

(



Copy No. 50

ъź

## CENTRAL INTELLIGENCE AGENCY Special Evaluation No. 38

Document No. 07 NO CHANGE in Class. X DECLASS  $\Box$ NED Class. Class TSS  $\mathcal{C}$ DDA Auth: Dim 4 77 Date: <u>6 MAR 1978</u> By: 023

SECR

Approved For Release 2006/09/27 : CIA-RDP78-01617A006000030008-0

Approved For Release 2006/09/27 : CIA-RDP78-01617A006000030008-0

SECRET

 $\left| i \right\rangle$ 

()

## **22** December 1948

22.0

## DUTCH MILITARY ACTION IN INDONESIA

Dutch military action was instituted in Indonesia on 18 December, one half-hour after a Netherlands Government representative in Indonesia had informed the Chairman of the UN Good Offices Committee (GOC) of his Government's intention to terminate the Renville truce agreement with the Republic. Dutch forces are now establishing military control over Republican areas in Sumatra and Java. Members of the GOC in Batavia (US Representative Cochran and the deputy Australian representative) immediately forwarded a report which asked for prompt Security Council action. They charged that the Netherlands Government had not fulfilled its obligations under the Renville agreement because it had failed to inform all members of the GOC of the contemplated action and, by cutting telegraphic communications, had made it impossible to inform the Republic. The Security Council is scheduled to hear the case on 22 December.

**Dutch Motives** The Netherlands Government has described its military action as a move to reestablish peace and security in all Indonesia and to eliminate terrorist and irresponsible elements. Actually, the Dutch are motivated largely by the conviction that an interim Indonesian government under firm Dutch control must be established as soon as possible. They do not really believe that the Communist movement in Indonesia represents a threat of such magnitude as to require action on the present scale. However, in order to establish an Indonesian government under Dutch control, the Dutch must forcibly eliminate the Republic as a de facto government in view of: (a) the apparent impossibility of settling Dutch-Republican differences on Dutch terms; (b) the Dutch fear that the Netherlands Government could not maintain control over an interim government in which the Republic was

SECRET

Approved For Release 2006/09/27 : CIA-RDP78-01617A006000030008-0



64.1

represented; and (c) the difficulty of establishing such an interim government without Republic representation. Moreover, the Netherlands Government believes that maximum economic benefits can only be realized by restoring Dutch control over Republican-held areas.

Guerrilla Warfare The Dutch have already captured the Republic capital and practically all

Republican leaders. Despite this success and the apparent lack of effective Republican resistance, US security interests have been seriously threatened by the Dutch "police action." The removal from power of the pro-US moderates in the Republic has paved the way for the rise of a resistance movement led by militant Communists and by extremist elements formerly held in restraint by the Republican regime. In the initial stages, the Dutch can be expected to have considerable success in maintaining law and order throughout the Republic. The nationalist aspirations of the Indonesians, however, will continue to conflict with the Dutch desire to retain a maximum amount of control. Guerrilla warfare and sabotage will increase and compel the Dutch to continue the commitment of substantial military forces in Indonesia. These commitments will delay full Dutch contribution to a western European defense system and will constitute a continuing drain on the finances of the Netherlands Government.

Soviet Reaction The present situation in Indonesia will be exploited in the Security Council by the USSR, which will champion the aspirations of colonial peoples and accuse the US of complicity in the Dutch action. Further, the USSR can be expected to capitalize, throughout the Far East, on the decline of US prestige which will follow the collapse of GOC mediation efforts in which the US has had a leading role.

- 2



Approved For Release 2006/09/27 : CIA-RDP78-01617A006000030008-0