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[Signatures]

Howard Palfrey Jones

Archivist of the United States

[Dates]

Feb. 1972

March 3, 1972
<table>
<thead>
<tr>
<th>Page</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Meeting John F. Kennedy [JFK]</td>
</tr>
<tr>
<td>2</td>
<td>Position in the State Department: staff members, roles, and the Far East</td>
</tr>
<tr>
<td>6</td>
<td>The Point IV and Indonesia program</td>
</tr>
<tr>
<td>7</td>
<td>The Far East group: important personalities in and involved in the Far East and Far Eastern Affairs</td>
</tr>
<tr>
<td>13</td>
<td>Decisions regarding Indonesia in the 1950’s: power, economics, the West Irian issue, and politics</td>
</tr>
<tr>
<td>15</td>
<td>Ambassador to Indonesia: appointment, connections, and challenges</td>
</tr>
</tbody>
</table>
Well, I guess as concerns general background, the logical place to begin is with the question, when did you first meet Senator Kennedy, or President Kennedy, as it might have been?

I first met President Kennedy when he was a senator and talked with him about Indonesia. We had a tremendously interesting visit. At the time I was very much impressed by Senator Kennedy's awareness of the problems of Asia and the Far East and the social and economic revolution taking place there. He evinced a degree of interest and knowledge of that part of the world that was, let us say, not generally characteristic of congressmen.

Do you remember about when that was?
JONES: He was a freshman in the Senate; I think either the first or second year after his election. I'd have to check to pin down the exact date. What was the date of his election?

O'BRIEN: You mean as a senator? It was '54, I believe.

JONES: This would have been either '54 or '55, when I was head of the economic aid mission in Indonesia, several years before I became ambassador.

O'BRIEN: That was perhaps the first time you met Sukarno, too.

JONES: Yes, I first met Sukarno in July 1954 when I went out there as head of the economic aid mission--U.S. Operations Mission it was called then.

O'BRIEN: Back in those years when you were in the State Department, did you have much contact with Secretary /Dean/ Rusk?

JONES: You mean when he was Assistant Secretary for Far Eastern Affairs?

O'BRIEN: Right.

JONES: Not too much at that time. He left the State Department, you remember, to go to the Rockefeller Foundation and so, although I had several conferences with him before he left the State Department, my dealings were largely with Assistant Secretary Walter S. Robertson. I was in Germany in Berlin after the war for six years, from 1945 to 1951 and then moved to the Far East as charge d'affaires.
in Taiwan. It was in that period that I knew Dean
Rusk. Then Dean resigned, and I think there may have
been one or two in between, but Walter S. Robertson
came in with the Republican Administration in 1954.

O'Brien: Right! At this time, when you were in the State
Department and concerned with Far East affairs,
particularly 1954 in Indonesia, were there some very
fundamental differences on policy present at that time?
I think in later times it's been cast in the terms
of those people who put an emphasis on Europe and
those people who put an emphasis on developing nations
in the Far East. Can you perhaps give us an insight
into some of the personalities and people involved
in that, and some of the issues and differences?

Jones: Yes, there was certainly, and this was natural enough,
a group in the State Department who had been--well,
who had their roots in Europe. All their experience
had been in Europe and with Europe. They were people
who had relatively little interest in the Far East,
and if they had any interest, they had little under-
standing of the Far East. This was so evident in
the early days of, for instance, /Harry S./ Truman's
Point IV, and the obvious lack of sensitivity to the
Asian environment and cultural atmosphere, and the
lack of knowledge of the history of some of these
countries. Very few people, for instance, anywhere
in the United States, not alone in Washington, were aware of this part of the world. The degree of ignorance was fantastic. I've had top people, some of our top educators, come out to Indonesia and ask the question: Why does this country think it has any right to be a nation? These Americans, therefore, were registering a complete blank on the fact that Indonesia had had two great empires in its history before the discovery of America, that it had a common language, a common territory, a common religion, and finally a common enemy in the Dutch. Thus it had all the essentials of a nation. And it was the intrusion of colonialism for 350 years that broke into the continuity of its history. So, generally speaking—and I can say this because I, too, had little knowledge of the Far East before I went there—Washington was so Europe-oriented, generally speaking, after World War II that it was a rare person who had any real depth of interest in the Far East.

Now, the Boxer scholarships had developed a special relationship with China. And, of course, we had many people who had either been educated in China or had an interest in China as a result of missionary activities. And there was a somewhat lesser contact with Japan, which really was due more to business relationships than to missionary activities. But at
that time, when you talked about the Far East, you talked about Japan and China. You didn't talk about the other countries in that area. Very few people in Washington in 1954, for example, knew that Indonesia in population was the fifth largest country in the world, or that its geographical area was larger than that of the United States. When I first went to Indonesia, one of my friends in Washington, who should have known better, said to me, "Howard, I didn't know you were so fluent in French as all that."

Indonesia, of course, was a Dutch colony. They spoke Indonesian and Dutch, not French. So what I'm really saying is that we had a natural affinity towards Europe and this European-mindedness was characteristic of most of the Washington leadership in the fifties.

Now, after World War II, it seems to me that our initiatives were nothing less than heroic. We mounted the Marshall Plan to save Europe. For the first time in history, we picked up an enemy, dusted him off, stood him on his feet, and helped him come back. These were successful initiatives. The Truman Doctrine saved Greece. These actions were, I think, a combination of idealism and the realization of what was necessary to restore world stability.

Then occurred the takeover of China by the Communists, which came as a tremendous shock. I was sitting in
Berlin at the time with General Maxwell D. Taylor. I was the State Department representative, and he was the U.S. Commander, Berlin. And I'll never forget the impact of that event. Suddenly our concerns turned to the Far East. America was thinking in Cold War terms, rather than having a genuine interest in and concern for the peoples of the area. But we did act. The aid program that was called "Point IV" was mounted, and Indonesia was one of the first programs.

The Indonesian program was a problem for many reasons. As you may remember, on the issue of an economic-military U.S. aid program, the Indonesian Cabinet fell. Our first ambassador there, H. Merle Cochran, signed a secret agreement which did not remain secret. The Cabinet fell, and our mission had a tough time. In 1954 I was asked to go out there, reorganize the mission and develop a new aid program for the country. The aid programs in Asia were the first real indication that we were beginning to understand the problems of the underdeveloped areas of the world.

Even so, for years whenever there was a question of choice between Europe and Asia, there was a preponderance of concern in Washington for Asia. Only a relatively small number of people, most of them in the Bureau of Far Eastern Affairs, were
intelligently and perceptively alert to the economic and social revolution that was sweeping Asia. Too many in Washington saw Asia in terms of the Cold War on the one hand and the liquidation of colonialism on the other.

Now, you can't pinpoint individuals. This wasn't a deliberate thing. It was the natural result of our history.

O'BRIEN: Who are some of the more important personalities, not only in Far East, the Bureau of Far Eastern Affairs, but let's say in the foundations and perhaps in business that make up the pro-Asia grouping—John King Fairbank refers to them somewhere as the "China group." I've heard them called the "Far East group" at times.

JONES: Well, of course, years ago people used to talk about Chiang Kai-shek's "China lobby." There were key men in Congress like Walter Judd, prominent business men and former missionaries or sons of missionaries who had a deep feeling for China and who saw Chiang Kai-shek as the only possibility for turning back the clock and the re-emergence of a non-Communist regime in China. But the people whom I think became of greater importance in this period were those in the Government who began to develop a sensitive interest in Asia generally. Here you had an area in which almost two-thirds of the people of the
world lived, an area where ignorance, poverty,
disease and despair were endemic above all, an area
where people looked to political independence as
the answer to all their problems.

In the case of Indonesia, which had been occupied
for three and a half centuries, the new independence,
merdeka—that was the magic word like our word
liberty—was thus regarded as the Aladdin’s lamp
which would solve all their problems. All their problems
had been blamed on the Dutch, of course. But when
these new nations suddenly acquired independence, it
brought them more problems, not less. They were
bewildered. Most of them had no understanding of
what was happening to them. They did have, of course,
tremendous pride in their country. They did have
a strong feeling for and of nationalism. They
did glory in their own history. But most of them
were not prepared for independence. In the case of
Indonesia, the Dutch had left the Indonesians with
a literacy rate of about 5 or 6 per cent. It wasn’t
quite so bad in the case of some of the other colonies.
The British did a better job. But the Dutch had
built up no civil service. And in Indonesia you
really had the quintessence of the problems of all
the developing countries.

Well, we began to develop—through our State
Department people in the area, through businessmen who were reaching out, through our aid programs, through increasing particularly the educational aid programs—a group of people in the United States who were knowledgeable and understanding and these people comprised a group which ultimately exerted a tremendous influence. They were, as I say, not only people in government, but scholars, professional men, businessmen—who had some appreciation for the aspirations of the Asian people and the problems these countries were struggling with. Many of our big business firms mounted scholarship programs for students in college.

O'BRIEN: Who are some of the more important persons, though—I suspect George Kahin was one.

JONES: Yes. George Kahin was one of the outstanding scholars who first interpreted Indonesia to America.

O'BRIEN: How about in the business world, as well as the academic? In government...

JONES: In the case of Indonesia, the American investment interest was extremely limited. Oil and rubber were the main areas of investment. These were vitally important to the country since they were the top foreign exchange producers. In petroleum, there were the Big three: Vas, Standard Vacuum, the overseas exploration group of Standard Oil of New Jersey and Socony Vacuum. Caltex was the overseas
exploration combination of Standard Oil of California and the Texas company and Shell. In rubber there were two U.S. companies: the Goodyear Rubber Company, which had the largest single rubber estate in the world, the famous Wingfoot Estate in Sumatra; and U.S. Rubber which had in Sumatra the largest group of rubber plantations in the world. There were a few U.S. owned factories including a small battery plant; a tire plant owned by Goodyear, a small coconut oil plant in Surabaja owned by Proctor and Gamble. That was about it at the time. Now the heads of some of those companies were highly intelligent men with a broad gauged approach to development problems. And a few of them weren't, of course.

O'BRIEN: Who were some of the more outstanding ones?

JONES: Well, when I first got there, a man named "Bud" Arnold was the Caltex representative. And he later became vice president of the company. He was also the president of American Overseas Petroleum. He was genuinely interested in Indonesia and the Indonesians, in addition to being interested in his own operation. And he sold his company on establishing sound relationships with Indonesia, on expanding at a time when other companies were very hesitant about further investments, with the result that today Caltex has the largest petroleum production in Indonesia.
Perhaps most important of all, he sold his company—and this was a difficult thing to do—on the idea that an Indonesian should be made managing director of Caltex operations in Indonesia. And he was—an outstanding man named Julius Tahiya. Well, this was the best evidence that could have been given by a large American company of its confidence in Indonesia. It represented a forward looking approach to business in that part of the world at that time.

O'BRIEN: Who are some of the people who had a sensitive understanding in the State Department of Indonesia in the fifties as well as the Far East?

JONES: I mentioned Arnold as an example of a constructive-minded businessman. I don't want to imply that he was the only one. There were Jack Berlin and Robert Anderson of Stanvac, Robert Harding who succeeded Arnold and others.

In the State Department in that period Assistant Secretary Walter S. Robertson was one who fought for the Far East. He had been head of the Lend-Lease administration in Australia and then went to China as the minister for economic affairs with the Marshall mission. He had an intelligent appreciation of what was happening in that part of the world. Robertson has often been regarded quite differently, especially by the Indonesians who felt that he was the man who

*Standard Vacuum Oil Co.
had been involved in holding the line in the State Department for a pro-Dutch policy on the West Irian issue. This was not so. If it hadn't been for Walter Robertson, we would have taken a pro-Dutch line. The attitude in the State Department at the time was pro-Dutch. Sukarno was regarded as a troublemaker, and there wasn't much interest in helping him in any way. But Robertson saw beyond this level. One man was not a nation. It was Indonesia that was important. I can remember time after time he went to the Secretary and even to the President to hold a neutral line and prevent us from actually taking sides with the Dutch in the West Irian dispute. John Foster Dulles generally had complete confidence in Robertson's analysis of the Far Eastern situation. And I know of no occasion when he failed to support the positions Robertson took on, well, on all matters in the Far East, but certainly on Indonesia.

There were many men representing us in East Asia who were perceptive and sensitive. Alex Johnson was one. Such men as Robert Murphy, Johnson, Wm. Debald, Marshall Green, James D. Bell, John Allison began to have an impact on the Department's thinking, just as an earlier generation of diplomats had influenced thinking of the Department of State with regard to China; and we gradually moved away from
being totally European-oriented.

O'BRIEN: I've heard it said that decisions in regard to places like Indonesia in the 1950's were often made on the Dutch desk rather than on the Indonesian desk, in a sense, in the Department.

JONES: I think that may be going a little far, although there was more sympathy for the Dutch position in the Department of State than for the Indonesian. When I went out to Indonesia as ambassador, /John/ Gordon Mein was what is now called the Country Director for Indonesia. He later served as Ambassador to Guatemala where he was assassinated. He was a strong officer, and he fought the battle of Indonesia right down the line. And again, having given credit to Walter Robertson, it must be recognized that he reflected Mein's positions on Indonesia. But Mein couldn't always win these battles, and certainly, with respect to the position of our United Nations delegations, the tune was more likely to be called by the Bureau of European Affairs. I can remember our Bureau's representative returning from the United Nations one year and reporting, "I might as well have stayed in Washington. "I was never called upon for advice, and when I offered it, it wasn't taken."

The history of Indonesia would have been different had we dealt with the West Irian issue at an earlier
stage. Sukarno used the West Irian issue not only to maintain himself in power, but to draw power to himself under guided democracy. Had this issue been extracted at an earlier period, I believe it likely the Dutch would not have been thrown out of Indonesia as they were in 1957, and Sukarno would not have been able to achieve the degree of power that he ultimately achieved.

This is saying a lot, and many of my Dutch friends would disagree because they felt that Sukarno would find another issue, that he was so volatile and such a demagogue he would have invented or created another issue. But there was no other issue as appealing to his countrymen as the West Irian issue. To galvanize a country like Indonesia, you had to have an issue that really got hold of people. Well, the West Irian issue was it. There just weren't any other issues that were that great. And I think that people like /Mohammed/ Hatta, Sjajruddin, and the others around Sukarno who were opposed to his view of the Dutch having an economic strangle hold on the country, and who felt that the Dutch were needed not only for their capital investment, but for their know-how, and that the country should grow around and with them, that these people were really in the majority. Had we taken a stronger position on
West Irian and done what President Kennedy ultimately had to do to settle the issue, we would have headed off some of the difficulties that came later. Indonesia came close to being captured by the Communists. This might well have been avoided by an intelligent and statesman-like handling of the West Irian issue at an early date.

This was one of the areas where the Europe-first tradition handicapped the United States government. Let me say clearly that this had nothing to do with partisan politics. I served under three presidents, and it was so until President Kennedy cut the gordian knot. We could have done in '52, '53, '54, '55 what we ultimately did in '62. Monday morning quarter-backing is not exactly a profitable occupation except as it may guide you in the future. It was ironic. Dutch Foreign Minister Luns and other people who were most against Sukarno handed him the very issue needed to build his power base.

**O'BRIEN:** How did your appointment come about as ambassador in 1958?

**JONES:** As you may know, in the fall of 1957, I was nominated as ambassador to China, and my name was sent to the Senate; and approval was a foregone conclusion and I was being entertained by the Chinese ambassador and all my good Chinese friends in Washington, and toasted as the next ambassador to China.
Then one day in either late December or January I was called in and asked whether I would consider trading China, that is the Government of the Republic of China on Taiwan, for Indonesia. When I asked, "Why?" Robertson's reply was: "We have searched the Department for a senior officer who understands the Indonesian situation and who has wide contacts there. And you're the only one we can find." (My predecessor, Ambassador John Allison had been transferred to Prague some weeks earlier) So that's the way it was. Civil war seemed about to break out and it happened that I had good friends on both sides of that situation in 1958. The prime minister of the government in Djakarta, Djuanda, was one of my closest friends in Indonesia--we worked out the aid program together. Sjajruuddin, who became the prime minister of the rebel government in Sumatra, was also a good friend. He had been governor of the Central Bank when I was head of the aid mission, and I knew him well and respected him highly, as I did Djuanda. So in a sense I suppose I was an ideal choice, knowing people on both sides of the conflict. When I was selected, it was hoped that I might be able to do something to prevent the tensions from actually reaching the point of military conflict, civil war. But I did not get
there in time. Events moved faster than we had anticipated.

O'BRIEN: How deeply was the CIA /Central Intelligence Agency\footnote{Central Intelligence Agency} involved in the internal affairs, in that period of time, of Indonesia?

JONES: I can't give you much information on that, although it later came out that the CIA was involved in support for the rebel regime. I was unaware of the extent of that support at the time. But the Indonesian government was convinced that the CIA actively participated in supplying the rebel regime with arms and ammunition.

O'BRIEN: When you went there as ambassador, did you have this problem to face in smoothing out relations with Indonesia?

JONES: Yes. This was the most difficult problem of my first few months as ambassador. As the rebellion proceeded, the major issue in the spring of '58 was the question as to what extent American support was being given to the rebels when support was being denied for the central government. And I was, I suppose, mainly responsible for bringing about a shift in, if not policy--because our fundamental policy was to help Indonesia become a politically and economically stable nation--a shift in tactics. In July 1958, we mounted a modest military assistance program to the central
government of Indonesia.

Now to understand that, one needs to know that there had been a misreading of the situation in Indonesia. In America in the latter part of 1957 the conflict had been portrayed by the press and in Washington as a conflict between a pro-Communist regime in Djakarta and an anti-Communist rebellion in Sumatra.

It became clear to me early in the game that this was not so. \[^{/}\text{Abdul Haris}^{7}\] General Nasution, Chief of Staff of the Army, was relatively unknown. We had no reading as to his philosophy or political point of view. And so when I first went there one of the first questions I had to answer was, "What kind of man is Nasution?" I sought out Hatta, who was vice president when I'd been there before. He was an old friend. Still is. I asked him about Nasution, and he said, "Well, from your point of view you couldn't have a better man there."

"Well, why do you say that?" I asked. "Because," he said, "I am called by the Communists their enemy number one, and Nasution is their enemy number two." In that statement, it became apparent that what had happened in Indonesia was a division of the anti-Communist forces. You had an anti-Communist army in Djakarta fighting an anti-Communist army in Sumatra!
When that became apparent, I tried to find out more about Nasution and attempted to see him, first checking, however, with my colleagues, the Australian and British ambassadors. They had been there for some years. I asked, "What kind of a man is Nasution?" "Well," they said, "we don't know." I asked, "What do you get when you talk with him?" "We don't talk with him." "Why not?" "He won't see us. He won't receive any member of the diplomatic corps." "Well," I said, "I've got to see him." They sort of grinned maliciously and said, "We wish you luck."

So I went back to the office and sent word to Nasution that I would like to pay a courtesy call. Word came back the same day: "General Nasution is not interested in courtesy calls." And then I found out that he was a man who avoided social engagements. He didn't go to receptions. He spent all his time on the job. And I thought to myself, "This is quite a guy."

The message also said, "If Ambassador Jones has something of substance to discuss with me, I'll be glad to receive him. Otherwise, no." So I sent word back, "Thanks, and when I have, I'll contact you." As time went on, I had an opportunity, of course, to do so. And it revealed just what I had suspected, that we had gotten ourselves into a bad position.
O'BRIEN: There has been a rather long relationship between the Indonesian army and the United States Army.

JONES: Yes. One of the most intelligent things that we did when Indonesia became a nation was to start channeling young, Indonesian army officers back to the United States for training and education, with the result that in the period we're talking about almost every one of the senior officers in the Indonesian army was a graduate of the Fort Leavenworth Staff and Command School, and most of the other officers in any senior positions were graduates of our other colleges. This was also true of the Navy and, to a considerable extent, of the Air Force. This was tremendous, because exposure to a free society does something to people that they never get over. And so you had these officers who originally fought their revolution for independence and freedom, coming to the United States and seeing this independence and freedom in practice--despite our own internal problems--and they were confirmed in their conclusions that a free society was what they wanted. Also, friendship developed between American and Indonesian officers that were lasting. And so the military leadership of Indonesia was anti-Communist.

O'BRIEN: They became somewhat intrigued with some of the theories of economic and political development here,
didn't they? I've heard it suggested, for example, that some of the people involved in advising the army on matters of economic development, particularly in the post-'65 period, are Walt W. Rostow-trained economists from M.I.T. /Massachusetts Institute of Technology/. Did you see any of this while you were there as ambassador?

JONES: You mean, did I know the young Indonesian economists as well as the military leadership?

O'BRIEN: Right. These men were closely associated with the army in many ways.

JONES: Yes, I knew these young economists who are now doing a brilliant job. And it is fortunate that President Suharto has been following their advice. To go back, the number one problem of Indonesia was paucity of trained personnel. To meet that problem, we channeled Indonesians back to the United States for education and training. Somewhere in the neighborhood of five thousand Indonesian civilians were trained in the U.S. and returned to their country. In 1954 Djuanda and I agreed that America's greatest contribution to Indonesia would be in the field of technical education, broadly interpreted. He recognized, as did I, that this would have other by-products which for Indonesia might be even more important than the products. And this happened too. These young men came back to
Indonesia convinced that a democratic way of life was the way of life for them. And so you had young men streaming back to influential positions. The economists who are advising General Suharto today on his economic program are all American Ph. D.'s—they were under a fine Ford Foundation program.

O'BRIEN: Going back to your appointment, who contacted you in regard to going to Indonesia?

JONES: Walter S. Robertson, Assistant Secretary for the Far East, following a discussion with Secretary of State Dulles.

O'BRIEN: Did you run into any opposition in the Department or in the White House or in the Congress?

JONES: To my appointment?

O'BRIEN: To your appointment.

JONES: No, none at all. There was one columnist who, speculating on why I had been appointed, said that it was generally assumed that this represented a move toward a pro-Dutch position on the part of the United States government. He couldn't have been more wrong. But, there was no opposition in the government in Washington, either in the executive or legislative departments of which I was aware. My appearance before the Senate Foreign Relations Committee was a most satisfactory experience. They were friendly and no partisanship manifested itself.