U.S. Communications Intelligence during World War II: Policy and Administration*, 108–19.
[46] Bob de Graaff and Cees Wiebes, 'Bondgenoten Lazen Jarenlang Geheime Diplomatieke En Militaire Berichten van Nederland; Codes van Vertrouwen', *NRC Handelsblad*, 29 June 1996.
[47]Collectie Cees Wiebes, inventory number 151, IISH, Amsterdam; Cees Wiebes, 'Operation "Piet": The Joseph Sidney Petersen Jr. Spy Case, a Dutch "Mole" Inside the National Security Agency', *Intelligence and National Security*, 23/4 (2008), 495–96.
[48] John Robert Ferris, *Behind the Enigma: The Authorised History of GCHQ, Britain's Secret Cyber-Intelligence Agency*, 2020, 334.
[49] Burns, *The Origins of the National Security Agency, 1940-1952*, 32.

After the dust from the Second World War had mostly settled, the Americans could shift their attention to restructuring its fragmented intelligence community for peacetime operations. A significant step towards centralising intelligence was made on 22 January 1946 with the founding of the Central Intelligence Group (CIG). The CIG was initially envisioned as a service that would merely collate the intelligence gathered by the US' various intelligence services to present manageable and cohesive reports to the President and senior policymakers, but would gain its own covert operational capabilities by mid-July 1946.[50] The nucleus of the CIG's *Office of Special Operations* (OSO) was formed by gradually absorbing the SSU's assets, although much effort was expended to minimise proof of any continuity. The SSU suffered from a bad reputation, as it had operated without a clear directive or effective oversight since its hasty creation six months earlier and fit poorly into the existing intelligence structure.[51] Despite its bastard status, continuous budget shortages and a radical reduction of its personnel, many aspects of its network, operations and expertise were deemed too crucial to lose. Consequently, while the SSU was terminated by mid-October 1946, many of its experienced staff members were rehired as civilians for the CIG.[52]

Despite the gradual transition from SSU to CIG at the central staff level, the handover of operational responsibility profoundly affected the local US intelligence presence in Indonesia and the rest of Southeast Asia. As the identities of the SSU operators were known to the British and Dutch, there was an incentive to replace them with newcomers from early 1946 onwards.[53] This must have come as a relief to many of them, as the Batavia station chief had indicated as early as October 1945 that his personnel would prefer to resume their civilian lives now that the war was over and even called one of his operatives "over-tired and a veritable bundle of nerves".[54] Consequently, the decision was made to absolve the field stations in Batavia and Medan but to retain a small presence in Indonesia until the CIG could fully take over. Therefore, two operators were assigned to both the American consulate in Medan (Sumatra) and the American Consulate General in Batavia under diplomatic cover.[55] However, the integration of SSU civilians holding a *special status* into the small diplomatic

[50] Rust, *Mask of Neutrality*, 122–23.
[51] Dauphinee, 'The Strategic Services Unit in Historical Perspective', 82–84.
[52] Rust, *Mask of Neutrality*, 122–23.
[53] E. Bruce Reynolds, 'Staying Behind in Bangkok: The OSS and American Intelligence in Postwar Thailand', *The Journal of Intelligence History*, 2/2 (2002), 31–33.
[54] Moscrip to Magruder, 7 February 1946, RG 226, Entry A1 211, box 9; Rust, 'Transitioning into CIA', 11.
[55] "SSU Official Dispatch", 12 March 1946, RG 226, Entry A1 210, box 365.

posts did not prove a happy marriage. Similar problems arose all over Southeast Asia, with SSU operators complaining about a lack of cooperation and even deliberate alienation by the State Department staff.[56] Due to these complications, the final semi-overt SSU operators were withdrawn from Indonesia on 18 June 1946. However, the SSU had already established a small network of undercover informants in Indonesia at this stage.[57] In at least one case, this happened under commercial cover, with the informant's employer being unaware of their employee's intelligence activities.[58]

Several days before this final withdrawal of SSU personnel from Batavia, the director of the CIG presented a memorandum called 'Progress Report on the Central Intelligence Group' to the agency's monitoring body. The report revealed that the CIG was by no means ready to take over operations from the SSU, as it was still planning its organisational structure, determining its most urgent operational priorities and strengthening its legal foundations.[59] This was no easy feat, as the CIG was founded as an interdepartmental non-statutory service, funded and overseen by the Departments of State, Army and Navy, with no allocated budget of its own. Therefore, the CIG leadership recommended establishing an independent centralised intelligence agency as early as July 1946.[60] While there was a consensus that centralisation of intelligence would be helpful to the United States government in general, most executives within these departments vehemently resisted strengthening the CIG's position, as this would infringe upon the independence and responsibilities of their own departments' intelligence divisions.[61] Nonetheless, facing growing Cold War tensions, President Truman and his advisors largely supported the CIG recommendations and ratified them in the much broader National Security Act of 1947. As a result, the Central Intelligence Agency (CIA) was founded on 18 September of the same year and would prove to provide a more solid, permanent and well-funded foundation for the US intelligence community. The CIA would build up an extensive global network capable of gathering intelligence and executing covert operations in the following years.[62]

[56] Reynolds, 'Staying Behind in Bangkok', 35.
[57] Rust, *Mask of Neutrality*, 122–23.
[58] "Supplementary Joint Survey", 1 May 1946, RG 226, Entry A1 210, box 314.
[59] Office of the Historian - State Department, *FRUS EIE*, sec. 154.
[60] Office of the Historian - State Department, *FRUS EIE*, sec. 198.
[61] Clark M. Clifford, *Counsel to the President: A Memoir* (New York, 1991), 168.
[62] Andrew, *For the President's Eyes Only*, 168–70.

Judging by the behaviour of both the State Department executives in Washington and its personnel stationed in the Southeast Asian consulates, resistance to expanding the peacetime intelligence apparatus seems to have been widespread throughout the department. This resistance is understandable when one considers that the US diplomats returning to their posts after World War II were used to having a monopoly on foreign reporting. This conflict becomes especially apparent in the Indonesian case, where the notoriously pro-Dutch consul general Walter Foote returned to his post in October 1945.[63] At the head of a small Consulate General, which was staffed by only six people at the outbreak of the Second World War, he was suddenly faced with an additional set of observers, who were generally more sympathetic to the Indonesian cause.[64] Although Foote's eventual relief from his position in Indonesia in early July 1947 – mainly due to dissatisfaction with the consulate's performance and personal allegations of misconduct - signalled a change in the calibre and objectiveness of US diplomats in Indonesia, the reports from the final year of his appointment had been heavily relied on back in Washington, primarily due to the limited continuity between the SSU and CIG in the region.[65]

There are few definitive sources on the physical CIG presence in Indonesia. The CIG does not seem to have operated a field station in the archipelago until mid-1947 but chose to cover the region from its regional headquarters in Singapore through mobile undercover operatives and informants. Immediately after the Second World War, American intelligence personnel had begun recruiting operatives and informants with local cover, with professions such as "researcher, journalist, missionary, and banker".[66] Although this approach will have resulted in highly spotty coverage of the region at best, this was deemed acceptable for two reasons. Firstly, due to its severely limited assets and budget, the CIG prioritised expanding its European operations and minimised its activities in Asia. Secondly, despite the tensions in Indonesia, the conflict seemed to move towards a peaceful resolution from mid-1946 onwards, with the ongoing negotiations eventually resulting in the signing of the Linggadjati

[63] Office of the Historian - State Department, *Foreign Relations of the United States, 1945: VI - The British Commonwealth and The Far East*, ebook (Washington, DC, 2018), sec. 755.
[64] Gouda and Brocades Zaalberg, *American Visions*, 162; Rust, 'Transitioning into CIA', 11–12.
[65] Gouda and Brocades Zaalberg, *American Visions*, 196–99; George McT Kahin, 'Molly Bondan: 1912-1990', *Indonesia*, 50/50 (1990), 3.
[66] Ripley to Donovan, 21 September 1945, RG 226, Entry A1 210, box 305; Rust, *Mask of Neutrality*, 125.

Agreement in late March 1947.[67] Therefore, it is not surprising that when Cold War tensions started to shift to Asia and the Indonesian War of Independence escalated militarily in late July 1947, a new American intelligence field station was eventually established in Indonesia.

The introduction of a CIA-led field station was not the only influx of American officials into the archipelago after the first Dutch military offensive. International outrage about Dutch conduct had provoked a resolution by the UN Security Council, which established a Good Offices Committee (GOC) to oversee the further negotiations and interaction between the Dutch and the Indonesian Republic.[68] This committee consisted of a Belgian, Australian and American diplomatic delegation. Since the Belgian and Australian members aligned themselves with the Dutch and the Indonesians, respectively, the American voice often proved decisive, although the GOC mostly lacked the power to enforce either party's compliance with its recommendations. One of the GOC's most significant contributions was severely increasing the number and quality of reports and analyses flowing back to the State Department in Washington, mainly since most of its US members represented a new generation of diplomats without ties to the Dutch colonial society, as opposed to most of the Consulate General's staff.[69] Some of these influential diplomats even developed a considerable sympathy and admiration for the Indonesians and their cause, which eventually led many in the State Department to reconsider their implicit pro-Dutch stance.

The State Department headquarters in Washington was not free of factions. In the period directly following World War II, US foreign policy was highly Eurocentric, primarily due to the dominance of the European *desks* within the department, which housed many experienced and established staff members. In contrast, the senior staff of the newly formed Southeast Asia Division within the State Department was primarily made up of freshly hired, temporary personnel straight out of university.[70] Logically, it took time for the *Asianist* school to gain influence and the momentum required to break the status quo under which colonial empires were regarded as the natural and even desirable situation in Southeast Asia. However, this development was significantly sped up by the increasing communist pressure in Asia and the development of the Truman Doctrine, urging a reassessment of how to ensure

[67] George McT Kahin, *Nationalism and Revolution in Indonesia*, *Nationalism and Revolution in Indonesia* (Ithaca, 2018), 196–206.
[68] A. Taylor, *Indonesian Independence and the United Nations* (Londen, 1960), 54–57.
[69] Gouda and Brocades Zaalberg, *American Visions*, 214–20.
[70] George McT Kahin, *Southeast Asia: A Testament* (2003), 33–35.

the continued existence of stable and friendly governments in this strategically important region.[71] The reports by the American GOC delegation were much more balanced than those produced at the Consulate General under Foote. They painted a significantly more positive picture of the Indonesian Republic and its representatives than State Department executives were accustomed to, which is likely to have created some cracks in the State Department's Eurocentric approach to the conflict.[72]

The years immediately following the Second World War represent a massive disruption and development within the American intelligence establishment and the State Department's overseas representation. This poses a challenge in researching the influence of intelligence on the US' Indonesian policy, as the development of the relationship between the main actors largely depends on the transformations of the main actors themselves. Nevertheless, some conclusions can be drawn about the situation in Indonesia. Firstly, in all intelligence fields except for SIGINT, the primary responsibility shifted from the military to the civilian domain, culminating in the CIA operating in the archipelago from mid-to-late 1947 onwards with continuously growing means. Secondly, the State Department and the broader US diplomatic community resisted the expansion of the intelligence presence out of fear of competition. However, they steadily adopted a more open stance towards different perspectives on the *Indonesian question* after an internal culture shift away from Eurocentrism.

[71] LaFeber, 'American Policy-Makers, Public Opinion, and the Outbreak of the Cold War, 1945-50', 61–62; Kahin, 'The United States and the Anticolonial Revolutions in Southeast Asia, 1945-1950', 349–52.
[72] Gouda and Brocades Zaalberg, *American Visions*, 31–32.

Chapter 2: Collection capabilities

As became apparent in the previous chapter, the collection of foreign intelligence by the Americans in the immediate post-WWII years was highly fragmented, with the Departments of State, War and Navy competing among themselves and with the emerging central intelligence establishment for peacetime intelligence privileges. By reconstructing the different streams of intelligence on Indonesia created by the various American actors, considering factors like the sources they primarily relied on, collection volume and reliability, tracking the development of the US information position throughout the Indonesian War of Independence becomes feasible. The first part of this chapter will be concerned with the reporting done by American diplomats, as the information acquired from these overt, official channels plays a dominant role in the broader diplomatic historiography on the conflict. The quick assessment of these diplomatic sources of information for decision-makers, which can be regarded as *overt* intelligence, will also provide a helpful baseline for the rest of the chapter, which will feature *covert* intelligence.

Throughout most of the Indonesian War of Independence, the State Department primarily relied on its consular personnel operating out of the Consulate General in Batavia for updates on economic, political and – to a lesser extent – military developments in the archipelago. With plans to open smaller consulates in Surabaya and Medan, each office would – at a minimum – house a political attaché and a commercial attaché to represent the local American interests and relay potentially important information they gathered from their contacts.[73] Until the arrival of the GOC diplomats in late 1947, these individuals were the only direct State Department representation in the region. Unfortunately, despite the crucial nature of their task, the quality and quantity of reporting were generally sub-par. This can partly be explained through understaffing. For several months after his arrival in October 1945, Consul General Foote was the only US diplomat in Indonesia. However, even as late as December 1946, the permanent representation only numbered seven Americans, many of whom were inexperienced in their assigned duties or suffering from poor health.[74] Also, due to the American representatives' limited mobility and the consulates being situated in Dutch-

[73] Foote to Gray, 29 July 1946, RG 84, Entry UD 2728, box 2.
[74] "American Foreign Service Inspection Report", 30 November 1946, RG 84, Entry UD 2728, box 2.

held territory, their reports primarily relied on Dutch sources. Furthermore, in the absence of formal diplomatic ties between the US and the Indonesian Republic, the official representatives were limited in engaging with the Indonesians. As a result, even outside of the diplomats' sympathies, reporting from the permanent American representation was likely to provide an incomplete and predominantly pro-Dutch account of the ongoing conflict.

The GOC diplomats that arrived in Indonesia in mid-October 1947 cooperated closely with the permanent representatives but were less affected by these difficulties.[75] Although the American GOC delegation initially consisted of only four people, their mission and responsibilities were far more narrowly defined and more specific to the conflict itself.[76] Also, their mediating role ensured them more mobility and excellent contacts with both the Dutch and the Indonesians, even if their conversation partners were unlikely to speak to them freely. The intensified talks with the Indonesians led to a significantly more positive appraisal of the nationalist movement and its leadership.[77] While the GOC's official mission was to oversee the implementation of the United Nation's cease-fire orders and effect the resumption of negotiations, and officially reported back to the UN, the presence of the US delegation also provided the State Department with direct access to – and influence on – the ongoing negotiations.[78] The relative independence of the US GOC delegation shows from their reporting back to Washington, seemingly letting US interests prevail in finding a resolution to the conflict and even being critical of their foreign colleagues on the committee. A secret telegram to the Secretary of State sent through Consul General Livengood on the US delegation leader's behalf on 31 January 1948 reads: "Little constructive or practical contribution can be expected in exacting and difficult work ahead from Ausdel and Beldel [Australian and Belgian delegation] whose main effect so far has been merely [to] complicate tasks".[79]

The State Department also possessed some intelligence analysis capability, thanks to the Research and Analysis branch they inherited from the OSS. The unit was added to the State Department as the Interim Research and Intelligence Service (IRIS) and later renamed the

[75] Office of the Historian - State Department, *Foreign Relations of the United States, 1947: VI The Far East*, ebook (Washington, DC, 2018), sec. 872.
[76] Lovett to American Consulate Batavia, 12 October 1947, RG 84, Entry UD 2728, box 4.
[77] Gouda and Brocades Zaalberg, *American Visions*, 30–33.
[78] Taylor, *Indonesian Independence and the United Nations*, 53–55.
[79] Livengood to Secretary of State, 31 January 1948, RG 84, Entry UD 2728, box 13.

Office of Research Intelligence (ORI).[80] It aimed to combine the information relayed by diplomats in the field with open-source intelligence from sources such as newspapers into comprehensive reports to be used by policymakers. The desk-based intelligence work's passive nature made it nearly impossible for the ORI to produce ground-breaking new insights. However, their nuanced and thorough reports on matters such as communism in Indonesia or the progress in Dutch-Indonesian negotiations form an impressively coherent source of cross-referenced and annotated information.[81] Nevertheless, its activities were regarded suspiciously by hard-line State Department employees in the geographical desks, who were afraid of losing their analysis privileges. Most of the ORI employees had a background in academia, predominantly from the humanities and social sciences. Their introduction into the State Department represented an intellectual and progressive wave that caused conflict with the generally conservative and influential *Europeanist* career officers.[82] After a fierce bureaucratic tug-of-war over the future of the analysis function within the State Department, the decision to decentralise was taken in April 1946. This resulted in the remaining ORI analysts being distributed among the geographical divisions, where their dissenting assessments proved to be easily suppressible. This arrangement ultimately proved largely dysfunctional.[83]

On the covert side, the first OSS/SSU operatives arrived in Batavia on 15 September 1945. The size of the field team stationed in Indonesia fluctuated between six and nine, making it larger than the Americans' early diplomatic presence.[84] Despite active efforts by the Dutch and especially the British to "hamper", "stall", "sidetrack" and "deceive" the American mission, the SSU reports proved to be remarkably accurate in judging the gravity of the situation and the potential of the Indonesian nationalists, who were very keen on discussing their plans and grievances with the Americans.[85] For example, in a 15 October 1945 *US Eyes Alone* telegram to the theatre chiefs of SSU and US military intelligence, SSU operative Thomas Fisher warns against letting the "Dutch view" prevail at home, as the Indonesians will fight the "blindly

[80] Smith, *The Shadow Warriors*, 386–88.
[81] "CURRENT DEVELOPMENTS IN INDONESIA", 28 November 1945, RG 263, Entry *Murphy Papers*, box 117; "ORI Comments on Current Intelligence", 20 February 1946, RG 263, Entry *Murphy Papers*, box 117.
[82] Martin Weil, *A Pretty Good Club : The Founding Fathers of the U.S. Foreign Service* (New York, 1978), 243–50.
[83] Office of the Historian - State Department, *FRUS EIE*, secs 85–90.
[84] "Roster of Personnel", 22 October 1945, RG 226, Entry A1 110, box 21; Stuart to Updike, 13 March 1945, RG 226, Entry UD 88, box 130.
[85] "Operational Report – ICEBERG", 25 October 1945, RG 226, Entry A1 110, box 25; Fisher to Wilkinson and R. B. Pape, 15 October 1945, RG 226, Entry A1 211, box 9.

provocative Dutch" if an adequate channel of negotiation was not provided through a third party.[86] Despite the resistance from the Dutch higher ranks, the SSU could also rely on a network of Dutch contacts and informants throughout Indonesia, who were either critical of the British-Dutch policy or simply enjoyed "playing spy".[87] The SSU operatives' status as outsiders – unwanted by the British and Dutch authorities and not in conflict with the Indonesians – allowed them to observe the unfolding events from an appropriate distance. Even Foote's actions were under scrutiny, as the SSU operatives regarded him as a player in the political game as much as Dutch, British and Indonesian representatives, rather than a *neutral* US observer.[88]

This contrast is reflected in the different reporting styles used by the SSU personnel and the diplomatic representatives. The SSU operatives aimed to present information as objectively as possible, indicating its reliability based on an alphanumeric system. To classify the reliability of raw intelligence, sources were judged on a scale from A through F, ranging from 'completely reliable' to 'cannot be judged', while their information was evaluated on a scale from 1 to 6, which went from "confirmed by other sources" to "cannot be judged".[89] Meanwhile, much of the diplomatic reporting tended to resemble meeting minutes and personal estimates or characterisations. For example, in a telegram to the Secretary of State in late January of 1946, Foote blamed much of the chaos in Indonesia on the departing British commander's "soft attitude and gentle methods in dealing with Indos".[90] Similarly, in mid-September of the same year, he argued that "British appeasement has resulted in increased bloodshed but when Dutch given free hand law and order are established without serious fighting because of natives' desire for peace […] while their leaders continue [to] try to whip them up to frenzy".[91]

During the first months of SSU operations in Indonesia, foundations were laid for the future US intelligence presence in Indonesia. Despite the institutional difficulties in Washington, several visionary practitioners with experience in the Southeast Asian theatre proposed an ambitious plan for creating a peacetime intelligence network shortly after World

[86] Fisher to Wilkinson and R. B. Pape, 15 October 1945, RG 226, Entry A1 211, box 9.
[87] "Contacts in Medan Area", 8 March 1946, RG 226, Entry A1 214, box 5.
[88] "Daily G-2 Summary – no. 29", 31 October 1945, RG 493, Entry UD-UP 20, box 3.
[89] William Rust, 'The Talented Dr. Ripley', h*ttps://Www.Beforethequagmire.Com/*, 2021, 9–10.
[90] Office of the Historian - State Department, *Foreign Relations of the United States, 1946: VIII The Far East* (Washington, DC, 2018), sec. 592.
[91] Office of the Historian - State Department, *FRUS 1946 Vol.VIII*, sec. 633.

War II. These proposals provide insight into the operating procedures and structures the SSU operatives are likely to have employed in Indonesia. For example, the report recommends using a three-tiered classification of field personnel. Within this system, "agents" were the specialised SSU operatives in the field station, who maintained contacts with "observers", typically local American businessmen, scholars or travellers with a part-time intelligence assignment, and would also collect information from a diverse group of "unconscious informants".[92] This system roughly corresponds with that proposed in different documents and is likely to resemble the procedures followed in the field.[93] However, the theoretical recommendations of the report were quickly overtaken by practical issues. For example, the SSU agents relied on Dutch and Indonesian informants in conscious roles, contrary to the report's recommendations. Also, the eventual placement of SSU personnel within the American Consulate General would have been deemed highly undesirable several months earlier.[94] Nevertheless, the experience gained by the SSU and the local network they built up would prove crucial in the years to come.

The CIG's operational capabilities in Southeast Asia left much to be desired throughout the organisation's short existence. However, an area in which it did immediately make a valuable contribution was the coordination and collation of the different US intelligence streams. Within a month of its founding in January 1946, the CIG started distributing a *Daily Intelligence Summary*. This publication was primarily targeted at President Truman but also circulated among around fifteen other senior recipients in the military establishment and the State Department.[95] However, the Daily Summary initially faced two significant obstacles, the first of which was a conflict of interest with the State Department. On 5 February 1946, in the first meeting of the National Intelligence Authority (NIA), the overseeing body of the CIG, the Secretary of State defended his monopoly on "reporting to the president on matters of foreign policy" and "furnishing the President with information on which to base conclusions", effectively forbidding the CIG to add a layer of analysis or interpretation to its purely factual

[92] William Rust, 'The Talented Dr. Ripley', 8–10.; "PLAN FOR POST WAR SECRET INTELLIGENCE OPERATIONS In INDIA BURMA and SOUTHEAST ASIA", December 1945, RG 226, Entry A1 210, box 310, p23-26.
[93] "Preliminary Recommendations for Training in a Permanent Intelligence Agency", 24 October 1945, RG 226, Entry A1 211, box 4.
[94] "CURRENT AND RELIABLE SSU/BATAVIA SUB-SOURCES", March 1946, RG 226, OSS Classified Sources and Methods Files "WITHDRAWN RECORDS", box 200; "Contacts in Medan Area", 8 March 1946, RG 226, Entry A1 214, box 5; Rust, *Mask of Neutrality*, 122–23.
[95] David Priess, *The President's Book of Secrets the Untold Story of Intelligence Briefings to America's Presidents from Kennedy to Obama*, 2017, chap. 1.

statements.[96] While the CIG increasingly ignored this limitation from December 1946 onwards, especially in their later *Weekly Summaries*, there was another source of conflict with the State Department. Due to the CIG's limited operational capacity, it heavily relied on State Department input to maintain global coverage in its summaries. This meant the summaries were of little added value to the State Department, while it also lost control over the dissemination of its sensitive intelligence material.[97]

Part of the reason for the CIG's reliance on State Department input was the flat-out refusal of the military establishment to share the products of their SIGINT efforts with the broader intelligence community, as they deemed the intelligence too sensitive to leave their premises.[98] The ASA and OP-20-G had constantly been listening in on whatever traffic they managed to intercept and decrypt, while additional material on Indonesia was received through exchanges with their more experienced British counterpart until at least mid-1946.[99] More direct methods of obtaining cyphers or information were not shied away from either: "if communications traffic could not be broken then the diplomatic mailbags were opened, letters by diplomatic couriers were intercepted, phone conversations from and to embassies were eavesdropped, spies were inserted into embassies and consulates or 'loyal' foreign officials were bribed."[100] This – theoretically – allowed a handful of senior American executives to access large parts of both the Dutch and Indonesian diplomatic and military traffic. The variety of the messages that survive in American records seem to indicate a wide interception range, encompassing Dutch naval codes and diplomatic telegrams from China, Batavia, Washington DC and Australia, and Indonesian tactical communications from Java and Sumatra. However, it is hard to determine how complete the coverage was without more comprehensive declassification of the relevant intercepts by the NSA, especially as post-World War II cuts in the security budget forced the American SIGINT community to become more selective in their targeting.[101]

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[96] Office of the Historian - State Department, *FRUS EIE*, sec. 140.
[97] "State Department Views Relative to Current Distribution of CIA Daily Summary", 25 February 1948, CIA FOIA Reading Room, https://www.cia.gov/readingroom/document/cia-rdp67-00059a000400110053-7; "Content and Distribution of the CIA Daily Summary", 7 April 1950, CIA FOIA Reading Room, https://www.cia.gov/readingroom/document/cia-rdp61s00750a000100020013-3.
[98] Andrew, *For the President's Eyes Only*, 166; Graaff and Wiebes, 'Codes van Vertrouwen'.
[99] Collectie Cees Wiebes, inventory number 151, IISH, Amsterdam; Alvarez, 'Trying to Make the MAGIC Last', 867–68, 881.
[100] Wiebes, 'Operation "Piet"', 495.
[101] Collectie Cees Wiebes, inventory number 151, IISH, Amsterdam; Alvarez, 'Trying to Make the MAGIC Last', 865–70.

Moreover, it is essential to remain aware of two inherent problems of signals intelligence: its passive, untargeted nature and the volume of mostly non-relevant traffic to sift through with limited capacity for decryption and evaluation. In practical terms, the Dutch and Indonesian diplomatic and military codes posed little difficulty for the American SIGINT community. The continued Dutch reliance on older Hagelin cypher machines was exploited by the ASA's dedicated Hagelin section, while the Indonesian messages were typically only encrypted in a simple cypher of even plain-text Malay.[102] However, initially, neither the Dutch nor the Indonesian traffic was particularly high on the US' list of priorities, which meant that the number of cryptologists with an adequate grasp of Dutch or Malay was limited.[103] Although the SSA and OP-20-G could increase their pool of suitable processors given enough time, the sudden and short-lived nature of the Indonesian War of Independence's military and political escalations make it easy to imagine the American processing capacity being a bottleneck. This seems to be confirmed by the long processing times, which frequently reached one or two months after the initial collection.[104] These delays often relegated SIGINT to a means of confirming information that had already reached intelligence consumers through different channels.[105]

Meanwhile, American HUMINT operatives in Indonesia faced their own challenges in providing timely intelligence. Although the predominantly strategic intelligence the Americans gathered during the Indonesian War of Independence offers more leeway in this regard than wartime tactical intelligence, it still needed to be processed and disseminated within a matter of days to be actionable in ongoing issues. To avoid exposing undercover agents, *clean* middlemen known as *cut-outs* were used to transfer information up the chain of command within Indonesia. Relaying intelligence back to the regional headquarters and the United States was no easy feat either, and the best solution varied over time and per case. The State Department was hesitant to allow the use of its diplomatic channels for intelligence communication due to the risk of diplomatic embarrassment upon discovery but reluctantly allowed the intelligence community to use its diplomatic pouches. Alternatively, intelligence

[102] PEARL/ZIP/INDONGEN series 8 mei 1946, Collectie Cees Wiebes, inventory number 151, IISH, Amsterdam; Army Security Agency, *History of the Signal Security Agency: The General Cryptanalytic Problems* (Washington D.C., 1946), 247–54.
[103] Alvarez, 'Trying to Make the MAGIC Last', 869–70.
[104] Collectie Cees Wiebes, inventory number 151, IISH, Amsterdam.
[105] Collectie Cees Wiebes, inventory number 151, IISH, Amsterdam; Alvarez, 'Trying to Make the MAGIC Last', 877–79.

operatives could operate dedicated radio transmitters or use commercial cable companies to send messages, but these methods' exposure risks typically made them emergency solutions.[106] The eventual introduction of the CIA to Indonesia was never going to solve most of these fundamental problems, as they were either caused by technological limitations or security protocols. However, the new agency's broader mandate and strengthened institutional foundations did provide it with more bargaining power towards other departments, resulting in smoother communication and more cooperation.

One of the results of the CIA's improved stature was the increased use of official covers for CIA personnel. The CIA station chief in Batavia, Arturo J. Campbell, acted under the guise of being an attaché to the US Treasury, while another CIA agent working in Indonesia supposedly was a vice-consul.[107] The shift towards using official covers is somewhat remarkable, given the earlier explicit discouragement of intertwining US foreign officials with intelligence personnel and the fears over diplomatic embarrassment. These fears were not unfounded, as the Dutch military intelligence service suspected numerous American consulate officials of "unwanted activities" by April 1949.[108] However, complete separation was likely deemed impossible in practice since the number of Americans with a convincing private reason to be in Indonesia – especially the hinterland – was very slim, and relying on people without a background in intelligence to do such sensitive work was a potential recipe for disaster. Reliance on untrained personnel would have become untenable when the CIA became actively involved in the conflict through covert operations. In late September 1948, Arturo Campbell is said to have unsuccessfully offered two prominent leaders of the Indonesian Republic American funds to support them in defeating the then-ongoing communist revolt in the Javanese city of Madiun, while the Americans also started a training programme for the Indonesian police.[109]

This surge in the CIA's capabilities and activities was also reflected in the agency's reporting. While the CIG had already started to add a layer of analysis to its later summaries and other finished intelligence products, the CIA continued this trend confidently. The

[106] "Plan for Permanent Secret Intelligence Far East", February 1946, RG 226, Entry A1 - 210, box 516; "SOP for Intelligence Communication", 8 February 1946, RG 226, Entry UD 194, box 111.
[107] Kahin, *Southeast Asia*, 63; Rust, *Mask of Neutrality*, 231.
[108] "Ongewenste Amerikaanse activiteit t.a.v. Indonesië", 12 April 1949, National Archives The Hague, 2.10.61, inv.nr. 681.
[109] Kahin, *Southeast Asia*, 65; Gouda and Brocades Zaalberg, *American Visions*, 298–99.

relatively factual reporting in the summaries was increasingly supplemented with a "CIA Comment" between parentheses, adding context or nuance.[110] Moreover, the content of these comments seems to indicate the CIA had access to well-informed sources in both the Dutch and Indonesian camps. Sadly, individual sources are impossible to identify, as most operational records from this period that contain raw intelligence are still classified.[111] As tensions between the Dutch and Indonesians increased from mid-1948 onwards, and fully aware of the damage to its international prestige a new escalation in the conflict they were actively arbitrating through the GOC could cause, the US assumed a stricter stance towards the war and especially the Dutch.[112] Part of this renewed effort to end the conflict was to increase the intelligence efforts. Several one-off thematic reports and investigations started to appear around this time, detailing the military situation or communist activities, and topics such as the "alleged Dutch oppression of Indonesians".[113] This heightened intelligence focus on Indonesia continued throughout 1949, eventually seeing the conflict to an end.

In conclusion, the trusted system of diplomatic reporting through State Department channels remained a dominant source of information on the Indonesian War of Independence for the American policymakers throughout the conflict. However, the intelligence community was developing rapidly and increasingly helped create a better information position for the senior officials in Washington DC. The OSS and SSU operatives present in the region collected valuable intelligence until their withdrawal in mid-1946 and helped lay the foundation of the intelligence network in Indonesia that the CIG and the CIA later operated. Also, the effectiveness of US intelligence in Indonesia between 1945 and 1949 was severely hampered by problems in communication, coordination and cooperation between the different actors. Although the relationship and degree of integration between the central intelligence establishment and the diplomatic community showed definite signs of improvement in later stages of the war, the poor integration of SIGINT products into the central intelligence channels remained a hindrance until after Indonesia's independence in 1949.[114]

[110] For example, see CIA Daily Summary 20-09-1948, 09-11-1948 and 03-12-1948.
[111] Rust, *Mask of Neutrality*, 231.
[112] Kolko, *Confronting the Third World*, 17–19.
[113] "Alleged Dutch Oppression of Indonesians", 2 May 1945, CIA FOIA Reading Room, https://www.cia.gov/readingroom/document/cia-rdp82-00457r002600720001-7.
[114] Andrew, *For the President's Eyes Only*, 196–97.

Chapter 3: The intelligence cycle in practice

The relevant institutional context and intelligence collection capabilities of the involved actors were explored from a micro-perspective in the previous two chapters. To assess the extent to which intelligence could influence the American stance towards the conflict, it is helpful to analyse the entire intelligence process using the intelligence cycle. Doing so allows the identification of successes, bottlenecks and breakdowns in the American attempts to incorporate peacetime intelligence into their foreign policy machinery. Although the intelligence cycle is at most a severe simplification of reality, it aids in clarifying the structures and concepts that underlie the intelligence community.[115] Applying the intelligence cycle to the specific case of American intelligence in the Indonesian War of Independence also makes it possible to gauge the operational effectiveness of the American intelligence community outside of the European theatre, which usually dominates the late 1940s intelligence debate. This chapter will address the stages of the intelligence cycle in chronological order – planning and design, collection, processing, analysis, and dissemination – to simulate the different flows of intelligence up the hierarchy and towards the policymakers' desks.

In the period directly following World War II, the US intelligence services suffered a breakdown in the planning and design stage due to the uncertainty associated with the shift from war to peace. The later developments in the US intelligence structure, such as the introduction of the CIG and CIA, brought several changes and improvements to the intelligence planning and design for operations in Indonesia, as the budget steadily grew and the mandate was more clearly defined. Also, the National Security Act of 1947 put an end to much of the departmental infighting and uncertainty about the prospects of the intelligence community, which allowed the CIA to build up its global network confidently. However, not all fragmentation in the planning and design stage was taken away. Centralising the intelligence functions of all federal departments was deemed unworkable, which meant that several departments – most notably War, Navy and State – retained some intelligence capability for their own needs, which entailed possible duplication in the formulation of intelligence requirements and allocating funds.[116] However, some of this risk was mitigated by rulings on

[115] Valk, *Dutch intelligence--towards a qualitative framework for analysis*, 12–14.
[116] Office of the Historian - State Department, *FRUS EIE*, 81.

each organisation's jurisdiction and permitted methods, such as the 8 July 1946 NIA directive that gave the CIG the monopoly on "planning, developing and coordinating all Federal foreign intelligence activities", which mostly relegated other designated intelligence services to desk research.[117]

Compared to the institutional upheavals back in Washington and the corresponding changes in intelligence planning and design, the collection stage shows a surprising amount of continuity. Apart from a brief period of absence from mid-1946 to mid-1947, the OSS/SSU and CIG/CIA continuously operated one or two small field stations in Indonesia, staffed by trained intelligence personnel. These operatives built and operated a network of both conscious and unconscious informants and observers, from which they gathered intelligence on a wide array of topics, including the military, economic, political and humanitarian situation. Despite a relatively high turnover of personnel and variation in the degree of cover the operatives enjoyed, the methodology they used and the nature and volume of the intelligence they gathered does not seem to differ substantially throughout the conflict. Contrary to their organisations' directors and headquarters staff, the operatives in the field were hardly affected by the organisational storm raging overhead. Military or civilian, the operatives stationed in Indonesia were expected to collect as much relevant intelligence as possible, and attempted to do so as far as their training and the usually modest means assigned to them allowed them to.

A similar degree of continuity in intelligence collection can be found in the SIGINT sphere, where the involved units' operational practices remained essentially unchanged. For them, the processing stage posed the real challenge, as this involved identifying, sorting, decrypting and translating the massive backlog of intercepts. Although the origin or intended recipient of the message could indicate its potential relevance, there was no way of knowing for sure until it had been fully decrypted.[118] However, the SSA and OP-20-G's continued reluctance to analyse their products by actively verifying transcripts against other known intelligence or providing the intelligence consumer with their interpretation may be partly explained by their origins as communications units. Traditionally, their responsibility stopped at delivering the message. Even as their work grew increasingly important, they did not assume responsibility

[117] "NIA Directive No. 5", July 8 1946, CIA FOIA Reading Room, https://www.cia.gov/readingroom/document/0000197752.
[118] Collectie Cees Wiebes, inventory number 151, IISH, Amsterdam; Army Security Agency, *History of the Signal Security Agency: The General Cryptanalytic Problems*, 247.

for analysis and actively prevented the central intelligence organisations from doing so as a security measure.[119]

HUMINT processing posed significantly different challenges. Whereas SIGINT was typically regarded as "objective" intelligence, as the target was not aware of being monitored, most HUMINT was gathered through deliberate interaction with sources, who could always have a hidden agenda. To counter this risk, the local operatives were expected to scrutinise their sources before reporting their findings. While the definitive analysis of intelligence was generally not done in the field, the intimate familiarity and proximity the local operatives had with the subject matter necessitated them to engage with the intelligence analytically. An excellent example of this can be found in a report that was sent from the SSU field station in Medan on 4 February 1946, in which the operative summarises the "general situation" on Sumatra by combining Indonesian, Dutch and British perspectives on politics, military affairs and the communist threat and even referring back to specific previous reports for additional context. Moreover, some reports were enriched with so-called "Field comments", which added further elaboration from the operatives' perspective.[120] This phenomenon not only shows the somewhat decentralised nature of the US HUMINT structure of the late 1940s but also the shortcomings of the intelligence cycle model, as the stages can rarely be regarded as strictly separated.

The HUMINT establishment's central analysis capacity probably underwent the most radical transformations in the American intelligence process between 1945 and 1950. The separation of the 900-strong OSS Research and Analysis branch from the soon-to-be SSU operations branches was a massive blow for the HUMINT analysis effort.[121] Furthermore, the SSU's budget cuts and personnel reductions – from 9.138 in early October 1945 to only 1.967 in mid-February 1946 – strongly reduced the organisation's ability to reacquire the lost analysis expertise.[122] Judging by the finished intelligence output on the Southeast Asian region, most notably the (Daily) G-2 Summary, most "central" intelligence analysis was performed at

[119] Thomas R. Johnson, *American Cryptology during the Cold War, 1945-1989* (Washington D.C., 1995), 7–8; Alvarez, 'Trying to Make the MAGIC Last', 880–81.
[120] "Background of General Situation – Sumatra", 4 February 1946, RG 226, Entry M1656, box 1; "British and Dutch Order of Battle; Morale", 25 April 1946, RG 226, Entry M1656, box 2.
[121] Smith, *OSS*, 364.
[122] Office of the Historian - State Department, *FRUS EIE*, sec. 103; Dauphinee, 'The Strategic Services Unit in Historical Perspective', 49.

the theatre level.[123] Since Indonesia was part of the "India-Burma Theater", the intelligence gathered there was reported back to the SSU theatre headquarters in Singapore, with a total staff of 33 in early March 1946.[124] The scarcity of intelligence analysis and synthesis performed in Washington could reflect the dire shortages in personnel the SSU faced. However, it might also reflect the military nature of the organisation, in which the theatre and its command structure were regarded as the most appropriate level of operations. The low point for Indonesian HUMINT analysis probably came right after the SSU's withdrawal of its operatives from the archipelago in June 1946. The lack of analytical capability in Indonesia itself, having only spotty coverage of the region, and the less-than-ideal handover of responsibilities from the SSU to the CIG will have had a detrimental effect on analysis and reporting quality.

In some regards, the CIG was the polar opposite of the relatively decentralised SSU. For example, its initial raison d'être was – at the specific request of President Truman – to collate the numerous global streams of information from several federal departments into a clear, daily intelligence digest, while its intelligence collection capabilities were an afterthought.[125] As late as June 1946, the CIG's *Central Reports Staff*, responsible for the Daily Summaries and other products, consisted of only 19 people.[126] However, within a few months, their numbers would grow rapidly. The decentralised integration of the former OSS R&A branch into the State Department proved unsuccessful, leaving many analysts to essentially wither away. Frustrated by this wasteful arrangement, and with the support of the military representatives on the overseeing body, the CIG director assertively argued for expanding the CIG mandate. These factors led the *Intelligence Advisory Board* to advise that the primary research and analysis function on foreign developments that affected multiple federal departments should be ceded to the CIG, eventually resulting in a substantial transfer of analysts from the State Department.[127] Although the exact numbers are unclear, there is no doubt that the analysis capacity for the CIG and later CIA was subject to continuous growth throughout the rest of the

[123] Daily Summaries, NARA RG 0493, Entry UD-UP 20, Container 3. G-2 was an Army designation for all military intelligence sections.
[124] "Report of Survey of Strategic Services Unit Under CIG Directive No. 1", 14 March 1946, RG 226, Entry A1 - 210, box 314.
[125] Andrew, *For the President's Eyes Only*, 164–65.
[126] Office of the Historian - State Department, *FRUS EIE*, sec. 154.
[127] Office of the Historian - State Department, *FRUS EIE*, secs 146, 156, 160.

1940s. Even though fears over Soviet activities in Europe were the main drivers for this growth, the Far East section inevitably benefited from spillover effects.[128]

For intelligence to effect any influence on policy, the dissemination of intelligence products is crucial. The distribution of finished intelligence products is a good indicator of intelligence organisations' mission and reach. Within the HUMINT sphere, there is a clear development to be seen, as many of the surviving summaries include an overview of their recipients. During most of the OSS and SSU period, only seven copies of the G-2 Summary on Southeast Asia were distributed, all of which were destined for War Department officials in Washington. Remarkably, it even took until early 1946 for the commanding general of the US forces in the theatre to be listed as one of the official recipients.[129] At this point, the American HUMINT presence in Indonesia was part of a closed military system that did not directly share its intelligence products with the policymakers in the State Department. This changed in the CIG/CIA era due to the way the centralisation of intelligence was envisioned. Rather than integrating the different intelligence organisations at the operational level, the President's initial request for an integrated daily intelligence digest evolved into a system in which a central agency collated the various departmental reports and OSINT streams and integrated its own intelligence products, to then distribute its findings back to an increasing number of desks in relevant departments. The initial CIG summaries were distributed to around fifteen executives, while by mid-1949, the CIA's Weekly Intelligence Summary was distributed 68-fold to some thirty different Secretaries, agencies, offices, boards and committees.[130]

However, in determining the influence of intelligence on policy, the distribution of finished intelligence products is only one part of the equation. Its reception and perceived usefulness as judged by its consumers are essential aspects too. At first glance, it seems evident that receiving more information and intelligence from multiple sources could only improve the State Department's decision-making. However, the events leading up to the second Dutch "Police Action" (19 December 1948 – 5 January 1949) seem to indicate that this relationship is more complicated. A day before the start of the Dutch offensive, the Chief of the Foreign Policy Planning Staff recommended to the State Secretary that the United States should take "all appropriate measures" to ensure a swift, negotiated settlement between the

[128] Michael Warner, ed., *The CIA under Harry Truman* (Washington, DC, 1994), xv.
[129] Daily Summaries, NARA RG 0493, Entry UD-UP 20, Container 3.
[130] For example, see CIA Weekly Summary #54, 10-06-1949.

Dutch and Indonesians.[131] Although the scenario of the Dutch resorting to military action was certainly taken into account, especially as negotiations faltered, most of the involved State Department and Foreign Service representatives expected that their active involvement and the exertion of American diplomatic pressure would be enough to keep the Dutch from committing to it. For example, on 2 December, Consul General Livengood met with the Dutch Foreign Minister Dirk Stikker in Batavia to stress "what serious views" the US government would take of renewed Dutch military action and that there "would be a limit beyond which [he] could not risk going".[132]

Meanwhile, the CIA Daily and Weekly Summaries paint a somewhat different picture. As early as 17 September 1948, the Weekly Summary reported Dutch troop movements that showed that "the Dutch appear to be preparing for large-scale military action" and multiple subsequent reports, especially throughout December, emphasised the increasing likelihood of a Dutch offensive.[133] The summaries show the CIA's reliance on Foreign Service reports for the bulk of its reporting but still provide added value through *CIA Comments*.[134] For example, on 6 December, the US GOC representative reported a breakdown in Dutch-Indonesian talks through conventional diplomatic channels. The CIA Comment accompanying this rather neutral statement added that the agency believes the Dutch are deliberately stalling the negotiations to provoke unrest within the Republic "to bolster Dutch claims that military action is necessary".[135] Similarly, on 17 December, a report of the State Department asking the Dutch Embassy in Washington about the Dutch intentions in Indonesia is accompanied by a CIA Comment stating that the agency considers that "a negotiated settlement is no longer possible" and that "Dutch police action in the next few weeks is a distinct possibility".[136] Thus, despite not pinpointing exactly when the Dutch would strike, it seems that the CIA analysts benefited from their side-line perspective in trying to gauge the true Dutch intentions.

[131] Gouda and Brocades Zaalberg, *American Visions*, 294–96.
[132] Office of the Historian - State Department, *Foreign Relations of the United States, 1948: VI The Far East and Australasia*, ebook (Washington, DC, 2018), sec. 386.
[133] Central Intelligence Agency, *Weekly Summary 17-09-1948*, CIA FOIA Reading Room.
[134] "State Department Views Relative to Current Distribution of CIA Daily Summary", 25 February 1948, CIA FOIA Reading Room, https://www.cia.gov/readingroom/document/cia-rdp67-00059a000400110053-7; "Contents of the CIA Daily Summary", 21 September 1950, CIA FOIA Reading Room, https://www.cia.gov/readingroom/document/cia-rdp80r01731r003600030001-3.
[135] Central Intelligence Agency, *Daily Summary 09-12-1948*, CIA FOIA Reading Room.
[136] Central Intelligence Agency, *Daily Summary 17-12-1948*, CIA FOIA Reading Room.

It took time to integrate the intelligence community's products into the policymaking process effectively. The concept of a centralised intelligence structure was new and unproven, and the added value of a separate peacetime intelligence infrastructure was doubted as the State Department's policymakers had always regarded the department's internal foreign reporting system as adequate and functional. In fact, throughout much of the State Department, the upcoming central intelligence establishment was regarded as a threat to their responsibilities, influence and privileges regarding foreign reporting and policy formulation.[137] Nonetheless, acceptance and appreciation of centralised intelligence within the State Department did grow over time. According to several *Adequacy Surveys* conducted among recipients of the Daily and Weekly Summaries between late 1946 and mid-1948, the State Department officials who were consulted grew increasingly satisfied with the speed of the reporting and the quality of analysis performed by the CIA, even going so far as to observe that "[the] CIA was doing a better job than the Department in selecting and condensing the cables for inclusion in the Daily Summary" as early as May 1948.[138]

In analysing the dissemination of intelligence relating to the Indonesian War of Independence, there is still the problem of secrecy and security clearances. The CIG and CIA products were distributed sparingly due to their SECRET or even TOP SECRET classification levels. The same adequacy surveys reveal that throughout 1946 and 1947, only three to five people in the State Department were allowed to engage with the intelligence reports, most of whom were directly around the Secretary of State.[139] Although this number is likely to have increased somewhat in the later years of the conflict, as the State Department received up to eleven copies of the Weekly Summary by mid-1949, its recipients still included only the highest State Department officials. This is likely also the case for the dissemination of SIGINT, although most of the files on its distribution and application remain classified to this day.[140] The State

[137] Andrew, *For the President's Eyes Only*, 164.
[138] "ADEQUACY SURVEY OF THE CIG DAILY AND WEEKLY SUMMARIES", 9 December 1946, CIA FOIA Reading Room, https://www.cia.gov/readingroom/document/cia-rdp80r01731r003600030021-1; "ADEQUACY SURVEY OF THE CIG DAILY AND WEEKLY SUMMARIES", 7 May 1947, CIA FOIA Reading Room, https://www.cia.gov/readingroom/document/cia-rdp80r01731r003600030016-7; "ADEQUACY SURVEY OF THE CIA DAILY AND WEEKLY SUMMARIES", 3 May 1948, CIA FOIA Reading Room, https://www.cia.gov/readingroom/document/cia-rdp67-00059a000400110047-4.
[139] "ADEQUACY SURVEY OF THE CIG DAILY AND WEEKLY SUMMARIES", 9 December 1946, CIA FOIA Reading Room, https://www.cia.gov/readingroom/document/cia-rdp80r01731r003600030021-1; "ADEQUACY SURVEY OF THE CIG DAILY AND WEEKLY SUMMARIES", 7 May 1947, CIA FOIA Reading Room, https://www.cia.gov/readingroom/document/cia-rdp80r01731r003600030016-7.
[140] Alvarez, 'Trying to Make the MAGIC Last', 867.

Department was included in the SIGINT planning board from December 1945 onwards. However, their staff's – in some cases even only the Secretary of State's - access to its products remained severely restricted due to the military's secretiveness about the extent of American prowess in this field.[141] Given this minimal distribution of intelligence products throughout the State Department, its senior staff likely only used intelligence as quality control or as an occasional supplement to the traditional State Department channels.

In summary, despite a remarkable continuity in the operational side of American intelligence collection on the Indonesian War of Independence, the changes that were made to the structure and institutionalisation of the American intelligence community in transitioning from the Second World War to the Cold War proved a massive obstacle in furnishing the right people within the foreign policy apparatus with the right intelligence at the right time. The most pressing problems were found in the planning and design, analysis and dissemination stages of the intelligence cycle model, although the CIA's rapid development alleviated the severity of these issues towards the final stages of the conflict. Furthermore, the strained relationship between the central intelligence establishment and State Department proved to decrease the influence of American intelligence on the country's stance towards the Indonesian War of Independence. Nevertheless, as the quality of intelligence analysis and reporting steadily improved, the few State Department officials who were allowed to engage with the highly classified material became increasingly receptive to the valuable insights it had to offer.

[141] Thomas R. Johnson, *American Cryptology during the Cold War, 1945-1989*, 7.

Conclusion

Considering the developments and turf battles within the American intelligence community and its operations during the Indonesian War of Independence, there is little doubt that the limited academic attention for the role of intelligence has long posed a missing dimension in the historiography on the conflict. The documents and reports produced by operatives and analysts of the various US intelligence services and agencies that played a role in Indonesia between 1945 and 1949 add an extra dimension to our understanding of the conflict and are full of surprising insights from a party that was simultaneously neutral and highly invested in the conflict. Also, the Indonesian War of Independence provides a rare opportunity to showcase the extent of operational continuity in the field in American foreign intelligence between 1945 and 1950, since the majority of works covering US intelligence in the immediate post-WWII period focus on the institutional transformations in Washington DC. However, to determine the influence of intelligence on the American stance towards the conflict, both the field station and the headquarters perspectives need to be integrated into a single narrative.

Directly after World War II, US intelligence was still a military affair. Although the wartime performance had been admirable, adapting to a peacetime role proved challenging. The OSS and SSU personnel stationed in Indonesia outnumbered the local State Department representatives and was often able to report their findings with a higher degree of objectivity and accuracy, despite operating conspicuously. However, they largely failed to find an audience outside of the military due to poorly developed dissemination channels at the central level. A similar fate befell the SIGINT services, although this was at least in part self-inflicted due to their extreme secretiveness about their products. As SIGINT would remain a military affair, the civil-military division hardly grew smaller in this sphere, whereas the interdepartmental nature of the CIG proved to be a step in the right direction. However, the CIG was severely hamstrung by a weak mandate and shortages of everything except for ambition. While the introduction of the CIG Daily and Weekly Summary improved the dissemination potential, the organisation lacked the personnel and means to realise global coverage in the field. The resulting dependence on State Department reports on foreign developments meant that the CIG often had little to offer that the State Department did not already know.

Even though the better-funded CIA gradually managed to alleviate many of its predecessors' problems during the first two years of its existence by establishing a good working relationship with State Department officials and expanding its network and analysis capacity, it was by no means a fully matured agency by the time Indonesia gained its independence. Furthermore, like its predecessors, it struggled with the relationship between the intelligence community and the foreign policy establishment. For example, the confidential nature of intelligence data prevented lower-level State Department staff from being among its direct consumers, making intelligence unlikely to be a policy driver. Instead, it is more likely that the Secretary of State and his immediate subordinates employed the intelligence data reaching their desks as an independent *second opinion* to assess whether the current State Department policy was appropriate. Another example of these tensions is the resistance against foreign intelligence activity among Foreign Service personnel and foreign policy officials due to the risk of *diplomatic embarrassment* or a sense of professional interference. Between 1945 and 1949, the fact that many executives in the State Department felt somewhat threatened by the notion of peacetime foreign intelligence will have reduced the willingness to let intelligence data influence their stance on the *Indonesian Question*.

Given these limitations, US intelligence is unlikely to have had a radical impact on the US information position or policy towards the war. Tempting as it may be to ascribe the most notable shift in the US stance on Indonesia in the second half of 1948 to the coinciding rapid growth of the CIA's capabilities and stature, a more convincing explanation for this transferral of implicit American support from the Dutch to the Indonesians can be found in the State Department's own reporting channels, as argued by Gouda and Brocades Zaalberg. The introduction of the GOC delegation to the region in late 1947 led to a steady stream of balanced and sometimes even pro-Indonesian appraisals of the conflict towards Washington DC. Over time, this led the State Department executives to favour the Indonesian Republic over the Dutch as the most likely candidate to bring stability to the region, which they deemed extremely important in countering the communist threat. Nevertheless, the reported satisfaction of State Department officials with CIA products and the surge in CIA-produced reports on the situation in Indonesia that emerged during the final months of the war do suggest that intelligence served to support and possibly even justify the harsher stance the Americans eventually adopted towards the Dutch.

Although these findings are not enough to drastically alter the existing explanations for the American policy development regarding the Indonesian War of Independence, they do partly illuminate an aspect of the American state machinery that had so far remained in the shadows and also raise some further questions. Although the institutional side of the developments in the American intelligence community is relatively well documented throughout this period, much remains unclear on the operational level due to the ongoing classification of relevant documents. For example, the scope and reliability of the American network of informants are hard to judge accurately, as is much of the raw intelligence gathered in the field. Another fascinating area for further study is the domain of counter-intelligence and the extent to which the Dutch and Indonesians managed to identify and mislead the American intelligence operatives in their continuous uphill struggle to remain incognito in a region where Americans were few and far between. The process of getting additional intelligence records approved for declassification is long and often frustrating, but, having passed the 75-year mark since the end of the Indonesian War of Independence, the publication of an additional batch of relevant documents is already overdue. By remaining alert and incorporating newly released records into the narrative, we can gradually make the story of American intelligence in the Indonesian War of Independence more coherent and complete.

At the same time, we have to keep in mind that our current understanding of the US intelligence involvement in Indonesia is built on a small body of redacted archival sources, which only forms a tiny sliver of the complete documentary record and should not be thought of as an "analogue of reality".[142] Furthermore, the distinct difference in the scope of the declassification programs – with the defunct organisations being relatively well-documented and the CIA being highly restrictive – seems to indicate that the CIA has adopted a broad definition of documents that could "reveal the identity of a confidential human source, a human intelligence source, a relationship with an intelligence or security service of a foreign government or international organization, or a non-human intelligence source; or impair the effectiveness of an intelligence method currently in use, available for use, or under development".[143] Nevertheless, one assumption can be safely made: the picture of US intelligence activity in the Indonesian War of Independence that emerged from the surviving

[142] Richard J Aldrich, *The Hidden Hand Britain, America and Cold War Secret Intelligence.* (London, 2006), 6–7.
[143] "Redaction Codes", 15 August 2016, https://www.archives.gov/declassification/iscap/redaction-codes.html.

and available sources marks the lower bound of American intelligence activity in the conflict, as yet-to-be-declassified documents could easily obscure some elements of the US involvement. However, given the US intelligence community's generally underdeveloped state and limited operational assets before 1950, it seems unlikely that the scope or nature of the actual American activities far exceeds the range discussed in this thesis. Sadly, definitive answers on this matter seem lost to either continued classification or an agency shredder.

Together with the simultaneous Cold War developments in Europe, the Indonesian War of Independence was a formative experience for the American intelligence community, both in planning and conducting its operations as an outwardly neutral party and in providing relevant and worthwhile products for the foreign policy establishment and other federal departments. Given the broader post-WWII trend of European imperial retreat and the surge in Southeast Asian nationalism, the outcome of the Indonesian War of Independence was all but inevitable. However, the shift of American support from the Dutch to the Indonesians shortened the conflict considerably. This policy shift was not triggered by intelligence but primarily brought about by considering macropolitical developments and improvements in the State Department's own reporting channels. Instead, the effect of American intelligence in Indonesia seems to have been subtle, purely supporting and confirming to the most senior foreign policy officials the already shifting assessment of Dutch and Indonesian capabilities. Nevertheless, the arduous but rapid development in intelligence organisation between 1945 and 1950, tried and tested in the Indonesian archipelago, was essential in laying the foundation for the American intelligence community that was often at the forefront of Cold War tensions and skirmishes in the decades that followed.

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