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CENTRAL INTELLIGENCE AGENCY

OFFICE OF NATIONAL ESTIMATES

26 January 1965

SPECIAL MEMORANDUM NO. 4-65

SUBJECT: Principal Problems and Prospects in Indonesia

SUMMARY

We are now faced not only with known and growing danger from Sukarno, but with the uncertainties of a possible Indonesia without Sukarno. If this aging dictator should indeed die in the near future, his bequest to Indonesia would be international outlawry, economic near-chaos, and weakened resistance to Communist domination. Yet if Sukarno lives on for some time to come, the chances of the Communist Party (PKI) to assume power will probably continue to improve. We do not believe that a Communist Indonesia is imminent, or that Sukarno will initiate war. In our view, however, there is sufficient chance of such developments over the next year or two to warrant special US intelligence and planning attention.

The beginnings of a scramble for succession to Sukarno are already evident. Should Sukarno leave the scene in the near future, we believe that the initial struggle to replace him would be won by Army and non-Communist elements, though Communists would continue to play an important role. Such a government would probably continue to be anti-US, xenophobic, and a threat to peace. Furthermore, unless the non-Communist leaders displayed more backbone, effectiveness, and unity than they have to date, the chances of eventual PKI dominance of Indonesia would quickly mount.

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For the near future, Sukarno will almost certainly continue his Confrontation policy. He might sharply increase the level and intensity of Indonesian pressures against Malaysia, precipitating war with UK and Commonwealth forces; we believe it more likely, however, that he will continue present patterns of infiltration and occasional military probes, using large troop buildup and inflammatory threats essentially for diplomatic blackmail.

Sukarno will probably take various such actions to lessen his remaining ties with the West and to continue his dalliance with Peiping. He apparently believes that long-run trends are working to weaken US/Western influence in Southeast Asia, that this provides Indonesia with the opportunity for considerable profit, and that division of the spoils with Communist China is a problem which can be safely managed at some later date. If persisted in, these views will prove ill-conceived and costly, susceptible of upset by UK/US force, Chinese Communist guile, and domestic deterioration.

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#### I. POLITICAL EFFECTS OF SUKARNO'S ILLNESS

1. The possibility of President Sukarno's death has introduced new uncertainty into Indonesian politics and foreign affairs. Sukarno's Viennese doctors believe that unless he undergoes surgery for removal of a kidney stone in the near future, he will die within a year or two -- possibly soon and suddenly. Even if he does submit to the operation, there is more than usual uncertainty as to his longevity and physical effectiveness. Sukarno now knows that only an operation will save him, and we feel it

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likely that he will undergo it, reluctantly but with speed and secrecy.

2. Even if Sukarno survives the surgeon's knife, his political power may be diminished. This possibility has had a catalytic effect on political forces in Indonesia: maneuvering between the PKI and opposing factions has already intensified, each attempting to get Sukarno to appoint an acting President favorable to its own interests. Sukarno apparently believes that while he is in Vienna for the operation the group which opposes his choice will engage in divisive activities. He might therefore postpone the trip until the jockeying for power has subsided.

3. In November, during Sukarno's absence from Indonesia, First Deputy Prime Minister Subandrio took the unprecedented action of publicly mentioning succession, stating that it must not be determined by force. He claims that he has since advised Sukarno to turn over most of the job of running the country to others -- a line which the PKI has also advanced -- and to play more of a "father" role. We doubt that Subandrio counseled so frankly, but it is clear that he is attempting to establish himself as heir apparent. While he still lacks any personal following or support among the military, his continued and close

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working relationship with Sukarno and his informal "alliance" with the PKI have sustained him in power. Subandrio's position and authority have been enhanced by the continuing increase of PKI influence, and, most recently, by Sukarno's clampdown on the groups which had bravely, if tentatively, begun to espouse an anti-PKI movement styled "Sukarnoism."

4. Sukarno briefly allowed the moderates to continue their "offensive" in low key, but abruptly dissolved the movement in December. Subandrio and the PKI have since been actively exploiting this victory and have been challenging the principal non-Communist figures -- especially Adem Malik and Chaerul Saleh -- on all fronts. Subandrio almost certainly had Sukarno's backing when he stated publicly, in early January, that some "established comrades are now counterrevolutionary and must be left behind"; this speech probably presages a reshuffle of the cabinet in which PKI and pro-Communist nationalists will exercise a stronger voice. Meanwhile a new danger is created by the PKI's recent demand that arms be distributed to workers and peasants. It has already achieved a popular response which may persuade Sukarno to comply with it; if he does, the PKI will have achieved its greatest victory so far, and the military its greatest setback.

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II. IMPLICATIONS OF SUKARNO'S DEATH

5. The Struggle for Succession. We believe that if Sukarno should die in the near future, the most likely immediate successor government would be a non-Communist military/civilian group. It might lack Sukarno's degree of chauvinism, but would probably follow most of his major policies. Its hold on power would be tenuous, however, and the real struggle for succession would only have begun. There would doubtless be considerable disorder and violence in the immediately following months, though this would probably stop short of full-scale rebellions or a major fragmentation of Djakarta's authority in the outer islands.

6. The PKI would probably not initially be included in the successor government. Even so, the government would almost certainly have to acquiesce in a continuation of PKI influence and activity if for no reason other than that the PKI could initiate widespread disturbances which could cause the Army great difficulties. In certain circumstances -- such as a conspicuous increase of economic chaos and a breakdown in administrative machinery -- the PKI might soon make a bid for power by force. The PKI has already penetrated deeply into Indonesian society, and it is possible that by the time the PKI is ready to assume power it will have gained such

wide public support, and Army leadership will have become so divided and irresolute, that non-Communist forces would not have the will or ability to prevent such a takeover. Because of the increasing consonance of Sukarno's policies with theirs, we believe that the longer Sukarno lives, the greater the PKI's chances of gaining power, legally or by force.

7. Confrontation. Despite its overall lack of success to date, we believe that Sukarno intends to continue and in fact to intensify his Confrontation campaign, mixing militant threats and willingness to negotiate -- on Indonesian terms. He will almost certainly not abandon his objectives to dismember Malaysia, bring down the Rahman government, and eliminate Western influence in the Far East. We see no signs that Sukarno's judgment is impaired by his physical condition and consider his policy to be carefully contrived. It is possible that Sukarno's fear of impending death might lead him to accelerate Confrontation, in the hope of dismembering Malaysia before he dies, but we incline to the view that Sukarno appreciates the risks of his Confrontation tactics and is not likely to miscalculate the situation and trigger full hostilities.

8. We do believe that the current reinforcements and redeployment of regular Indonesian troops along the Sarawak border,

a buildup which will almost double the number of total regular troops in Borneo by March, may presage future operations larger than heretofore attempted. If so, this will increase not only the risk, but the difficulties of logistic support. Current British reinforcements in the Far East should prove sufficient for the present to counter any new Indonesian military initiatives.

9. Indonesia and the USSR. Sukarno serves Soviet interests to the degree that he makes trouble for the US and UK and stirs up anti-Western sentiments in Asia and Africa. At the same time, the Soviet leaders are almost certainly concerned over Indonesia's increasing closeness to Communist China, the PKI's adherence to the CCP line, the dwindling of Moscow's influence in Djakarta, and the danger that Sukarno's recklessness might lead to a major war. Also, there must be some critical reviewing of past Soviet policy which has spent so much on Indonesia\* to win so little influence. The Soviet leaders probably consider, however, that they have no feasible alternative to continuing their aid policy in the hope of retaining such influence as the USSR still has. They will also continue to give political and propaganda support,

\* Since 1956 Indonesia has drawn more than \$200 million of Soviet aid, mostly military.

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which costs them little, to those Indonesian acts and policies which they feel do not harm Soviet interests.

10. Indonesian relations with the Soviet Union have been deteriorating, and some top Indonesians are concerned over what they consider decreased Soviet interest in their Confrontation policy and unnecessary delays in the implementation of existing arms agreements. The recent visits of Sukarno, Nasution, and Subandrio to Moscow do not appear to have gained any significant amounts of new military material to sustain the anti-Malaysian campaign, though additional equipment is probably being purchased with credits formerly assigned to economic projects. Although the USSR apparently does not wholeheartedly support Confrontation along military lines, the Soviets have recently extended \$200 million credit for purchase of military weapons and equipment, including MIG-21s, helicopters, IL-28s, and small transport aircraft. Also, they have promised Indonesia additional SAMs and sufficient troop transport aircraft to lift a full division. Three MI-6 helicopters, largest in the world -- each capable of carrying 10 tons of cargo or 120 troops up to 250 nautical miles, were delivered to Indonesia in early December. It is not yet clear, however, whether these items are from new credits obtained by new

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military agreements, or merely to be drawn against funds from previous agreements.

11. Sukarno has been pleased by the attention the USSR has given him and, more importantly, by the great flow of major military equipment the USSR has provided Indonesia. Since the USSR is likely for some time to remain the only available source of jet fighters and bombers, submarines, or surface-to-air missiles, Sukarno will probably continue to show at least a modicum of consideration for Soviet interests. He will not feel beholden to Soviet interests, however, and will almost certainly continue to press the USSR for aid while preferring the company of Communist China.

12. Indonesia and Communist China. The deterioration of Indonesia's relations with the US and the USSR coincides with an improvement of its relations with the Communist Chinese. Although China has provided Indonesia with little material assistance, it has made Sukarno and the PKI acutely aware of its growing influence in southeast Asia. Several recent indications, including Foreign Minister Chen Yi's trip to Djakarta in late November and Subandrio's current return visit reflect an increasing degree of cooperation between the two countries. At the nonaligned conference in Cairo,

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Sukarno championed the Chinese line, and Sino-Indonesian strategy for the future Second Afro-Asian Conference is currently being closely coordinated. Before Indonesia withdrew from the UN, it appeared that Djakarta was ready to give active support to the admission of Communist China; Peiping has since given all-out propaganda backing to Indonesia's withdrawal.

13. Although Communist China apparently approved Indonesia's Confrontation policy, at least to the degree that it discards the US and UK, Chen Yi apparently disagrees with its implementation. Specifically, he supports Indonesia's military action in northern Borneo, but disagrees with the policy of military action against Malaya itself. This may explain why Indonesia has had difficulty in obtaining effective support for its operations in Malaya from Communist elements there which are oriented toward Communist China, whereas it has had good support from Communist-oriented Chinese elements in northern Borneo. We do not know, however, whether any Sino-Indonesian scheme exists for dividing their spheres of influence. In any event, we do not believe that the Communist Chinese will actively participate in the Indonesian-Malaysian theater, though they might seek quickly to take some advantage of a situation created by hostilities.

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14. Indonesia and the UN. Indonesian support for the UN has progressively declined in the past few years and this trend has accelerated since the onset of Confrontation. Sukarno's attitude toward the UN is that it cannot be a really useful body until its structure is changed to reflect the "realities" of the present world: that is, to give more power to the "new emerging forces" and to reduce the power of the Western nations. In the absence of charter revisions, Indonesia has ignored the UN as much as possible, and has emphasized Afro-Asian conferences and other such forums as the main instruments of its foreign policy. Sukarno probably intends to create a Conference of Newly Emerging Forces (CONEFO) -- most likely during the Second Afro-Asian Conference tentatively scheduled for May -- as a competing organization to the UN. However, there are no indications that other countries, with the exception of Communist China, North Korea, North Vietnam, and possibly Cambodia, are in any way interested in following Indonesia's lead. And despite Sukarno's repeated statements of complete withdrawal from the "imperialist" UN, he will doubtless seek to derive benefits from the largesse of certain UN-connected specialized agencies.

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15. Indonesia and the US. US-Indonesian relations have reached their lowest ebb since 1958. There probably can be periods of slight improvement, but we believe that there is little chance of significant rapprochement so long as Sukarno rules Indonesia, and probably for some time thereafter. The interests of the US and of Sukarno now conflict in nearly every quarter. He is apparently convinced that his leverage over us is much greater than ours over him, and that he can accordingly proceed to chip away at the defenses of Malaysia and the UK, woo Peiping, and flout the interests of the US without fear of significant adverse consequences. He also seems to believe that the US has lost its position and power in Southeast Asia; that it is only a matter of time until the Communists win in South Vietnam, the Chinese Communists enter the US, and China possesses nuclear weapons; that Indonesia is uniquely situated to profit from a lessening of US and other Western influence in the area; and that accommodation with China can serve the interests of Indonesia for the moment without imperiling its long-run security. In effect, Sukarno appears to believe that he is controlling events, though the momenta and direction he has imparted to present trends are sweeping him along toward the eventual possibilities of war with

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the UK and US, domination by Communist China, or takeover of  
Indonesia by the PKI.

FOR THE BOARD OF NATIONAL ESTIMATES:

*Sherman Kent*

SHERMAN KENT  
Chairman

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