

172. Memorandum Prepared in the Central Intelligence Agency¹

Washington, November 9, 1965.

SUBJECT

Covert Assistance to the Indonesian Armed Forces Leaders

1. The requests of the Indonesian military leaders for covert assistance in their struggle against the Partai Kommunis Indonesia (PKI), create a definite risk for us of deliberate assistance to a group which cannot be considered a legal government nor yet a regime of proven reliability or longevity. Early assessment of the political direction and longevity of this military leadership must be accomplished and, before any overt or readily visible assistance could be offered, its legal authority as well as its de facto control must be confirmed explicitly. As long as Sukarno fights a clever rear-guard delaying action politically, this is not likely soon to occur.

2. On the other hand, the Army leaders appear determined to seize the opportunity of the current confused circumstances to break the organizational back of the PKI, to eliminate it as an effective political force, and to prevent emergence of any crypto-Communist successor party. Recent intelligence from within the PKI party ranks clearly indicates that the PKI has begun to abandon hope of salvation through Sukarno's political legerdemain and has therefore decided it must, however ill-prepared and disorganized, fight back against the Army. Despite the overwhelming military superiority of the Armed Forces, the roots of Communism, of PKI membership, and of mass support nurtured for years by the constant flood of pro-Communist media, are so deep in many areas that the Army is very likely to be faced with a lingering insurgency situation. Specifically, much of Central Java is in very poor shape. Hard intelligence on the area shows a sizeable potential for resistance, and PKI sources indicate plans for a redoubt area there. Considering the economic problems Army leaders will face as they gradually assume more and more authority under their own program for a non-Communist future, the law of rising expectations is against them; they cannot divert popular attention from economic ills as Sukarno has for many years, and the weight of several years neglect of economic problems and realities may fall upon them. Therefore if the PKI can build even small areas of resistance in Central Java and West Sumatra, they will have the ideal bases from which to mount campaigns of harassment, subversion and sabotage as the emergent

¹ Source: Department of State, INR/IL Historical Files, Indonesia, 1963-1965. Secret.

non-Communist government attempts to grapple with responsibilities already close to overpowering.

3. In addition, the Army must find some formula for continuing its relationship with Sukarno in a way that will retain real control for themselves without necessitating a preemptive hostile move against Sukarno which might cause him to defy or deny them, and thus provoke divisions in their own ranks. In this insurgency situation therefore, the Army has no real guarantee of ultimate success; hazards to its survival are many and varied.

4. One of the Army's major needs will be civilian support. They have instituted psychological warfare mechanisms, control of media prerequisite to influencing public opinion and have harassed or halted Communist output. They have also mobilized certain bases of mass support, especially among Moslems. Unfortunately in these areas where the PKI has been able to initiate an insurgent campaign or local resistance, as in Central Java, the Army has not been able to protect those anti-Communist civilians who have fought the PKI and pro-Communist rebel troops. If this situation continues, the populace in some of these areas may be intimidated from affording aid to the government forces regardless of their convictions, or they will be decimated.

5. True, the future policy of the Indonesian Army if it should succeed in controlling or eliminating Sukarno as an effective factor is not entirely clear. Two probabilities do however seem fairly significant about its future stance:

a. It will certainly be less oriented towards Asian Communist Bloc and will be decidedly Nationalist (though not without some Marxist and anti-Western concepts), perhaps with a strong neutralist flavor and hopefully with a concentration upon Indonesia's internal welfare.

b. Its future attitude regarding the West and the U.S. in particular will certainly be affected favorably by the degree to which the U.S. can now provide what limited aid the military leaders feel they require in their struggle to survive.

6. In short, we must be mindful that in the past years we have often wondered when and if the Indonesian Army would ever move to halt the erosion of non-Communist political strength in Indonesia. Now that it has seized upon the fortuitous opportunity afforded by the PKI's error in the 30 September affair and is asking for covert help as well as understanding to accomplish that very task, we should avoid being too cynical about its motives and its self-interest, or too hesitant about the propriety of extending such assistance *provided* we can do so covertly, in a manner which will not embarrass them or embarrass our government.

7. In reviewing the types of assistance which can be provided covertly, we believe that mechanisms exist or can be diverted or created

to extend either covert credits for purchases or to deliver any of the types of the matériel requested to date in reasonable quantities. [1-1/2 lines of source text not declassified] The same can be said of purchasers and transfer agents for such items as small arms, medicine and other items requested. [1 line of source text not declassified] wherein we can permit the Indonesians with whom we are dealing to make desired purchases and even indicate to them where items may be purchased without our being in on the direct transaction. Some degree of control can be exercised through these accounts to insure that the letters of credit cannot be misused for other than specified purposes. [2-1/2 lines of source text not declassified] which can be made available on very short notice. [less than 1 line of source text not declassified] equipment would be more expensive and would require a little more time to deliver. It would however probably be more appropriate if equipment is to be handed by Indonesian Army officers to selected civilian auxiliaries.

8. We do not propose that the Indonesian Army be furnished such equipment at this time. This should be determined only after exhaustive conversations with Sukendro and his associates and, to the extent securely feasible, with Nasution's subordinates at Djakarta. In these we would probe for necessary details, e.g., precisely why they need additional arms, how they intend to use them, to whom they intend to give them, how they intend to control the release and registration of weapons and to control the groups who receive them, and many other questions.

9. If the Indonesian Army leadership continues to insist to us that they need this type of assistance to crush the PKI, and even if they furnish the above details, we would still be incurring political risk and the possible risk of loose handling of the arms in satisfying the request. These risks, however, must be weighed against the greater risks that failure to provide such aid which the Army claims it needs to win over the PKI might result in reduction of the Army's future political position and concomitant erosion of what may be a unique opportunity to ensure a better future for U.S. interests in Indonesia. It is difficult to predict definitively that aid of this type is absolutely vital to that future. If the Army leaders justify their needs in detail, however, it is likely that at least will help ensure their success and provide the basis for future collaboration with the U.S. The means for covert implementation, either of transmittal of funds for necessary purchases or delivery of the requested items themselves in discreet fashion, are within our capabilities.

173. Telegram From the Embassy in Thailand to the Department of State¹

Bangkok, November 11, 1965, 0614Z.

951. Ref: A. Djakarta's 1353 to SecState, 120 to Bangkok;² B. Deptel 762 to Bangkok, 585 to Djakarta.³

1. [less than 1 line of source text not declassified] 10 November met with General Sukendro at latter's request. This meeting immediately preceded Sukendro's departure for meeting with Malaysian Permanent Secretary of the Ministry of Foreign Affairs Dato Ghazali and Sukendro's subsequent departure for Cairo.

2. Implementation details for the covert provision of the medicines per Deptel 750⁴ and our Embtel 920 to Washington and 63 to Djakarta⁵ were reviewed with Sukendro at this time to insure the latter's full understanding and approval of the arrangements being made with Sukendro's designee—Col. (Dr.) Achmad Soemantri. As earlier noted Soemantri has been ordered by Sukendro to remain in Bangkok to act as his liaison officer to work out the details for the covert implementation of medical agreement. Sukendro continues, of course, to be quite pleased with the expeditious and favorable responses to the Indonesian Army's request for covert medical assistance. He stated he has reported to Generals Nasution and Suharto that arrangements were being made for the early delivery of the requested medicines. He has additionally reported in his capacity as head of the purchasing mission to President Sukarno on the arrangements for the purchase of rice and medicines. Naturally the latter report is on the basis of this being a straight commercial transaction negotiated by his mission.

3. Sukendro again referred to the army's urgent need for communications equipment. He specifically requested that arrangements be made for the covert procurement and provision to the Indonesian army of a limited amount of commercially available communications equipment. He noted that the army while hoping and working for the best must nevertheless be prepared for the worst. Despite that which has been accomplished in the past five-six weeks in crushing the PCD, he believes the army has a long way to go.

¹ Source: National Archives and Records Administration, RG 59, Central Files 1964-66, POL 23-9 INDON. Secret; Priority; Exdis. Repeated to Djakarta and CINCPAC for POLAD.

² See footnote 6, Document 171.

³ See footnote 5, Document 171.

⁴ See footnote 2, Document 171.

⁵ Document 171.

4. Sukendro identified essentially three basic communications requirements. He cited two as being particularly urgent and requested US Government covert assistance in bridging what the army considers a serious communications gap. He stated the senior army leaders in the Djakarta area have no voice radio communications facilities. The army leaders need portable voice equipment to provide communications from one to the other and to perhaps two of the military units in the Djakarta area. They have in mind perhaps a dozen sets which would be assigned to Nasution, Suharto, Umar, Sukendro and other senior military leaders plus the Para Commando Unit and possibly one of the guard battalions in the metropolitan area.

5. The second requirement specifically identified by Sukendro as a significant gap in Indonesian army communications has to do with the establishment of an army voice circuit based in Djakarta and connecting the army commands at Medan, Palembang, Bandung, Semarang, Surabaya, Makassar and Bandjermasin. Security conditions permitting, they will probably want to position another set at Jogdjakarta and possibly one other principal command location. Sukendro noted the army has no long range voice communication net. The intent here is to establish a controlled quick-reaction emergency backup to the existing army CW system and commercial telephone and telegraph. Sukendro stated the deficiencies in voice communications equipment available to the army has been further aggravated by destruction of communications equipment in the course of the 30 September incident and subsequent actions.

6. He stated the army's experiences since 30 September have made them acutely aware of the inadequacies of the communications facilities presently available to them. The senior army leaders feel particularly exposed by their lack of voice communications for their personal protection, particularly in the Djakarta area. Hence the request in para 4 above. They believe in a fast moving, fluid situation such as they are now confronted with, their ability to talk immediately to the commander on the spot could be of tremendous assistance. In emergencies they recognized that time often does not permit the use of CW and the telephone system is both vulnerable and unreliable.

7. The third communications area of concern to the Indonesian Army leadership is in the area of more effective communications on the tactical unit level in the Central Java area. This problem is the subject of a staff study by Col. Soebianto in Djakarta. Soebianto however was not able to get to Bangkok prior to Sukendro's departure. Sukendro did not pursue this problem area other than to make passing reference. He specifically identified their request for equipment as having to do with the requirements set forth above. He neither stated nor implied that there would be a subsequent request for support in addition to that noted in the preceding paragraphs.

8. The army does not have funds available to purchase this equipment. If the decision is made to accede to their request it will necessarily have to be on the basis of covert procurement and delivery [*less than 1 line of source text not declassified*] from which point Sukendro assures the army's capability to receive and arrange onward movement to Indonesia. Sukendro stated this will not present a problem for the army. Presupposing that the equipment is sterile and commercially available the army does not believe this would present a problem of security or potential embarrassment given the requirements as identified above.

We suggest consideration might be given to the covert procurement of commercially available stock items as set forth in our immediately following telegram.⁶ The estimated cost of these units which are believed to be fully adequate to the requirement and would additionally provide a CW as well as voice communications capability, would be approximately \$40,000. Gen. Sukendro's liaison officer is locally available to follow through on this request as appropriate.⁷

Wilson

⁶ Telegram 952 from Bangkok, November 11. (National Archives and Records Administration, RG 59, Central Files 1964-66, POL 23-9 INDON)

⁷ In telegram 1427 from Djakarta, November 12, the Embassy strongly recommended providing this communications equipment on the grounds that it was "critical in current, delicately balanced struggle between Army and Sukarno and cohorts." The Embassy added that the importance of the equipment to the Army far outweighed its "relatively minor costs." (Ibid., POL INDON-US) In telegram 373 to Canberra, November 12, sent also to Djakarta, London, Wellington, and New Zealand, the Department reported that Berger had informed the Australian, New Zealand, and British Embassies that the United States had agreed to send \$100,000 of medical supplies and was seriously considering giving the Indonesian Army Command \$50,000 worth of commercial communications equipment. (Ibid., DEF US-INDON)

174. Telegram From the Consulate in Medan to the Department of State¹

Medan, Indonesia, November 16, 1965, 0115Z.

65. 1. Two officers of Pemuda Pantjasila separately told Consulate officers that their organization intends kill every PKI member they

¹ Source: National Archives and Records Administration, RG 59, Central Files 1964-66, POL 23-9 INDON. Confidential. Repeated to Djakarta.

can catch. November 14 Secretary Medan City Pemuda Pantjasila said policy his organization is to ignore public calls for calm and order by Sukarno and other leaders. He stated Pemuda Pantjasila will not hand over captured PKI to authorities until they are dead or near death. He estimated it will take five years to eradicate all PKI. Similar statements were made few days earlier by leader North Sumatra cultural arm of Pemuda Pantjasila.

2. [*less than 1 line of source text not declassified*] sources indicate that much indiscriminate killing is taking place (FNM-1516).² [*less than 1 line of source text not declassified*] Consulate sources have connected some of this violence with declaration "holy war" against PKI by local Moslem leaders. While press has carried relatively little on such violence, November 10 newspapers carried account of "revolutionary youth" cornering and beating to death PKI member North Sumatra legislature.

3. Press has also in recent days carried reports of five mutilated bodies discovered in Medan streets. PKI terrorists blamed. Commenting on these reports, above sources stated it is press policy to play up deaths of anti-Communists in order justify attacks on PKI members.

4. Same sources indicate strong hostility toward PNI and expressed determination "clean up" that organization.

5. Secretary Medan Pemuda Pantjasila at one point said bitterly that only way solve Indonesia's problems is to shoot dead both Subandrio and Sukarno. His companion agreed. Other Pemuda Pantjasila leader said on separate occasion that if Sukarno refuses ban PKI he likely be overthrown. Comments by other Consulate sources suggest growing hostility toward Sukarno generated by his evident reluctance ban PKI. Worth noting that Medan press to date has carried no word of Sukarno's recent attacks on U.S.

6. *Comment:*

(A.) Attitude Pemuda Pantjasila leaders can only be described as bloodthirsty. While reports of wholesale killings may be greatly exaggerated, number and frequency such reports plus attitude of youth leaders suggests that something like real reign of terror against PKI is taking place. This terror is not discriminating very carefully between PKI leaders and ordinary PKI members with no ideological bond to the party. FNM-1515² suggests that army itself is officially adopting extreme measures against PKI with plans to put many thousands in concentration camps.

(B.) PNI was out in force on both November 9, when they presented statement to General Mokoginta, and on November 10 heroes

² Not further identified.

day celebration. PNI avoided endorsement of demand for ban on PKI on both occasions. PNI remains large and apparently strong here and there is real possibility of violence between PNI and militant anti-Communist groups. (Pemuda Pantjasila and PNI youth clashed briefly on November 2, and Pemuda Pantjasila members reportedly carried knives and clubs to November 10 mass meeting in anticipation of clash with PNI.)

Heavner

175. Memorandum Prepared for the 303 Committee¹

Washington, November 17, 1965.

SUBJECT

Supply of Communications Equipment to Key Anti-Communist Indonesian Army Leaders

1. Summary

The purpose of this operational proposal is to assure that certain key anti-Communist Indonesian Army leaders will have adequate communications equipment for use in their fight against the Communist insurgents. Such equipment is in insufficient supply in Indonesia. This lack has, in consequence, imperiled the personal security of important anti-Communist Army leaders and has jeopardized their effectiveness in combating the Communists' efforts to eliminate non-Communist influence favorable to us in their Government.

This request for equipment by several leading Indonesian officials has the support of the U.S. Ambassador to Indonesia and is concurred in by the State Department's Bureau of Far Eastern Affairs.

There are some risks in the delivery of this equipment, but [*1 line of source text not declassified*] with proper precautions in making deliveries to the ultimate recipients will minimize such risks. The Indonesians cannot now ostensibly nor actually purchase this equipment in the U.S. without exception being made to U.S. export license controls, thereby implying U.S. Government collusion. Any exposure of this activity would embarrass not only the U.S. Government, but certain

¹ Source: National Security Council, Special Group/303 Committee Files, Subject Files, Indonesia. Secret; Eyes Only.

high Army officials in the Indonesian Government. Much care will be taken in this regard.

The cost of the requested equipment is approximately [*less than 1 line of source text not declassified*]. The supplies themselves come to [*less than 1 line of source text not declassified*] will be required to package and ship.

On 5 November 1965 the 303 Committee approved a similar request to send medical supplies to Indonesia.² This operation is proceeding on an urgent basis. It is hoped that the 303 Committee will approve the above program, which it is expected will proceed with the same urgency.

2. Problem

The immediate need is to provide on an urgent basis the present Indonesian Army leadership with secure voice and CW communications. Such equipment will provide a continuity of communications among the various Army units and their anti-Communist leaders and between certain of these leaders and U.S. elements. Given the uncertain loyalties within various Army commands and within Army communications proponents, existing communications equipment cannot be relied on to satisfy this need.

3. Factors Bearing on the Problem

On 13 October 1965, [*less than 1 line of source text not declassified*] were furnished from [*less than 1 line of source text not declassified*] stocks for use of the guards protecting Nasution and other key Army officers. The continuing insufficiency of this equipment in the hands of leading anti-Communist Army leaders has imperiled their own personal security and could make it difficult for them in a crisis to communicate securely with each other and/or with the U.S. A [*less than 1 line of source text not declassified*] communications expert surveyed the needs in late October in conjunction with the Djakarta country team. The Indonesian Army does not have funds to purchase the equipment but asks that it be given to them covertly and as rapidly as possible.

a. Origin of the Requirement

The various requirements for communications equipment came [*less than 1 line of source text not declassified*] from the U.S. Ambassador to Indonesia, from the Minister of Defense Nasution's aide, and from General Sukendro.

² See footnote 1, Document 170.

b. Pertinent U.S. Policy Considerations

On 5 November 1965 the 303 Committee approved an operational proposal for Indonesia responding to a request for medical supplies.

c. Operational Objectives

A covert contact [*less than 1 line of source text not declassified*] must be maintained with certain Indonesian Army leaders who also require additional means of communicating securely among their own components in their struggle with the Communists. In the confused situation of conflicting loyalties in the Indonesian scene today, the security and personal safety of the leading anti-Communist leaders and safety of their families from intimidation and kidnapping, is of vital importance to their continuance of the struggle to prevent any return to the status quo before the 30 September coup. The possible assassination of Nasution, Suharto, Umar or a number of other generals would constitute serious setbacks for the U.S. Furthermore, in order to coordinate planning with trusted subordinates, they must have private communication facilities, frequently out of direct channels, in order to be really secure. There is equipment available within the Indonesian Army units for routine communications but recent events have shown clearly that not everyone, even in high ranks of the Indonesian Armed Forces, can be relied on to be loyal to, or even sympathetic with, the desires of Nasution and Suharto to crush the PKI, especially if in virtual defiance of Sukarno.

d. Equipment

[*6 paragraphs (13 lines of source text) not declassified*]

e. Risks Involved

Any publicity on this operational program would be highly embarrassing both to the U.S. Government and to the Indonesian Army leadership. Extreme care will be taken in all aspects of this operation, especially that pertaining to shipment of the requested equipment. [*4 lines of source text not declassified*] A covert delivery procedure has been devised to the ultimate Indonesian recipient.

f. Training

A qualified and senior Army communications officer, designated by Sukendro, would be provided [*less than 1 line of source text not declassified*] with special covert training at a safe site in use of the equipment. He would be required to bring with him the following necessary data: details of the several proposed net patterns, including locations of components and general concept of operations for the net; the frequencies between 45 and 52 megacycles which could be used in Indonesia (to afford maximum security from local monitoring) so that, based upon these specifications, our communicator would be able to

tune the equipment to the desired frequencies and provide advice concerning a secure signal plan and communications procedures.

g. Funding

The overall cost is estimated at [less than 1 line of source text not declassified]. The equipment itself will be approximately [less than 1 line of source text not declassified] for shipping and packaging.

4. Coordination

This operational proposal has been recommended by the U.S. Ambassador to Indonesia and has been concurred in by the State Department's Bureau of Far Eastern Affairs.

5. Recommendation

That the 303 Committee approve this program.³

³ At the November 19 meeting of the 303 Committee, the members believed that assistance was "highly desirable," but McGeorge Bundy thought that "the provision of this support on a non-attributable basis as possible was far more essential than simple speed of delivery." He requested that a search be made to see if Japanese or U.S. surplus equipment were available, rather than the latest U.S. equipment. Colby agreed to try, but if other sources were not available, the matter would be referred to the Committee again. (National Security Council, Special Group/303 Committee Files, Minutes, 11/19/65) At the December 17 meeting, Colby reported that CIA had located and purchased equipment similar to that already provided and thus solved the problem of attribution. (Ibid., 12/17/65)

176. Intelligence Memorandum¹

OCI No. 2942/65

Washington, November 18, 1965.

**POSSIBLE DEVELOPMENTS IN INDONESIA'S
CONFRONTATION OF MALAYSIA**

Summary

A major source of instability in Southeast Asia has been Indonesia's "confrontation" of Malaysia which began in early 1963. Following the change of political climate in Djakarta, there has been speculation that

¹ Source: Johnson Library, National Security File, Country File, Indonesia, Vol. VI, 11/65-5/66. Secret; No Foreign Dissem; Background Use Only. Prepared in the Office of Current Intelligence, Central Intelligence Agency.

the Indonesian army might bring an end to confrontation. It is unlikely, however, that the army because of the political liabilities involved and its own anti-Malaysia orientation, is now ready to take such action. In the near future military activity against Malaysia, already at a low level; should not be significantly affected by the Indonesian upheaval.

1. Although there was a massive Indonesian buildup along the Borneo border and in Sumatra, beginning last December and largely completed by May, military activity directed against Malaysia has declined during the past six months. With few exceptions, only routine patrolling and minor probing action has taken place along the Borneo border. The last Indonesian attempt to infiltrate an armed-guerrilla unit into the Malayan peninsula occurred last March. Indonesian planning for demolition sabotage against the Malayan peninsula has continued but implementation has been limited. During the past two months there has been only one explosion attributed to an Indonesian agent.

2. This lag in Indonesian activity has resulted in large part from the almost total lack of success the Indonesians have had in their past operations in Borneo and in the Malayan peninsula. In Borneo, effective British cross-border operations have disrupted Indonesian planning and have placed the approximately 17,000 Indonesian troops in the area on the defensive. Since August 1963, when Indonesian infiltration attempts against Malaya began, British and Malaysian security forces have captured or killed over 500 of the nearly 700 Indonesian guerrillas involved in these unsuccessful efforts.

3. Several recent reports have indicated that the Indonesian army now intends to reach a modus vivendi with Malaysia. However, there is reason to doubt whether the army favors an end to confrontation. While opposed to many of Sukarno's internal policies and his fostering of Communist influence, the army in the past has accepted enthusiastically Sukarno's expansionist policies and has apparently been convinced that Malaysia is a British scheme aimed against Indonesia. A good example of the army's somewhat naive international view is the lingering and apparently sincere belief among the army leadership that the British, as well as Communist China, played a role in instigating the "30 September" plot against the army.

4. If the army eventually becomes the ruling force in Indonesia it will inherit a number of pressing economic and social problems compounded by the current unrest. In the past Sukarno made use of foreign adventures and international issues to divert attention from these problems. The army could conceivably feel the need to borrow a page from Sukarno and re-emphasize confrontation.

5. Even should the army want to end confrontation, it would be difficult for it to move in this direction in the near future. After two years of anti-Malaysian propaganda, the average Indonesian considers

confrontation a patriotic duty. Even a hint of a conciliatory army position toward "neocolonialist" Malaysia would give Sukarno the ammunition he needs to undermine the army's attempts to maintain its present political initiative.

6. Although, for the above reasons, an early end to confrontation seems unlikely, military activity against Malaysia is likely to remain at a low ebb while the army is deeply involved in political maneuvering and suppression of the Communist Party. The current level of confrontation activity does not require the large numbers of troops now deployed around the periphery of Malaysia. One brigade of troops has recently been returned from the confrontation theater to the now critical areas of Central and East Java, and other similar redeployments can be expected.

7. Malaysian leaders, in recent statements, have indicated they have little hope for a settlement with Indonesia in the near future. However, a new generation of political leadership, more nationalistic, parochially Malay and anti-Chinese in outlook, is now emerging in Kuala Lumpur. If an Indonesia emerges in which Communist influence has been muzzled, Sukarno has been ousted from real power and more moderate leadership prevails, Kuala Lumpur, anxious to present a more "Afro-Asian" image, will be eager for an accommodation with its "Malay brothers" to the south and might take the lead in seeking a settlement.

8. The new nation of Singapore would look with disfavor upon a sudden normalization of relations between Malaysia and Indonesia which would also bring the elimination or reduction of British military presence in the area. Prime Minister Lee Kuan Yew, noting the current anti-Chinese activity in Indonesia, has already expressed alarm over the prospects of a Malay "encirclement" of Chinese Singapore.

177. Telegram From the Embassy in Indonesia to the Department of State¹

Djakarta, November 19, 1965, 1135Z.

1511. 1. We believe that US and allies should be extremely cautious about offering help to General[s?] at this time. In any case, our help should be contingent upon whether we believe army really intends to

¹Source: National Archives and Records Administration, RG 59, Central Files 1964-66, DEF 6 INDON. Secret; Exdis. Repeated to London.

remain firm against Sukarno/Subandrio. There are conflicting indications as to whether army will remain firm or whether it will bow gradually to President's will. In view of Indo tendency to procrastinate and avoid hard decisions, we should take care lest premature, unconditional offers of assistance strengthen army tendency to avoid facing issues. Above all we should not provide assistance that will redound to benefit of Sukarno who remains head of state and govt. At present time, army would seem to be in general agreement with above approach (see Embtel 1479 reporting my latest conversation with Saito).²

2. At present there is conflicting evidence as to whether, when and how army will move against Sukarno. As long as Sukarno retains power army and anti-Communist will probably be inclined to maintain "anti-imperialist" and "anti-colonial" policy which has corollaries of continued confrontation of Malaysia and anti-Western posture generally (although viciousness of anti-US propaganda may be reduced as long as army can continue to exercise balance to Sukarno). We also foresee continued and probably increasing chaos as result of impasse between Sukarno and army that makes any kind of economic development program absurd unless and until one or other is eliminated entirely as political force.

3. Although US prospects may be better in long run (post Sukarno), we do not foresee any great improvement in US position in short run even if army can hold on as half of sort of triumvirate power structure. Furthermore, Sukarno counterattacks to regain his former power (or, ultimately, even more) will undoubtedly make use of anti-US themes. We have already seen evidence of this in President's 150 million rupiah charge.³

4. Accordingly, we recommend following line to be advanced at prospective meeting (and as basic US position):

A. We take no steps that would enhance Sukarno-Subandrio image whether desired by Indo Army or not.

B. We should not provide any significant economic assistance to Indo Army unless and until we know where they are going politically and economically. (Carefully placed assistance which will help army cope with PKI actions different.)

C. We should consider assistance to genuinely non-Communist government if there is altered atmosphere in which such assistance could be effective.

D. In discussing requests for assistance with Indo groups or third countries, we would do well to mention Sukarno's condemnation of

² Dated November 17. (Ibid., AID (JAPAN) INDON)

³ In a speech to the Cabinet on November 6, Sukarno charged that former Ambassador to Indonesia Howard Jones gave a "certain Indonesian" 150 million rupiahs for the purpose of "spreading the Free World ideology in Indonesia." (Airgram 331 from Jakarta, November 16; *ibid.*, POL 2-1 INDON)

US aid and unfounded charges of US subversion, as well as lack of evidence that Indonesia prepared to make most effective use of outside assistance.

Green

178. Intelligence Memorandum¹

OCI No. 2943/65

Washington, November 22, 1965.

INDONESIAN ARMY ATTITUDES TOWARD COMMUNISM²

1. For six weeks the Indonesian Army has been engaged in a major campaign against the Communist Party of Indonesia (PKI). Party members and sympathizers are being rounded up and interned by the military; others are being purged from local government positions; and in Central Java PKI adherents are reported to be shot on sight by the army. The army has risked much of its prestige and political future on this campaign. It wants to ban the PKI and to cripple the party permanently, but its attitude toward Marxism is far more complicated than simple anti-Communism.

2. The army has a long record of opposition to the PKI as a political force. In addition, some army leaders undoubtedly view Communism as an ideology which is essentially evil, totalitarian, and alien to the "Indonesian way of life." But this view is by no means universal. Army officers and enlisted personnel, like Indonesians in all other walks of life, have for the past several years been subjected to a fairly constant barrage of pro-Communist propaganda. This propaganda, echoed and often initiated by President Sukarno, has had its effect. While some

¹ Source: Johnson Library, National Security File, Country File, Indonesia, Vol. VI, 11/65-5/66. Secret; No Foreign Dissem; Background Use Only. Prepared by the Office of Current Intelligence, Central Intelligence Agency.

² The Office of Current Intelligence prepared related intelligence memoranda including: OCI No. 2940/65, November 8, a biographic assessment of Suharto and analysis of his role during and after the September 30 coup; OCI No. 3041/65, November 12, entitled "The Indonesian Army: Objectives and Problems"; OCI No. 2395/65, November 17, examining the Army's concern about the rice situation in Indonesia; and OCI No. 3096/65, December 2, which examined the "Leadership Prospects in Indonesia" and concluded that Sukarno would remain chief of state with the army playing a strong national political role for the foreseeable future. (All *ibid.*, Vol. V, 10/65-11/65 and Vol. VI, 11/65-5/66)

army officers' beliefs are firmly rooted in a fundamentalist and essentially anti-Communist Moslem tradition, many others, particularly in the lower ranks, equally firmly consider themselves to be Marxist socialists. Nearly all army leaders, however, are united in regarding the PKI as a rival for power within Indonesia. They are at present engaged in a power struggle, not an ideological struggle, with the party.

3. A well-placed army source recently told the US Embassy that the army was anti-Chinese and anti-PKI, but not anti-Communist. This is a good capsule summary of the military's position, for clearly a large segment of the army is by no means opposed to Marxism per se. Indeed, officially the army gives full assent to the frequently stated proposition that the Indonesian revolution is a socialist revolution. Probably few army leaders would oppose some sort of state-controlled Marxist party, even one calling itself Communist, if this party were clearly nationalistic—that is, wholly oriented toward Indonesian national interests. The Yugoslav model is instructive in this regard.

4. The army leadership at present finds itself opposed to the PKI on a variety of grounds. First, the murder of a number of high-ranking officers in the course of the insurrection on 1 October has made it clear to the army leadership that its very survival may be at stake in the present struggle. Second, the PKI, with its high degree of political motivation and discipline, has developed an independent power structure that is not necessarily responsive to the organs of government. Finally, the army believes the PKI's ties to Peking make it in effect the agent of a foreign power. For all these reasons the army finds the PKI a threat to its own power position. But it also finds in these factors useful arguments in the propaganda war it is now waging against the PKI. It is claiming the party is out of phase with Indonesian ideals and a "traitor" to the Indonesian revolution, and is emphasizing Chinese Communist involvement in the 1 October uprising. This last argument is particularly effective, given the Indonesians' general antipathy to the numerous Chinese merchants living in their midst.

5. In pressing this campaign against the PKI, however, the army has had to tread a delicate path with respect to President Sukarno, who is not only emotionally committed to Marxism, but is also convinced that the PKI, with its high degree of discipline, is a unifying factor on the Indonesian political scene, where centrifugal forces have plagued the government from its inception. In addition, the army must consider Moscow's attitude. The Indonesian military establishment is almost totally Soviet-supplied, and the army is well aware of its dependence on the Soviet Union for spare parts, replacements, and ammunition.

6. Whatever its feelings about Peking, the army certainly wants no break with Moscow. It has been careful to exclude the Soviet Union

from its recent denunciations of the PKI and of the Chinese Communists. A recent report suggests that Defense Minister Nasution has worked out an understanding with the Soviets whereby Soviet arms would continue to reach Indonesia while the army attempted to eradicate pro-Chinese influence within the PKI. Nasution is said to have promised that Indonesia would adopt neither a policy of hostility to Communism as an ideology at home nor to the Soviet Union and its satellites in international affairs. Such an understanding, either formal or informal, seems likely, although it is probable that the Soviets would also be willing to assure Sukarno that relations with Indonesia would remain firm should he, rather than the army, emerge the victor in the present tug-of-war.

7. Moscow has been playing the recent events in Indonesia in a low key in its current propaganda. It has been making the minimum noises necessary when Communist Party members are being harried and shot by government forces—criticism far milder, for example, than that directed at Iraq in 1963 when similar conditions obtained in that country. Arms deliveries have continued to reach Indonesia without interruption over the past six weeks. There is no indication that they will be cut off.

8. Nasution is reported to have told Sukarno of his arrangement with the Soviets. He undoubtedly hopes to cut the ground from under any potential Sukarno allegation that the army, in its anti-PKI campaign, is exhibiting reactionary tendencies and is tied to "neocolonialism." The army leaders may also feel that continued evidence of Soviet good will, as expressed in uninterrupted arms shipments, may infuriate the Chinese Communists and lead to recriminations that the army could then use to advantage in its attempt to orient Indonesia away from Peking.

9. The embassy suggests that in reaching an understanding with the Soviets on the arms shipment question the army may leave itself open to Soviet pressure to resuscitate the PKI along pro-Moscow lines. While this is possible, it is by no means likely. The army would not be happy at the appearance of a revived Communist Party with strong ties to a foreign power, even if this power were Moscow rather than Peking. Furthermore, it is likely that the Soviets themselves do not particularly wish to become entangled in the thickets of Indonesian politics. They have before them the clear example of Peking's involvement in this manner—an involvement which has led to a diminution of Chinese influence in Indonesia. Moscow is primarily interested in close government-to-government relations with the Indonesians, and may well feel that its virtual arms-supply monopoly affords it greater influence on Indonesian policies than would a Moscow-oriented PKI, which the army may at some future date come to consider to be as great

a threat to it as it does the present party. Government-to-government relations supplemented by the leverage of continued arms shipments and the training of middle-grade Indonesian officers in the USSR, gives the Soviets the same sort of influence they enjoy in Egypt.

10. Indeed, even the rehabilitation of the PKI as a "national Communist party" would prove difficult in present circumstances. While the army might have no ideological difficulties in accepting such a party, it has the present PKI on the run and almost certainly would like to destroy the party's organizational structure while it has the chance. It has made no attempt to cultivate the less militant element of the PKI that might be expected to form the core of a new party. In practice it has made no distinction between those elements directly involved in the 1 October insurrection and other "safer" party members when making arrests and purging local government machinery. Moreover, the PKI, like other traditional Communist parties, is organized from the top down, and its members are inclined to follow the lead of its constituted leadership. These leaders have international considerations as well as Indonesian interests in mind, and if forced underground would probably take a large portion of the more dedicated rank-and-file with them. On the other hand, the PKI has a strong nationalist coloration, and some lower level party members may eventually be induced to join a tame, government-organized and sponsored party professing Marxism. The army would, however, attempt to see that such a party did not have a real voice in governmental policy making.

11. Even a development along this line, however, presupposes a victory for the army in its present attempt to influence Sukarno to accept its view of the PKI as a threat to the Indonesian state. This outcome is by no means certain; the army may yet be outmaneuvered by the politically astute President. In the end, the army may be forced by Sukarno to acquiesce in a rehabilitation of the PKI, or to accept the party almost whole but reconstituted under a different name. For that which worries the army most—the PKI's tight organizational structure—is precisely what makes it so attractive to Sukarno. And while it is true that the army has gone further in present circumstances in pursuing its own ends, it has retreated in the face of presidential pressure before and may do so again.

12. Whatever the outcome of the present scramble for power, it is unlikely that there will be a major change in Indonesian foreign policy. Should the army emerge on top, Indonesian policies would probably be more genuinely neutral in balancing between East and West, and the tendency to follow Peking's lead in international affairs certainly would be reduced. However, no break with Moscow is in the cards, and the army would find it difficult to extricate itself from present foreign policy attitudes to reach a genuine rapprochement with the

West. In part this is true because the army itself believes these policies to be correct, and in part because to reach an accommodation with the West would expose the army leaders to charges of "selling out to the neocolonialists" from leftist Indonesian elements independent of the PKI. Specifically, the army is deeply involved in confrontation with Malaysia and, despite some indications that its leaders are having second thoughts about this policy, it is unlikely that they can stand down on confrontation without a considerable loss of face. Furthermore, the army leadership, like Sukarno, would probably find confrontation a useful symbol around which to unify the many divisive forces at work in the archipelago.

179. Telegram From the Embassy in Indonesia to the Department of State¹

Djakarta, December 2, 1965.

1628. For Assist. Sec. Bundy from Amb Green. Ref: Deptel 708, Dec 1, 1965.²

1. This is to confirm my earlier concurrence that we provide Malik with fifty million rupiahs requested by him for the activities of the Kap-Gestapu movement. [1-1/2 lines of source text not declassified]

2. The Kap-Gestapu activities to date have been important factor in the army's program, and judging from results, I would say highly successful. This army-inspired but civilian-staffed action group is still carrying burden of current repressive efforts targeted against PKI, particularly in Central Java.

A. Malik is not in charge of the Kap-Gestapu movement. He is, however, one of the key civilian advisers and promoters of the movement. There is no doubt whatsoever that Kap-Gestapu's activity is fully

¹ Source: Department of State, INR/IL Historical Files, Indonesia, 1963-1965. Secret; Priority; Roger Channel; Special Handling.

² [text not declassified] (Ibid.)

consonant with and coordinated by the army. We have had substantial intelligence reporting to support this.

B. I view this contribution as a means of enhancing Malik's position within the movement. As one of the key civilians, he is responsible for finding funds to finance its activities. Without our contribution Kap-Gestapu will of course continue. On the other hand, there is no doubt that they need money. The latter, despite inflation, is in tight supply, and the comparatively small sum proposed will help considerably.

C. [1-1/2 lines of source text not declassified] Our willingness to assist him in this manner will, I think, represent in Malik's mind our endorsement of his present role in the army's anti-PKI efforts, and will promote good cooperating relations between him and army.

D. The chances of detection or subsequent revelation of our support in this instance are as minimal as any black bag operation can be. [2 lines of source text not declassified]

Green

180. Memorandum From the Chief, Far East Division, Directorate of Operations, Central Intelligence Agency (Colby) to the Assistant Secretary of State for Far Eastern Affairs (Bundy)

Washington, December 3, 1965.

[Source: Central Intelligence Agency, DDO Files: Job 78-00061R, Indonesia 2/2—State Department Liaison (1959-1966); Secret. 4 pages of source text not declassified.]