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CENTRAL INTELLIGENCE AGENCY
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INTELLIGENCE MEMORANDUM

The Situation in Indonesia
(Report #69 - As of 4:00 P.M. EST)

1. In an indication of increased Chinese irritation over the course of developments in Indonesia, NCNA today rebroadcast the text of the Chinese notes of 4 November and 19 November protesting "persecution" of Chinese nationals in Indonesia. Declaring that the notes called upon Indonesia to punish those responsible for anti-Chinese acts, to take measures to prevent recurrence and to apologize for the incidents, NCNA asserted that the Indonesian Government to date has not give a satisfactory answer to the notes and has instead "ignored" them and has continued to "victimize" Chinese nationals. While the Chinese protests reflect Peking's resentment over the anti-Chinese and anti-Communist measures adopted by the Indonesian military, Peking recognizes that it has only limited means to influence developments in Djakarta and in the past has moved cautiously in its efforts.

2. The long-expected reorganization of the Supreme Operations Command was announced today. The new structure appears to strengthen the hand of the military at the operational level, but Sukarno and his three deputy premiers, including Subandrio, still remain on the organization's Presidium. Defense Minister Nasution, however, has been added to the Presidium and lines of authority have been clarified, making the organization in effect a "super cabinet." The reorganization appears to be a compromise, giving the military some but not all it wanted.

3. The Indonesian News Agency reported yesterday that the regional military commanders had endorsed army commander Suharto's plans for a further purge of the PKI from government positions. However, Subandrio told newsmen this morning that the cabinet would oversee all purges of civilian personnel. The army may well ignore this brake on its initiative.

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4. Sukarno's increasingly frequent and truculent public statements appear to reflect his growing self-confidence. The President evidently feels that a political watershed has been passed and that time is increasingly on his side. While Sukarno's outspoken remarks have probably given a psychological boost to the forces arrayed against him, there has been little actual change in his position. The army continues its independent anti-PKI activities, virtually ignoring Sukarno's public statements.

(NOTE: With this issue the 4:00 P.M. Indonesian Situation Report is being discontinued, since it largely duplicates material contained in the CIB)

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