

STAT

Approved For Release 2005/08/16 : CIA-RDP93B01194R000800010002-1

Next 4 Page(s) In Document Exempt

Approved For Release 2005/08/16 : CIA-RDP93B01194R000800010002-1

Retain class'n ☒ C/A  
 With concurrence of CIA  
 Declassify ☐ in part and code as shown  
 EO 12356, Sec. 1.3 (a) (-)  
 ACDC/SR by 2

## ARMED FORCES STRENGTHS AND ARMY DISPOSITIONS

ARMY Total Personnel Strength 173,000

## Present Disposition

Sumatra	West Java	Cent. Java	East Java	Borneo	Celebes	Other
33 Inf Bns	26 Inf Bns	12 Inf Bns	4 Inf Bns	4 Inf Bns	31 Inf Bns	5 Inf Bns
2 MP Bns	1 MP Bn	1 MP Bn	1 MP Bn	1 MP Bn	1 MP Bn	
2 Amd Sqs	2 Amd Sqs	1 Amd Sq	1 Amd Sq		1 Mtn Arty Bn	
2 FA Bns	2 FA Sqs	1 FA Bn	1 AAA Sq			
	1 AAA Bn					

NAVY Personnel Strength 9,932 (including 2,299 marines)

## Ship Strength

1 destroyer (DD)	5 LSIL
2 coastal destroyers (DC)	1 AG
2 escorts (PCE)	2 AKL
3 patrol escorts (PF)	1 AO
2 motor gunboats (PGM)	29 YP
14-16 inshore minesweepers (MSI)	4 YTL

AIR FORCE Military Personnel Strength (approximate) Total: 11,402

115 pilots  
 40 trainee pilots  
 139 other air crew  
 294 total

Aircraft Strength — Total aircraft: 271

Jet	Piston	
2 fighters	12 fighters	80 misc. (piston)
21 trainers	17 lt. bombers	6 helicopters
5 lt. bombers	82 trainers	
	46 transports	

## Aircraft from the Bloc

Ordered		Received	
20-35	MIG-17	0	None of these are believed to be in operational units.
30	IL-28	5	
20	IL-14	21*	
30	MIG-15	15**	
8	helicopters	—	

\* Includes 1 IL-14 presented to Sukarno for personal use.  
 \*\* Includes 13 U-MIG-15's (Trainers)

APPROVED FOR RELEASE

DATE 11 APR 83

SECRET

12 August 1

SECRET

Nº

SPECIAL  
NATIONAL INTELLIGENCE ESTIMATE  
NUMBER 65-58

(Supersedes NIE 65-57)



## THE OUTLOOK IN INDONESIA

## DEPARTMENT OF STATE

☐ Retain class ☐ Change/classify to  
With concurrence of DDP, CIA  
☒ Declassify ☐ In part and extend to  
EO 12356, Sec. 1.3 (a) (5/15/5)  
ACDC/SR by SW

Submitted by the

## DIRECTOR OF CENTRAL INTELLIGENCE

The following intelligence organizations participated in the preparation of this estimate: The Central Intelligence Agency and the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and The Joint Staff.

Concurred in by the

## INTELLIGENCE ADVISORY COMMITTEE

on 12 August 1958. Concurring were The Director of Intelligence and Research, Department of State; the Assistant Chief of Staff, Intelligence, Department of the Army; the Director of Naval Intelligence; the Assistant Chief of Staff, Intelligence, USAF; and the Deputy Director for Intelligence, The Joint Staff. The Atomic Energy Commission Representative to the IAC and the Assistant Director, Federal Bureau of Investigation, abstained, the subject being outside of their jurisdiction.

APPROVED FOR RELEASE

DATE 1-3-1974

SECRET

~~SECRET~~

## THE OUTLOOK IN INDONESIA

## THE PROBLEM

To assess the current situation in Indonesia, and to estimate the probable main lines of development.

## CONCLUSIONS

1. Events in Indonesia during the last year have greatly strengthened the position of the Indonesian Communists (the PKI). If the national elections scheduled for 1959 are held, the PKI will probably emerge as the largest party in Indonesia and be in a strong position to demand cabinet representation. (Paras. 22-23, 25)

2. We believe that the PKI will continue its present policy of seeking to attain power by legal means. The PKI will probably not attempt to seize power by force during the coming year, even if large numbers of army units are still committed in the outer islands. (Para. 24)

3. The continuing guerrilla actions of the rebels constitute a considerable military and financial burden on the government. The rebels can continue such actions for a prolonged period and, with outside arms support, could seize and temporarily hold sizable areas. Even in these circumstances, however, the rebels could probably neither develop widespread politi-

cal support nor create sufficient military pressure to cause the government to seek a negotiated settlement. (Paras. 12-14)

4. The leaders of the armed forces gained self-confidence and prestige in their operations against the rebels. In the face of the increasing power of the Communists, army leaders have considered measures to move against the PKI, including a proposal that the elections be postponed. However, we do not believe that they will take any decisive action unless they have at least the tacit approval of Sukarno. (Paras. 15-16, 19-21)

5. Sukarno is also concerned by the growing power of the PKI. However, he is reluctant to use force or to abandon his position of being above party struggles. We believe that he will at first seek to consolidate and strengthen non-Communist parties so that a balance between them and the PKI may be achieved. If he becomes convinced that the Communists seriously threaten his position, he will probably yield to army pressures to

~~SECRET~~

SECRET

postpone the elections. However, we believe that the chances are no better than even that he could be convinced that his position would be threatened. (Paras. 26-27)

6. Economic conditions, which have been deteriorating for years, have worsened since the seizure of Dutch economic interests and the outbreak of civil war. Most productive facilities and foreign trade transactions are now in inexperienced hands. Due to the shortage of raw materials the industrial sector of the economy faces partial paralysis, although

the peasant economy, in which some 80 percent of the population is included, has been comparatively little affected. (Para. 28)

7. Continuing and substantial US aid would increase the ability and determination of non-Communist leaders to resist the growing power of the PKI. However, the best that could be hoped for would be that non-Communist forces would be so strengthened that the PKI could not come to power, although it would still remain a major force in Indonesian politics. (Para. 34)

## DISCUSSION

8. During the recent months of civil war Indonesian politics have come to center around three political forces: President Sukarno, the army leaders, and the PKI. The non-Communist political parties have decreased greatly in influence and importance. The political influence of the Masjumi Party has been seriously impaired because many of its leaders were associated with the rebellion on the outer islands. The indecisive role played by Dr. Hatta and the Sultan of Djogjakarta has caused them to lose considerable prestige, and many capable leaders from the outer islands have lost any chance to play an important role, at least for some time to come. Although the rebel movement has signally failed to develop political momentum, continuing rebel resistance is imposing a strain on the government's military and financial resources. Meanwhile, Sukarno has continued to be the dominant political figure, the PKI has enhanced its influence, and the army has emerged in a major political role. The interaction of these forces and the prospects for arresting the growth of Communism are examined below.

## A. THE REBELS

9. The rebels were no match for the government forces in regular military operations

and were driven from the major population centers. Government forces are better led, more numerous, and have the important advantage of air superiority. However, the rebels are now proving to be effective guerrilla fighters and are seriously harassing government forces and hampering the reestablishment of civil authority in North and Central Sumatra and in Northern Celebes.

10. The strength and general location of major armed rebel groups (excluding the Darul Islam) are estimated to be approximately as follows:

Northern Sumatra	2000-3000
Central Sumatra-	
Bukitinggi area	1000-2000
South Sumatra	100-500
Northern and Central	
Celebes	3000-6000

In addition, several thousand young men reportedly have volunteered to serve with the rebels. Supplies of arms and ammunition are low, communication among the various groups is probably poor, and coordination of their operations is weak.

11. There appears to be considerable agreement among the rebel leaders, however, in terms of overall political objectives. They

SECRET

~~SECRET~~

seek to gain for the outer islands a greater voice in the central government and a larger share of government revenues which are derived largely from exports produced in the outer islands. They also desire a more effective and less corrupt government free of Communist influence, and a reduction of Sukarno's role in the government. These objectives are shared by most politically aware outer-islanders, but there is wide disagreement concerning the proper method to achieve them. Most Sumatrans remained inactive and did not support armed rebellion, especially after the rebel forces failed to resist the landing of government troops. Rebel strength was also weakened by animosities among tribal and religious groups on Sumatra and Celebes and by the failure of the Darul Islam, a fanatical Moslem movement in revolt against the government since independence, to join forces with the rebels. While there had been some sympathy on Java for certain of the aims of the dissidents, sympathy for the rebels as a group greatly diminished when they established a rival government.

12. The rebels lack the military capability and the political following to reestablish their control of major populated areas in North and Central Sumatra and Northern Celebes. Nevertheless, they are now receiving some local popular support and can continue guerrilla warfare for a prolonged period, even without outside assistance. This makes necessary the maintenance of large numbers of government troops on Sumatra and Celebes, a requirement that is an economic drain and a growing political liability because most of the government troops are Javanese. Furthermore, the rebels can cause the government serious financial loss, especially on Sumatra, by harassing rubber and oil production and export.

13. With a supply of arms and ammunition from the outside, the rebels could substantially increase the level of harassment and could seize and hold for a time sizeable areas and some major towns. However, they probably would be unable to develop widespread political support. In addition, they probably would not be able to unify all groups on

Sumatra and Celebes and thus could not actually threaten the government's ability to hold major portions of both islands. Moreover, while the rebels in the Menado area of Celebes are the best fighters and would be the easiest to support, action in this area would have the least effect on the government because of the distance from Java and the lesser economic importance of the area.

14. In any case, such guerrilla activities will constitute a considerable burden on the government, but will probably not create sufficient military pressure to cause the government to seek terms. Indeed, the government has given every indication that it will continue to refuse a negotiated settlement and a reconciliation with the rebel leaders. On the other hand, the government has already taken some steps to redress grievances of the outer islands, and a continuation of this policy will probably undercut the rebel position.

#### B. THE MILITARY<sup>1</sup>

15. The performance of the Indonesian military forces in their air and sea lift and in their military operations against the rebels exceeded expectations. The performance of the Indonesian government intelligence service was particularly impressive. The air force maintained sustained, effective operation providing transport and tactical support for ground forces. The psychological effects of their strafing and bombing actions were probably the most important factor in the frequent failure of rebel forces to stand and fight.

16. The prestige and self-confidence of the armed forces have increased considerably as a result of their successful operations against the rebels. At present, morale in the armed forces in general is good. The air force especially has gained respect and assumed new importance as a result of its performance and the receipt of new and modern aircraft from the Bloc. Under the prevailing "state of war" proclaimed in December, 1957, the Army Chief of Staff and the army district commanders have considerable administrative and political authority throughout Indonesia.

<sup>1</sup>See chart for armed forces strengths and arm dispositions.

~~SECRET~~

17. There is no prospect for an end to the operations against the dissidents, and Darul Islam terrorism will also continue to be a problem. Prolonged stationing of Javanese troops in Sumatra and Celebes will almost certainly result in lowered troop morale. Grievances concerning low pay, poor housing, and deteriorating arms and equipment will be continuing morale problems in the army. There is considerable Communist penetration of army enlisted ranks, including some in the non-commissioned officer grades, especially in Javanese units. Except in the air force staff, there is little direct Communist influence in the officer corps. Only about one-third of the army's combat units remain on Java. We believe that there has been some Communist penetration of the state police force, particularly in Java, including its para-military formation, the Mobile Brigade, which numbers about 20,000 men.

18. This prospect gives added urgency to the recent efforts of the army leaders to increase the size of the army and supply it with new equipment. Present Indonesian requests for US arms are probably motivated primarily by the desire to standardize weapons and equipment and, secondarily, by the desire of pro-West officers to offset the political implications of the recent arms acquisitions from the Bloc. However, Indonesian military materiel is obsolescent, and the desire to modernize the forces is so strong that, in the absence of substantial US military assistance, military leaders will continue to accept arms from the Bloc.

19. We believe that the top military leaders, especially Nasution and other army officers, are convinced that the civil war has enabled the Communists to strengthen their position. The local Communist cause has been improved by the widespread belief that the US has aided the rebels and by the Soviet Bloc provision of arms and diplomatic support to Djakarta. Nasution's concern has apparently been deep enough to cause him to consider measures designed to weaken the Communists. These measures include the formation of additional army units on Java to replace those now engaged in the outer islands, the delay of the general elections now scheduled for September 1959, the establishment of a national anti-

Communist cellular organization within various political and social groups, and the elimination of Communist-influenced persons from the cabinet.

20. The army high command has taken some steps to limit overt Communist agitation and may attempt to curtail the growth of PKI strength and influence. It will use persuasion and whatever other pressure it can apply to change Sukarno's attitude toward the Communists. We do not believe it would attempt a military coup against the Djuanda government or take forceful anti-Communist action in opposition to Sukarno. With Sukarno's tacit approval, it would probably take action against the Communists.

21. Nearly all of the military leaders would probably support Sukarno should he decide to adopt a hard policy toward the PKI. They would almost certainly oppose PKI overt insurrection, although some Communist-infiltrated units might not obey their officers. If this occurred at a time when a major share of the armed forces were committed in the outer islands, the PKI in Java would be able to seize control temporarily of some urban and rural areas. Although the armed force would probably be able to maintain the government in power, the PKI would be able to conduct guerrilla activities for a prolonged period.

#### C. THE PKI

22. The PKI continues to be Indonesia's best led and only unified and disciplined major party. Its greatest strength remains in Central and Eastern Java, and to a lesser extent in Djakarta and Western Java. It has little strength elsewhere except in the Medan area of Sumatra. It claims a membership of 1,000,000, but its actual membership probably numbers about 500,000, an increase of over 30 percent since 1954. Although few of the more than 7,000,000 who voted for the PKI in 1955 local elections have deep-seated Communist convictions, the party has been able to develop its voting strength by identifying itself with Sukarno and nationalism and by skillfully capitalizing upon the grievances and aspirations of the people.

SECRET

~~SECRET~~

5

23. In addition to its voting strength, the PKI threat stems from its power in certain strategic sectors. It controls PERBEPSI, a paramilitary veterans' group, and some units of the Village Guard. It also controls SOBSI, the principal labor organization; and BTI, the largest single peasant group. Although few Chinese belong to the PKI as such, it is likely that at least two-thirds of the Chinese are susceptible to PKI manipulation and feel constrained to make substantial financial contribution to the PKI. The PKI has succeeded in gaining great influence over at least one member of the cabinet, Hanafi, and the Chief of Staff of the Air Force, General Suryadarma. In addition, the PKI has probably penetrated most government agencies. As a result, key decisions of the government quickly become known to the PKI.

24. The PKI's capability for civil disturbance and armed action against the government on Java has been greatly increased as a result of the commitment of many of Indonesia's best trained and equipped and most dependable troops to Sumatra and Celebes. In recent years, the PKI has appeared to prefer legal political action, in the expectation that it could eventually gain power without resort to large-scale violence or the risk of premature defeat. We believe that nothing in the course of recent military and political developments has caused the PKI to change this estimate. Accordingly, it is unlikely that the PKI will engage in large-scale violence or attempt to seize the government by force in the near future. It will probably confine its forceful action to the instigation, by front groups, of a program of strikes against US and Western concerns. However, it has evidenced increasing sensitivity to the perceptible hardening of the army high command's attitudes toward the Communists and to attempts to improve Indonesia's relations with the US. It is possible that the PKI might resort to a violent course in the unlikely event of an imminent full-scale effort by the army to suppress it.

25. Prospects do not appear bright that the trends favoring the PKI will be reversed during the next year. The army will probably develop a greater counter-subversive potential, but this will almost certainly not occur

rapidly enough to significantly affect Communist strength during this period. It is unlikely that the non-Communist parties will succeed in substantially reducing the appeal of the PKI prior to the elections now scheduled for September 1959. If these elections are held as scheduled, we believe that the PKI will win at least one-third of the vote on Java, increasing its vote by almost 100 percent over the general elections of 1955. The PKI will then be in a strong position to demand representation in the cabinet. If the elections should be put off, the PKI would probably seek to make the maximum political capital as an aggrieved victim, while directing its front groups to instigate widespread strikes and riots. It is unlikely that the putting off of elections would in itself cause the PKI to attempt to seize power by force.

#### D. SUKARNO

26. President Sukarno remains the most important factor in the Indonesian situation. He is still accepted by the bulk of Indonesians as their leader. His continued acceptance of Communist support and his praise for the positive role which the PKI is playing in Indonesian development have been important factors contributing to the expansion of Communist electoral support and influence within the government. Sukarno has believed that he could use the PKI in his efforts to maintain a balance of power among contending Indonesian factions, a belief which the PKI has skillfully exploited. His own Marxist economic views, his favorable impressions of Communist achievements in the USSR and especially Communist China, and his conviction of the ineffectiveness of most non-Communist parties and politicians in Indonesia have encouraged him to view Communist methods with some favor and in some instances as suited for the rapid development of Indonesia. While he is impressed by many US achievements, he almost certainly believes that many aspects of the US system are not adaptable to Indonesia.

27. On the other hand, Sukarno now shows some signs of being aware of the inherent threat posed by the Communists to his power position and is probably increasingly dis-

~~SECRET~~



~~SECRET~~

6

turbed by the recent growth of Communist political strength and influence. He is reluctant to resort to military force, but he has no effective political organization to offset Communist strength. Nevertheless, he continues to believe that he can handle the PKI by political means and that he can still maintain a balance among the various political forces so as to maintain his decisive role. To this end, he is encouraging the creation of a coalition of the non-Communist, non-Moslem parties in order more effectively to challenge the Communists in the electoral districts. He will probably give some support to the electoral efforts of this coalition but will stop short of openly attacking the PKI. To be sure, if Sukarno became convinced that the Communists seriously threatened his position, he would probably yield to army pressures to postpone the election. However, it would be difficult to convince him of this threat, and we therefore believe that the chances are better than even that he will not take such action.

#### E. SOVIET BLOC ABILITY TO INFLUENCE THE SITUATION

28. Economic conditions in Indonesia have been deteriorating for years as a result of mismanagement of fiscal policy, a low level of investment, and extreme suspicion of the foreign world, particularly of the former colonial powers and their allies. The Indonesian economy never recovered from the damage incurred during World War II and the revolutionary period that followed it. The economy was dealt a further, crippling blow in late 1957 with the seizure of Dutch economic interests, vital to Indonesia, and thereafter by the outbreak of civil war. A large portion of Indonesian productive facilities and foreign trade transactions are now in inexperienced hands, and domestic distribution is still disrupted. These factors have contributed to a decline in export earnings while inflation is strengthening the demand for imports. Given the slender official gold and foreign exchange reserves (only \$144 million at the end of June), Indonesia is facing an increasingly severe balance of payments crisis. Due to the shortage of raw materials the industrial sector of the economy faces partial paralysis, although the

peasant economy, in which some 80 percent of the population is included, has been comparatively little affected.

29. Seriously deteriorating economic conditions in Indonesia have not only favored the growth of the PKI but, in conjunction with Indonesia's estrangement from the West over the West Irian issue, have also increased the country's receptivity to the economic offers of the Sino-Soviet Bloc. The Bloc has extended to date total credits of about \$275 million to Indonesia. About \$145 million in such credits was obligated in the first half of 1958, largely to meet needs growing out of Djakarta's recent seizure of Dutch economic interests and the Indonesian military's long-standing desire for modern equipment. Of this sum, about \$54 million is earmarked to replace the ships which the Dutch formerly operated in the inter-island trade; at least \$45 million is for Bloc arms delivered to date; and about \$37 million is for other urgent import and foreign exchange needs. During the first half of 1958, the number of Bloc technicians, including military specialists, in Indonesia increased to about 600.

30. In view of the country's shaky economic prospects, Indonesia will require extensive additional foreign aid in the near future to pay for essential imports. If Djakarta does not succeed in finding such assistance in the Free World, it will attempt to obtain it from the Bloc. Continued Bloc economic and political support to the central government will supplement the activities of the PKI in enhancing Communist prestige, encouraging Indonesia's detachment from the West, and facilitating Communist penetration in several key areas, including the military. However it is highly unlikely — in view of Indonesia's overriding determination to retain its "independent policy" — that economic aid from the Communist powers would, at least in the short run, result in much closer Indonesian alignment with the Bloc.

31. The Sino-Soviet Bloc has made political capital by its open-handed support for the Indonesian government. The Bloc will probably continue such support in an effort to minimize the possibility that the government will

~~SECRET~~

take firm action against the PKI and jeopardize its presently promising long-range prospects. Djakarta can almost certainly count on the Soviet Bloc to support its position on West Irian diplomatically, even if the Indonesians attempted to seize that area by force. In addition, the Bloc will attempt to increase its flow of arms and economic aid, as in the case of Egypt, in an effort to reduce Indonesia's remaining ties to the West. The Bloc's response to a putting off of the 1959 Indonesian elections would probably be limited to propaganda support of the PKI. In the extreme event that the PKI should get into an armed clash with the government, for whatever reason, we believe that the Bloc countries would provide no more assistance to the PKI than covert, token shipments of arms.

#### F. US ABILITY TO INFLUENCE THE SITUATION

32. We believe that Sukarno and the Indonesian government desire to have friendly relations with the US, although substantially on their own terms. Basic differences of view hamper the ability of the US to influence the course of Indonesian external and internal policies. The Indonesians are convinced of the validity of their foreign policy, and resent what they believe to be pressures to align Indonesia more closely with the US. The Indonesians believe that their national interests are in many respects incompatible with those of the West, and that the West neither understands nor sympathizes with their problems as an underdeveloped and former colonial country. They differ with us concerning the threat posed to their country's independence

by the Communist Bloc. Many of them also differ with us as to the nature and extent of the internal Communist threat. These differences with the US and Indonesian suspicion of American motives have been strengthened in recent months by the belief, shared by Sukarno and other government leaders, that the US has supported the rebels.

33. Given this situation, there is little prospect of a change in Indonesia's foreign policy which is now slanted toward the Communist Bloc. The danger in the present situation is that Indonesia will lose its independence as a result of a combination of subversion, trickery, and legitimate political activity by the PKI, supported by Bloc economic activity. There is real concern among non-Communist leaders in Indonesia about the growing strength of the PKI, and we believe that US actions could strengthen their ability and determination to resist this threat.

34. Thus, if the US indicated a willingness to give substantial and sustained military and economic assistance, Indonesian leaders, especially those in the army, would feel that they were in a stronger position, both to persuade Sukarno to take a stand against the PKI, and to deal with the threat of Communist violence. We do not believe, however, that such US aid by itself, would persuade the Indonesian government to take vigorous action against the PKI, much less to suppress it. The most that could be hoped for would be to strengthen non-Communist forces to the point where the PKI could not come to power. Even so, the PKI would probably remain a major political force, though its overall power might be reduced.

~~SECRET~~

DEPARTMENT OF STATE  
☐ Retain class'n ☐ Change/classify to  
☒ With concurrence of DDP, CIA  
☒ Declassify ☐ In part and excise as shown  
 EO 12256, Sec. 1.3 (a) 31/5/85  
 ACD/ISR by SM

SNIE 65-59  
 10 February 1959

~~SECRET~~

Nº 303

SPECIAL  
 NATIONAL INTELLIGENCE ESTIMATE  
 NUMBER 65-59

LIKELIHOOD OF INDONESIAN ARMED ACTION  
 AGAINST WEST NEW GUINEA

Submitted by the  
 DIRECTOR OF CENTRAL INTELLIGENCE

The following intelligence organizations participated in the preparation of this estimate: The Central Intelligence Agency and the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and The Joint Staff.

Concurred in by the  
 UNITED STATES INTELLIGENCE BOARD

on 10 February 1959. Concurring were The Director of Intelligence and Research, Department of State; the Assistant Chief of Staff for Intelligence, Department of the Army; the Assistant Chief of Naval Operations for Intelligence, Department of the Navy; the Assistant Chief of Staff, Intelligence, USAF; the Director for Intelligence, The Joint Staff; the Assistant to the Secretary of Defense, Special Operations; and the Director of the National Security Agency. The Atomic Energy Commission Representative to the USIB and the Assistant Director, Federal Bureau of Investigation, abstained, the subject being outside of their jurisdiction.

APPROVED FOR RELEASE  
 DATE 11 APR 1989

~~SECRET~~

FEB 13 1959 REC'D V

~~SECRET~~

## LIKELIHOOD OF INDONESIAN ARMED ACTION AGAINST WEST NEW GUINEA

### THE PROBLEM

To estimate the likelihood of Indonesia taking armed action against West New Guinea.

### CONCLUSIONS

1. Indonesia has the capability to capture one or more of the lesser Dutch settlements in West New Guinea and would have a good chance of launching a small-scale (up to 1,000 men) invasion force without prior detection. Although Indonesia might be able to muster 7,000-8,000 men for an assault on the major Dutch stronghold at Biak, its waterlift capability probably does not exceed 3,500 troops and its airlift capability about 600 paratroopers. Moreover, it could provide little effective fighter cover for such an operation. Indonesian ability to coordinate operations of a scale necessary to seize and hold Biak is very doubtful and preparations for such an operation could probably be detected. (*Paras. 7-9*)
2. We believe that Indonesia will probably not undertake large-scale armed action within the next six months, primarily because of internal security problems and concern that such an attack would provoke adverse international reaction. Also, Indonesian leaders may believe that present pressures may force the Dutch to yield. (*Paras. 10-14*)
3. The Indonesian objective in a small-scale action to seize one or more of the smaller settlements in West New Guinea would probably be to provoke Dutch countermeasures which would attract international attention and UN consideration. However, unless the Indonesians could point to strong evidence of military provocation by the Dutch, they would face accusations that they had resorted to armed force and the possibility of UN action favorable to Indonesia would be reduced. Although the arguments against large-scale military action do not apply with the same force against small-scale operations, we have no convincing evidence that Indonesia intends to undertake small-scale action and, on balance, the odds seem to be against it for the near future. (*Paras. 15-16*)
4. Indonesian military capabilities and the temptation to resort to armed force against West New Guinea will increase over the next two years. However, we believe that Indonesian armed action on

~~SECRET~~

2

~~SECRET~~

2

any significant scale is and will remain much less likely than Indonesian use or provocation of some incident with the

Dutch so as to bring the issue before the UN under favorable circumstances. (Paras. 17-18)

## DISCUSSION

## I. INTRODUCTION

5. Netherlands control over West New Guinea has increased in importance as a major political issue in Indonesia. Sukarno is obsessed with the "Irian issue" and largely because of his polemics and agitation by the Indonesian Communist Party (PKI), the issue has become entangled in the public mind with such emotion-packed concepts as anticolonialism, anti-imperialism, and nationalism. Sino-Soviet Bloc exploitation of the issue and Afro-Asian support for the Indonesian claim have probably led the Indonesian Government to believe that it has important foreign support for its position, which has contributed to the hardening of the issue within Indonesia. As a consequence, no political group or leader can take a moderate or compromising public stand on the issue without risk of being branded as pro-Dutch and traitorous.

6. Although Indonesian leaders consciously and cynically use the "Irian issue" to play

\*The status of West New Guinea has officially been disputed since December 1949, when the Republic of Indonesia achieved independence. At that time the Netherlands and Indonesia agreed that the status of West New Guinea would remain unchanged, with the provision that Dutch-Indonesian negotiations would be held within one year to determine its final disposition. Negotiations were held in 1950-1951 and further negotiations were held in December 1955; in all cases, however, they ended in failure. In 1951 West New Guinea was listed as "Netherlands New Guinea" in the revised list of territories of the Kingdom of the Netherlands as it appeared in the Netherlands constitution. In 1956 Indonesia formally included the "Province of West Irian" in the territories of the Republic of Indonesia. Indonesian resolutions on the West New Guinea issue were introduced in the UN in 1954, 1956, and 1957, but failed to receive the requisite support. Since the failure of the 1957 UN resolution, no further action has been taken and the issue remains deadlocked. [Note in the source text.]

upon public emotions, most of them genuinely believe that Indonesian independence will not be complete until West New Guinea is under Indonesian control and that continuing Dutch control over the territory is a potential threat to Indonesian security. There can be no doubt that the "liberation of West Irian" is a major objective of Indonesian foreign policy and that failure, thus far, to make any real progress toward that objective is a source of frustration to most Indonesian leaders.

7. The Indonesian Government has directed its domestic political activity on the "Irian issue" largely through the National Front for the Liberation of West Irian, an official organization established in January 1958 and operated under military auspices. Although Army Chief of Staff General Nasution is Chairman of the Front, it came increasingly under Communist influence in the first half of 1958. The Front was reorganized in the fall of 1958 to strengthen army control of its program and policies. Army leaders have stated privately to US officials that their purpose in organizing and retaining control of the Front is to prevent the PKI from exploiting the "Irian issue" and to channel national popular enthusiasm into the resolution of more immediate national problems, including the weakening of Communist influence. However, because the PKI has so closely identified itself with the "Irian issue," army use of the Front to reduce Communist influence offers at best only limited prospects of success, particularly in view of past PKI effectiveness in manipulating such organizations for its own purposes. In any event, the activities of the Front contribute to the emotionalism always present in the Indonesian approach to the "Irian issue" and create the possibility that the Front will be used by Communist and other radical ele-

~~SECRET~~

~~SECRET~~

3

ments within it to provoke an attack upon West New Guinea with or without government consent.

8. In the light of these factors, while it cannot be said that the state of feeling in Indonesia clearly betokens some early move, there is a continuing possibility of rash action by Indonesia against West New Guinea. Such action might include an attempt to seize by force one or more of the major Dutch settlements in New Guinea or landings by small units to create pressure for negotiations on the issue.

## II. SHORT RUN OUTLOOK

### A. Capabilities

9. West New Guinea is very lightly defended by the Dutch. There are no Netherlands Air Force units stationed in the area, and total service strength is less than 3,000. This figure includes 800 marines scattered in small detachments, 400 army personnel (including one AA Bn(-)) present or scheduled for early arrival at Biak and 1,200 naval and naval air personnel at Biak. The main defensive strength in the area consists of two DD's and one DDE supported by about 17 aircraft of the naval air arm useful primarily for patrol. Although the Dutch have strong emotional and prestige reasons for denying West New Guinea to Indonesia, thus far they have shown no disposition for a major reinforcement of their defense forces in the area.

10. The Indonesians must consider it possible that they would have to contend with Australian armed force in any effort to seize and hold Dutch strongpoints in the area. Although more extensive than that of Dutch, Australian armed strength which might be made available on short notice to help in the defense of West New Guinea is also limited. Australia could probably move into the area a naval force on the order of one small aircraft carrier and four or five DD's and DDE's, but it would probably take several days before they could be in effective operational position. The Australian Air Force could probably put about 20 Canberras into action from Darwin almost immediately on a one-

shot basis, and these aircraft could reach the air bases at Ambon and Morotai which the Indonesians would most likely use. The Australians have not committed themselves to help defend West New Guinea. However, they have made it clear that they would consider an Indonesian attack on West New Guinea a matter of grave concern and that they would not "stand by."

11. From a manpower standpoint, the Indonesian Army might now be able to muster 7,000-8,000 moderately well-equipped infantry troops, about 1,000 army commando and marine troops for amphibious operations, and about 500 paratroopers for operations against West New Guinea without reducing the scale of operations against the PKRI rebels. However, available shipping is heavily engaged in the anti-PRRI operations, and waterlift capacity available for a West New Guinea operation probably does not exceed 3,500 troops at present, with airlift capacity for about 600 paratroopers. Indonesian naval forces could not effectively support waterborne operations so long as the Dutch naval forces remain intact. The Indonesian Air Force, with present airfield facilities and its present operational strength of 11 F-51's and 20 B-25's, might be able to carry out attacks against Dutch naval forces. It could provide some visual air reconnaissance, but almost no fighter cover except over the extreme western tip of the Vogelkop Peninsula.\* The nearest airfields available are Ambon and Morotai; both could support small-scale operations on short notice, but a build-up to support major or sustained operations against Biak would require two or three months.

12. Over the next six months, with the necessary airfield and other preparations, Indonesia could assemble invasion forces superior in strength to the defense forces at Biak, the main Dutch stronghold. However, Indonesian ability to coordinate operations of a scale necessary to seize and hold Biak is very

\*The Indonesian Air Force has received about 25 MIG fighters and trainers and about 20 IL-28 bombers from the Bloc. We do not believe that these aircraft are likely to be operational in the near future. [Footnote in the source text]

~~SECRET~~

~~SECRET~~

4

doubtful, and preparations for such an operation could probably be detected in view of the naval and air deployment that would be necessary. Indonesia, on the other hand, does have the capability to land a force of up to 1,000 men and to capture one of the lesser Dutch settlements, and it would have a good chance of launching such an assault without prior detection.

13. The Indonesians also have the capability to infiltrate agents in small groups into West New Guinea to subvert the Papuan population. They have done this in the past, but to little, if any, avail. The agents have either been quickly identified and rounded up, with Papuan assistance, or they have had little success among the Papuan people, most of whom are at an extremely primitive stage of development.

#### B. Intentions

14. We have received a number of reports, mostly from Dutch sources, in which Indonesian leaders are quoted as saying that they are planning military action against West New Guinea in the near future. On balance, we believe that these statements, if made at all, were probably for domestic political purposes, or, possibly, as a form of pressure on the Dutch. We are confident that the Indonesians have not made any major force deployment such as would be necessary for a major military effort against West New Guinea in the immediate future. We have also noted a number of statements by Indonesian leaders, including Sukarno, to the effect that they have no intention of using armed force to gain control of West New Guinea.

15. More importantly, the internal security situation in Indonesia would make it difficult for the government to undertake any serious foreign adventures, at least in the near future. Recent reports indicate that, although short of ammunition, the rebels in both Sumatra and Celebes are increasing in effectiveness and retaining considerable local support. In a guerrilla status, the unreliable elements have been shaken out, leaving a hard core of dissidents.

16. At the same time, the prestige and morale of the predominantly Javanese central government troops in the outer islands appear to have declined from the high point reached immediately after the initial success in their campaign. They no longer have the initiative everywhere and the rebels are increasingly aggressive. It is probable that the central government will have to increase the scale of its military activities to hold its present position vis-a-vis the rebels. In this situation, the central government will probably fear that any serious armed action against West New Guinea might result in foreign assistance to the rebels and a renewed general rebellion in the outer islands. Moreover, the fanatically Muslim *Darul Islam* movement continues to tie down large numbers of central government troops in Atjeh, West Java, and South Celebes, and any stripping of central government garrisons in those areas to furnish troops for a West New Guinea expedition would probably lead to increasingly bold *Darul Islam* activity.

17. In addition, the central government is faced with increasingly difficult budgetary and inflationary problems which would be worsened by an attack on West New Guinea. Indonesian leaders are undoubtedly concerned that an attack on West New Guinea would provoke an adverse international reaction except within the Sino-Soviet Bloc and would lead at least to the cutting off of US military and economic assistance which they have assiduously sought. Finally, Indonesian leaders may believe that their present economic, military, and psychological pressures will cause the Dutch to yield West New Guinea in time. In any event, if the Indonesians were to conclude that military action were necessary, they must see their military position as much more favorable in a year or two than in the immediate future.

18. In light of the above considerations, we conclude that Indonesia will probably not undertake large-scale armed action against West New Guinea within the next six months.

19. However, the negative factors cited above do not argue with the same force against small-unit operations to seize one or more of

~~SECRET~~

SECRET

the smaller settlements in West New Guinea. A purpose of such operations would probably be to provoke Dutch countermeasures on a scale sufficient to attract international attention and UN consideration. This, from the Indonesian point of view, presumably could force the Dutch into negotiations on the future status of West New Guinea or lead to some sort of UN recommendation contrary to Dutch interests. Although Indonesia has certain motivations and the military capability for such small-unit operations, we have no convincing evidence that it intends to undertake such action. Moreover, in discussing the matter before the UN, the Indonesians would face accusations that they had resorted to armed force. Unless they could point to strong evidence of military provocation by the Dutch, such accusations would reduce the possibility of UN action on West New Guinea favorable to the Indonesians. Although Indonesia would probably have the support of the Bloc, it would be opposed by the Western Powers. The Afro-Asian countries would probably be divided, especially if Indonesia appeared to be the aggressor.

20. Thus, the odds seem to be against such small-scale action although, in view of Indonesian emotionalism on the "Irian issue," such action is possible at any time. The PKI or nationalistic groups acting without government authorization might attempt to provoke an incident which could inflame the situation. It is almost certain that the Indonesian leaders are alert for any opportunity to get the West Irian case to the UN in a manner favorable to themselves. Such an opportunity could arise from an incident in the East Indonesia-West New Guinea area involving aircraft overflights, encroachments in claimed territorial waters, or the actual or alleged involvement of Dutch nationals in the activities of any of the numerous rebel groups scattered throughout Indonesia.

### III. LONGER RUN OUTLOOK

21. The capabilities of Indonesia's armed forces, particularly the air force and navy, will probably increase considerably over the next two years. The most significant change will probably be in air force modernization and growth. Within the next two years, Indonesia will probably have about 50 MIG fighters and trainers and 20 IL-28 bombers in limited operational status, and airfields in the area capable of handling these aircraft could be activated or built. Naval strength will probably be increased to 4-6 destroyers on operational status, and the army will probably be largely re-equipped as a result of US and/or Soviet aid. This would give Indonesia a considerable military potential in the area.

22. As Indonesia's confidence in its capabilities increases so too will the temptation to resort to direct armed action. The progress of the PRRI rebellion will also continue to be a major factor. If the rebellion is brought under control, the government's freedom of action against West New Guinea would increase. It is also possible, however, if the internal security situation continues unsatisfactory, the Indonesian leaders may attempt to unify the country by means of a "holy nationalist crusade" against the Dutch in West Irian. However, we believe that Indonesian armed action on any significant scale is and will remain much less likely than Indonesian use or provocation of some incident with the Dutch so as to bring the issue before the UN under favorable circumstances.

23. It is not likely that Indonesian emotionalism with respect to the "Irian issue" will disappear so long as the present status of that area remains unchanged. We believe that achieving sovereignty over West Irian will continue to be a major Indonesian foreign policy objective. This would probably continue to be the case even if PKI strength and influence were reduced greatly, or if Sukarno were to leave the scene.

SECRET



SECRET

DEPARTMENT OF STATE  
OFFICE OF INTELLIGENCE RESEARCH  
AND ANALYSIS

SNIE 65-60

3 May 1960

MAY 9 - 1960

DIRECTOR'S OFFICE

SPECIAL

# NATIONAL INTELLIGENCE ESTIMATE

NUMBER 65-60

(Supplements NIE 65-2-59)

DEPARTMENT OF STATE  
Excluded from automatic  
downgrading and  
declassification  
EO 12958, Sec. 1.2 (b) -  
EXCLUDED by Gu 5/15

## THE SHORT-TERM OUTLOOK IN INDONESIA

Submitted by the

DIRECTOR OF CENTRAL INTELLIGENCE

The following intelligence organizations participated in the preparation of this estimate: The Central Intelligence Agency and the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and The Joint Staff.

Concurred in by the

UNITED STATES INTELLIGENCE BOARD

on 3 May 1960. Concurring were the Director of Intelligence and Research, Department of State; the Assistant Chief of Staff for Intelligence, Department of the Army; the Assistant Chief of Naval Operations for Intelligence, Department of the Navy; the Assistant Chief of Staff, Intelligence, USAF; the Director for Intelligence, The Joint Staff; the Assistant to the Secretary of Defense, Special Operations; and the Director of the National Security Agency. The Atomic Energy Commission Representative to the USIB, and the Assistant Director, Federal Bureau of Investigation, abstained, the subject being outside of their jurisdiction.

SECRET

Nº

36

SECRET

2.

4. If Nasution should attempt a coup in the near future with the support of most of the Army, we believe that he would probably succeed. (Para. 26)

5. In the absence of firm and unified opposition from Army and political leaders, President Sukarno will probably proceed to reorganize his cabinet, giving stronger representation to the Nationalist Party

(PNI) and the Nahdatul Ulama (NU). He may also include one or two PKI members. Although Sukarno will continue to rely upon the Army to counterbalance the PKI and to play an important administrative role, he will seek to diminish the Army's political influence and will probably attempt to curtail Nasution's power. (Para. 27)

## DISCUSSION

### I. INTRODUCTION

6. Indonesia is in a decline of serious proportions. Its economy is disorganized and weak; political power is becoming increasingly polarized between the Army and the Communist Party (PKI); its people are split deeply on a wide variety of issues; a continuing rebellion is sapping its remaining strength; and popular discontent, particularly in urban areas, is increasing.

7. Since 1952 there has been a consistent upward trend in PKI influence and strength. This has been due primarily to the ineffectiveness and disunity of the non-Communist elements, to Sukarno's willingness to permit the PKI to prosper by posing as a nationalistic, pro-Sukarno movement, and to the organizational abilities of the PKI itself. Since 1957, however, this trend has been countered by the increasing political and administrative role played by the Army as a consequence of its responsibilities under the martial law regulations imposed to cope with the dissidence in the outer islands and Darul Islam terrorism on Java.

8. Sukarno has now had nearly a year of complete formal power as President, Prime Minister, and Supreme Commander. Thus far he has made no constructive move to utilize his authority for an attack on the country's problems. He has spent most of his time in a fruitless process which he calls "retooling." Clearly, this constant reorganization of

Indonesia's political bodies and institutions is, on the one hand, a substitute for decisions and corrective action, and on the other, manipulation to maintain his personal position.

9. During March Sukarno undertook a series of reorganizations which contributed to the undermining of public confidence and increased the political potential of the PKI. On 5 March, Sukarno relieved the members of Parliament of their functions and on the 27th he announced the appointment of the members of a new Parliament, yet to be established, in which the Masjumi would be virtually excluded and the PKI strengthened. Also on the 27th, Sukarno appointed a generally leftist preparatory committee to organize the National Front, a mass organization to be led by Sukarno and supported by government money. It is intended as a rival to the political parties.

10. During the month, he also reorganized the staff of his Central War Administration. To re-emphasize civilian control, Sukarno became Central War Administrator and named Djuanda First Deputy. Although the Army still appears to dominate the structure, Nasution was moved from Central War Administrator to Second Deputy War Administrator. At the same time, there is an indication that Sukarno may be building up Suryadarma and the Air Force to counterbalance Nasution and the Army. Meanwhile, Sukarno has pressed a reorganization of regional government

SECRET

SECRET

3

which included the appointment of Communists as Deputy Governors in several regions.

11. In his foreign relations, despite sharp differences with Peiping over the status of the Chinese residents of Indonesia, Sukarno has become more deeply involved with the USSR. During Khrushchev's two-week visit which ended on 1 March, Sukarno accepted a \$250 million seven-year credit, a cultural agreement and, despite Navy opposition, an offer of a cruiser and three or four submarines.

12. On 1 April, with public discontent rising and the economy in chaos, with political parties seeking to form an opposition bloc, with the reorganization of political institutions still up in the air, and with the lines of conflict between the Army and the PKI more tightly drawn than ever, Sukarno departed on a two-month world tour.

## II. PUBLIC DISCONTENT

13. The consequences of a long period of economic dislocation and stagnation are beginning to have a political impact. Consumer goods are in short supply; blackmarketing and hoarding have increased; and inflation continues to be a serious problem. The sad state of the economy is due primarily to mismanagement, neglect, and dislocations resulting from ultranationalistic, politically motivated moves such as the seizure of Dutch properties, the mass expulsion of Dutch nationals, and the repressive measures against the economically important Overseas Chinese. The operations of the RPI rebels and of the Darul Islam terrorists add to the government's economic problems. They have disrupted communications and normal productive activity. The RPI raids on rubber plantations and smuggling activities by the RPI and others have reduced the government's foreign exchange. Military operations against the various rebel and dissident groups place a severe strain on the government's budget.

14. The Indonesian people, particularly the Javanese, have demonstrated a remarkable capacity for passive acceptance of political chaos and economic decline. The rural population is cushioned against dire privation by its subsistence economy. The urban popula-

tion, which is most important in the political context, is hit first and hardest by any economic downturn. Current reports indicate that there is widespread and increasing public grumbling and unrest, in rural as well as urban areas, as a result of economic hardship and the lack of constructive government countermeasures.

15. The Communists are in the best position to capitalize on this growing public discontent. Through their mass organizations, they are able to agitate and to take advantage of the situation to win adherents to their solutions. The Army has the difficult and thankless task of enforcing the prevailing economic regulations, maintaining public order, and, to a considerable extent, distributing consumer goods. Consequently, the Army is highly vulnerable to public criticism. Public discontent is tarnishing the image of Sukarno. Given continued economic decline and political disorganization, which appears probable, it is likely that the time will come when Sukarno's major remaining asset—his hold on the masses—will be in peril. In these circumstances, an erosion of Sukarno's prestige among the Indonesian people would be an important factor in any decision by the Army or the PKI to attempt to bring about a major political change.

## III. LIKELIHOOD OF A COUP

### An Army Coup

16. Some key Army officers are urging Nasution to bolder and more decisive action. An increasing number of political leaders, and some military leaders as well, believe that Sukarno's power must be greatly reduced or eliminated if Indonesia's economic and political decline is to be halted and an eventual Communist takeover averted. Many of the political leaders, alarmed over prospects of the eventual extinction of their parties, have set aside their natural distrust of the Army and probably would be inclined to support an Army effort to eliminate or at least reduce the authority and influence of Sukarno.

17. The Army has many assets for a coup. These include a near monopoly of arms and control of much of the country's administrative machinery through its functions under

SECRET

SECRET

4

the Central War Administration. The Army would probably have the support of important Navy elements, most non-Communist political leaders, and much of the civil service.

18. However, there are a number of factors working against a Nasution-led Army coup. The Army is not a unified organization responsive to central control. Nasution does not have the assured backing and support of several important regional and unit commanders, and the extent of Army backing in an anti-Sukarno move would be uncertain. Nasution and the Army do not have wide popular support. Sukarno's hold on the masses is still formidable. The PKI, with its mass following, its strong organization, and its influence in labor and peasant organizations would offer stout opposition. The Air Force command would almost certainly oppose an Army coup effort, although some pilots, with their aircraft, would probably go over to the Army side.

19. Moreover, Nasution has not demonstrated the dynamic characteristics required for such a decisive and risky move. His position as Chief of Staff is not secure and without the leverage of that office he would not be a major influence in Indonesian affairs. He undoubtedly remembers well the October 1952 affair in which he tried a show of force against Sukarno, failed because he lacked sufficient Army and popular support, and suffered several years of total eclipse as a consequence.

20. Finally, there is considerable disagreement among the military and opposition political leaders as to the nature, method, and timing of a move to curtail Sukarno's power. Moreover, there is little basic cohesion or identity of interests among the various anti-Sukarno and anti-Communist groups and leaders.

21. Nevertheless, a number of recent developments indicate that Nasution has been seeking to organize support and backing from both military and political leaders. These include Army encouragement and support of the organizational efforts of the Democratic League made up of the leadership of several of the parties opposed to Sukarno's new Parliament. Also the newspapers controlled by the parties making up the League have launched a virulent campaign against the installation of Su-

karno's appointed Parliament and against his rumored plan to include the PKI in the cabinet. Moreover, the press has attacked Sukarno personally in an unprecedented manner. These attacks could not be made without Nasution's support and protection, and informed Indonesians are almost certainly aware of this. Since Sukarno's departure, Nasution has also called, on short notice, a conference of regional commanders and has toured important parts of the country meeting with key military and political figures.

22. These developments may indicate that Nasution and the Army are seeking only the limited objectives of preventing a diminution of the Army's position and of forcing Sukarno to accept restrictions on his monopoly of political power and a parliamentary formula which would bolster the anti-Communist elements in the government. Nasution may also be attempting, in this process, to ascertain the backing he would have for a move to seize power. In any event, he may find that he has created a situation, wittingly or unwittingly, in which he will have to make a move to seize power or face dismissal or the curtailment of his power upon Sukarno's return.\*

23. These recent developments, we believe, increase the odds that Nasution and the Army may attempt to seize power during the next two or three months. However, on balance, we believe that the chances are still less than even that a coup will be undertaken. In any event, relations between Sukarno and Nasution will probably be marked by growing suspicion and tension.\*

24. It is possible that Sukarno may precipitate matters by dismissing Nasution as Chief of Staff. Such an initiative on Sukarno's part

\*The Assistant Chief of Staff for Intelligence, Department of the Army, believes that since Sukarno's departure 1 April 1960 on a world tour, there have been evidences of political maneuvering, primarily below the Nasution level. Conflicting reports have been received regarding prospects for a move by Nasution with Army support to seize power. The Assistant Chief of Staff for Intelligence, Department of the Army, believes that while the temptation to take direct political action may exist, such a move by Nasution is unlikely at this time.

SECRET

SECRET

5

might stimulate Nasution to attempt a take-over, even if he had not been planning one. In such circumstances, Nasution's ability to muster the necessary support among key military commanders would probably depend in part upon the attitude of the Army toward Nasution's successor. If Sukarno appointed an officer respected by the Army, Nasution would probably not be able to undertake a coup. If, on the other hand, Nasution's successor were unacceptable to the Army, Nasution would probably have a good chance of winning Army support for a move against Sukarno.

25. If the Army were to attempt a coup, Sukarno's absence from the country during the present unsettled period would seem to provide a good opportunity. It would also be advantageous to undertake the coup when former Vice President Hatta (due to depart for the US on April 29) was out of the country. He probably would play an important role in the post-coup period, and his absence would make it easier to clear him of implication in the coup plot. However, it may be that the Army leaders, if they are planning to take power, would prefer to make their effort after Sukarno comes home (in early June) so as to have physical control of him.

26. If Nasution does attempt a coup in the near future with the support of most of the Army, we believe that he would probably succeed. His chances of carrying the Army with him in a coup effort would depend, we believe, upon his ability to convince key army commanders that the trends toward economic and political deterioration and towards increased PKI strength and influence could not be reversed unless Sukarno's power were greatly reduced. The PKI would almost certainly oppose an Army coup and a prolonged period of strife and insecurity would probably ensue. The success of the new regime in bringing the situation under control would depend to a considerable extent on a satisfactory settlement with the RPI rebels. We believe that under these circumstances, a settlement could be negotiated with the RPI rebels, although it would be difficult to achieve. A settlement with the Darul Islam would be less likely.

27. In the absence of firm and unified opposition from Army and political leaders, Sukarno will probably proceed to reorganize his cabinet. He will probably give stronger representation to the PNI and the NU, and he may also include one or two PKI members. Although Sukarno will continue to rely upon the Army to counterbalance the PKI and to play an important administrative role, he will seek to diminish the Army's political influence and will probably attempt to curtail Nasution's power. Nasution may lose the Defense Ministry and, in time, be eased out as Chief of Staff. The President apparently has begun to look to the PNI and the NU as sources of support to compensate for a diminished Army role.

#### A PKI Coup

28. For the foreseeable future, a PKI uprising, involving either violence or paralyzing strikes, is unlikely. The Communist strategy probably is to seek power by legal and parliamentary means. The PKI is probably the largest political party in the country and by all odds the best organized and led. It would have a good chance of playing a major role in the Indonesian cabinet in the next year or two as a result of national elections if they are held, or as a result of playing upon Sukarno if the elections are postponed.

29. The current Communist strategy appears to be that of encouraging a split between the Army and Sukarno, joining the latter to impair the Army's independent power, and then devouring Sukarno at their leisure. At the same time, the Communists appear to be following the equally profitable course of identifying themselves with growing popular discontent, waiting for the continuing economic decline to erode Sukarno's mass popularity to the point at which he falls into their hands. The one event which probably would push them into open revolt in the near future would be an Army move against them serious enough to threaten their existence; this, however, seems unlikely as long as Sukarno is in a position to forestall it. In any case, the Army would be unlikely to move against the PKI unless provoked by a Communist inspired incident of some magnitude.

SECRET

6535-NS/E

SNIE 65-2-60

24 MAY 1960

SECRET

695

DEPARTMENT OF STATE

RECEIVED  
10 MAY 1960  
DOD, CIA

SPECIAL

NATIONAL INTELLIGENCE ESTIMATE

NUMBER 65-2-60

(Supplements SNIE 65-59)

DEPARTMENT OF STATE  
OFFICE OF INTELLIGENCE RESEARCH  
AND ANALYSIS

JUN 1 - 1960

DIRECTOR'S OFFICE

28

# THE WEST NEW GUINEA PROBLEM

Submitted by the  
DIRECTOR OF CENTRAL INTELLIGENCE

The following intelligence organizations participated in the preparation of this estimate: The Central Intelligence Agency and the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and The Joint Staff.

Concurred in by the  
UNITED STATES INTELLIGENCE BOARD

on 24 May 1960. Concurring were the Director of Intelligence and Research, Department of State; the Assistant Chief of Staff for Intelligence, Department of the Army; the Assistant Chief of Naval Operations for Intelligence, Department of the Navy; the Assistant Chief of Staff, Intelligence, USAF; the Director for Intelligence, The Joint Staff; the Assistant to the Secretary of Defense, Special Operations; and the Director of the National Security Agency. The Atomic Energy Commission Representative to the USIB, and the Assistant Director, Federal Bureau of Investigation, abstained, the subject being outside of their jurisdiction.

APPROVED FOR RELEASE  
DATE 1 APR 1989

SECRET

Nº 36

~~SECRET~~

## THE WEST NEW GUINEA PROBLEM

### THE PROBLEM

To estimate probable developments in the West New Guinea situation over the next six months or so.

### CONCLUSIONS

1. We believe that Indonesia will not attempt an armed attack against West New Guinea during the next six months at least. Indonesia will probably continue to seek its objectives in New Guinea by international political pressure and by attempts to subvert the Papuans and Indonesians in West New Guinea. (Paras. 10-11, A-9)
2. Dutch reinforcement of its New Guinea defenses and the planned flag-showing cruise by the aircraft carrier KAREL DOORMAN will evoke an intense emotional and nationalistic response in Indonesia. However, we believe that neither the Dutch nor the Indonesians will attempt to provoke an armed conflict. Although we believe that a deliberate military action is unlikely during the period of this estimate, we cannot exclude the possibility of military incidents, such as an irrational attack against Dutch naval units or settlements in New Guinea or an accidental armed clash. (Paras. 12-14)
3. The furor over Dutch action will almost certainly work to the advantage of both Sukarno and the Communists. It will enable Sukarno to rally opinion behind him and divert attention from Indonesia's internal problems. The PKI will be able to consolidate further its claim as a nationalist movement and Sukarno's most loyal supporter. Any efforts of General Nasution and the army to combine with anti-Communist elements against Sukarno's tendency to increase Communist participation in the government will be seriously undermined. (Para. 15)

~~SECRET~~

~~SECRET~~

2

## DISCUSSION

## I. INTRODUCTION

4. The unresolved, long-smoldering dispute of the Dutch and the Indonesians over West New Guinea<sup>1</sup> has been sparked to possible crisis proportions once more by the Dutch announcement that they intend to send their only aircraft carrier, the KAREL DOORMAN, and reinforcements for their air and ground forces to West New Guinea this summer. This has already evoked a highly emotional response in Indonesia, which has included a mob invasion of the Dutch Embassy, reiteration of extreme claims for Indonesian territorial waters, and threats of armed action against the KAREL DOORMAN if it traverses these waters. These developments threaten the present efforts of the Indonesian Army and moderate political elements to marshal opposition to President Sukarno's tendency to increase Communist participation in the government and to the Communist Party of Indonesia (PKI).

## II. MOTIVES

5. *The Dutch.* In the Dutch view the Indonesian claim to West New Guinea is both legally and ethnically groundless. The Dutch consider the Indonesians to be generally irresponsible and feel that it is the Dutch obligation to protect the Papuans from being

<sup>1</sup> The status of West New Guinea has officially been disputed since December 1949, when the Republic of Indonesia achieved independence. At that time the Netherlands and Indonesia agreed that the status of West New Guinea would remain unchanged, with the provision that Dutch-Indonesian negotiations would be held within one year to determine its final disposition. Negotiations were held in 1950-1951 and in 1955; in all cases, however, they ended in failure. In 1951 West New Guinea was listed as "Netherlands New Guinea" in the revised list of territories of the Kingdom of the Netherlands as it appeared in the Netherlands constitution. In 1956 the Indonesian parliament created the "Province of West Irian," thereby formally including it in the territories of the Republic of Indonesia. Indonesian attempts to place the West New Guinea issue on the UN agenda in 1954, 1956, and 1957 failed to receive the requisite support.

forcibly absorbed by Indonesia. On these issues there is a considerable amount of unanimity among the Dutch and a high degree of feeling.

6. The decision to send the KAREL DOORMAN at this time springs from growing Dutch belief that Indonesia's military capabilities for action against West New Guinea are increasing as a result of arms shipments from both the Communist Bloc and the West. The Dutch are also convinced that the Indonesians plan to establish a resistance movement in West New Guinea which could serve as a pretext for bringing the dispute into the UN. For over a year the Dutch have tried, with little success, to buy US arms; they have now apparently decided to reinforce New Guinea as best they can, even if this means delayed availability of some NATO-earmarked forces. The Dutch also wish to show the flag in the Far East.

7. *The Indonesians.* West New Guinea is a highly emotional issue to virtually all Indonesians. They consider that the Dutch position is a typical example of the perfidy of the ex-colonial power. The continuing Dutch hold on what the Indonesians call "West Irian" is considered by the latter to be an affront to their national integrity. Indonesian leaders have used the issue widely for international political propaganda, and at home have made it the hall-mark of national patriotism. Sukarno in particular has used the West Irian issue to distract attention from the country's own economic and political troubles.

8. The Indonesian leaders probably expect that in the long term they can gain West New Guinea without resort to full-scale military assault. They welcome the growing African-Asian voice in the UN, believing that this will eventually result in irresistible international pressure on the Dutch to give up West New Guinea. To the Indonesians, the proposed reinforcement postpones acquisition of "their"

~~SECRET~~



~~SECRET~~

3

territory, and is probably also considered as a threat to East Indonesia.

9. *The Australians.* The Australians, who control the eastern half of the island, also have a major concern in the future of West New Guinea. They regard the area as a buffer between themselves and Asia, and believe that their national security requires that it remain in friendly, non-Communist hands. Hence they approve Dutch determination to hold onto the area, although they may question the specific means and timing of Dutch reinforcement.

### III. PROSPECTS

10. We believe that the Indonesians will not attempt an armed attack against West New Guinea during the next six months at least.<sup>2</sup> The Indonesian Government has reiterated its intention to seek a peaceful solution to the West New Guinea problem. The US has on several occasions pointed out to the Indonesian Government that the US would be against the use of force by Indonesia in West New Guinea. In any event, the Indonesian military leaders in particular probably estimate that the Indonesian armed forces are too deeply involved with the RPI rebellion and the internal security problems resulting from Darul Islam activities to risk a major diversion of military resources. Moreover, they probably have doubts of their ability to land and maintain an invasion force of adequate size in the face of armed opposition. They fear that Australia would support the Dutch militarily and that the Dutch would have UK and possibly US political support. In addition, the government probably feels that an overt assault would compromise its effort to win West New Guinea by international political means.

11. The Indonesians will probably continue to seek their objectives in West New Guinea by means other than overt military action. These will almost certainly include an accelerated effort to build up anti-Dutch feeling among the Indonesians living in West New Guinea and among the Papuans, and to create an anti-Dutch underground movement. On

<sup>2</sup>See Military Capabilities Annex.

the international level, the Indonesians will continue efforts to win diplomatic support, especially among the Asian and African states. They may again request, this time with some chance of success, that the West New Guinea issue be inscribed on the UN agenda.

12. If, as seems likely, the Dutch carry through their announced plans to send the KAREL DOORMAN to West New Guinea, the anti-Dutch temper of the Indonesian people will become more intense. All political parties will compete in asserting Indonesia's honor and innocence, and in castigating the Dutch. The leftists and Communists will press even more vigorously and with greater prospect of success their line that the US, as a Netherlands ally and a source of Dutch arms, is primarily responsible for the continued "colonial occupation" of West New Guinea. Sukarno will be at the head of the anti-Dutch parade doing what he can to unite the Indonesian people in an anti-Dutch crusade. He will probably allow demonstrations against foreign enterprises, such as Shell and Unilever, in which there is considerable Dutch investment, and may even threaten to nationalize them. He may also seek assurances of Bloc support. In the absence of Dutch provocation, such as sailing through coastal waters, the Indonesian Government will probably not attack the KAREL DOORMAN force.

13. We believe that the Dutch will not take a deliberately provocative course. They will almost certainly not wish to increase the risk of having the West New Guinea question brought before the UN. They probably believe that they can achieve both their military objective of reinforcing West New Guinea and their political and psychological aim of showing the flag without risking armed action. It is possible that the Dutch will seek to test Indonesian claims to certain waters that are generally considered to be international, but we believe this course to be unlikely.

14. Thus we believe that a deliberate military action is unlikely during the period of this estimate. Nevertheless, we cannot exclude the possibility of military incidents, such as an irrational attack against Dutch naval units

~~SECRET~~

~~SECRET~~

4

or settlements in New Guinea or an accidental armed clash.

15. The furor over Dutch action will almost certainly work to the advantage of both Sukarno and the Communists. It will enable Sukarno to rally opinion behind him and divert attention from Indonesia's internal problems. The PKI will be able to further consolidate its claim as a nationalist movement and as Sukarno's most loyal supporter. Any efforts of General Nasution and the army to combine with anti-Communist elements against Sukarno's tendency to increase Communist participation in the government will be criticized as prejudicial to national unity and will be seriously undermined. Sukarno may use the occasion to press forward with his plan for a national front government with increased PKI representation.

16. These effects would be even worse in the event, contrary to our estimate, that the Dutch clearly take a provocative course. In such circumstances, Indonesian Air Force units would probably attempt to attack the Dutch force, and might also attempt to bomb Dutch positions in West New Guinea. Armed clashes would unify both the Indonesians and the Dutch against one another, raise the possibility of Australian or other military intervention and at a minimum harden and greatly complicate the West New Guinea question for the future. The Dutch would almost certainly call on the US for immediate, active support against Indonesian aggression. Meanwhile, the rallying of Indonesian opinion around Sukarno would virtually eliminate effective non-Communist opposition to his policies for some time.

~~SECRET~~

~~SECRET~~

## ANNEX: MILITARY CAPABILITIES

1. West New Guinea is very lightly defended by the Dutch. Ground strength consists of about 1,000 marines scattered in company-strength units and about 400 army troops manning a light antiaircraft unit in Biak. Naval strength is only 2 destroyers and 1 destroyer escort; naval personnel number about 1,400. Dutch air strength (all naval) consists of 9 operational propeller day fighters. Police number about 1,500, mostly unarmed Papuans.

2. The Dutch defensive capability will be substantially increased by the eventual receipt of a squadron of 24 Hawker Hunter subsonic jet aircraft, the first 12 to be delivered aboard the KAREL DOORMAN. In addition, the Dutch Army plans to send one reinforced infantry battalion of 1,100 men, and another light antiaircraft unit of 400 men. The Dutch Government has announced plans for the formation of a Papuan volunteer corps, and unconfirmed reports indicate that the first Papuans will be "in barracks" by the end of 1960 or early 1961. In addition to announced permanent reinforcements, the KAREL DOORMAN and its accompanying destroyers will add considerably to the overall ability of the Dutch to defend West New Guinea as long as they remain on station in the area, which they presently plan to do through the end of 1960.

3. The Indonesians have only limited capabilities for invading and holding areas of West New Guinea. They could probably land a force adequate to capture one of the small Dutch settlements in western and southern West New Guinea. They might be able to launch such an assault without prior detection, and could meet logistical requirements for maintaining at least minimum supplies.

4. The maximum force which the Indonesians could make available for larger operations against Biak, the main Dutch stronghold, or against other areas would be about 7,000-8,000 moderately well-equipped infantry troops.

These could be committed without reducing present operations against rebel forces. Waterlift capabilities exist for an overall troop movement of about 3,500 men, most of it administrative lift. However, specialized assault craft could probably move no more than a reinforced battalion (up to 1,000 men) onto the beaches in an opposed landing. This force could be supported by about 500 paratroops, and by a naval strength of about 2 destroyers, 2 coastal destroyers, perhaps 2 submarines, and about 40 patrol vessels. The air force could offer some air cover over the western tip of the Vogelkop Peninsula, in addition to providing airlift for the paratroops. Such an invasion force would be far superior in strength to the defense forces at Biak, but the Indonesian ability to coordinate and sustain combined operations of the scale necessary to seize and hold Biak is very doubtful. The preparations for such an operation could probably be detected in view of the naval and air deployment that would be necessary.

5. Utilizing B-25, B-26, and IL-28 aircraft operating from Pitu airfield on Morotai, the Indonesian Air Force could launch small scale attacks on Biak and the western half of West New Guinea. Until the KAREL DOORMAN arrives, Dutch capacity to defend against Indonesian air raids will be almost negligible, limited to the light antiaircraft unit now based at Biak.

6. The bulk of Indonesian naval and air strength is concentrated in Java and southern Sumatra. Any attempt by the KAREL DOORMAN to transit the Java Sea would risk Indonesian retaliation and be in the area of greatest Indonesian strike capability. Dutch transit of the Celebes Sea or the Banda Sea, although still within waters considered territorial by the Indonesians, would not be subject to the same degree of indignation nor to as much Indonesian firepower.

~~SECRET~~

~~SECRET~~

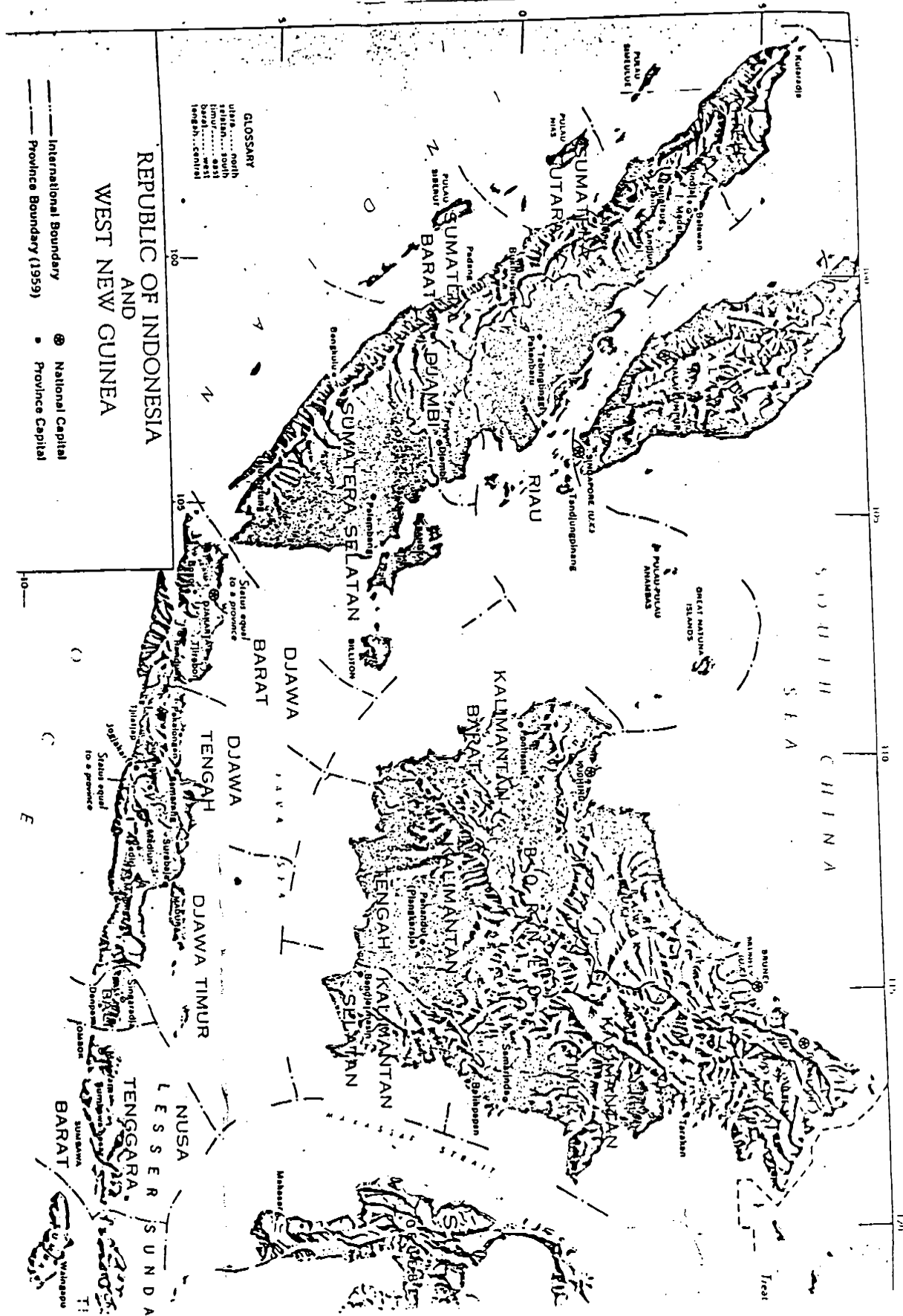
6

7. On balance, it would appear that Dutch capabilities to defend West New Guinea from overt attack by the Indonesians will, through the end of 1960, increase more rapidly than Indonesian offensive capabilities. This will not substantially reduce the capability of the Indonesians to capture one of the lesser Dutch settlements. In addition, Indonesian air capabilities for attack support will probably increase in coming months, as cargo and torpedo bomber aircraft on order from the US and the UK are delivered, and Indonesian pilots training in IL-28 operations return from Czechoslovakia. In any event, the logistic difficulties Indonesia would face in continuing to support major operations would be largely offset by those of the Dutch in sustaining ground and air defense over any appreciable length of time.

8. Australian military capabilities in the West New Guinea area could be built up to substantial proportions in a matter of days. If the Australians decided to go to the aid of the Dutch, they could do so almost immediately by bomber flights from Darwin directed against the assault area or against Indonesian airfields on Morotai or Amboina.

9. The Indonesians continue to have the ability to infiltrate agents in small groups into West New Guinea, and there are recent indications that they may be attempting to step up the tempo of such covert operations. However, West New Guinea is a most inhospitable climate, settlements are widely scattered, and there are not many target groups. The Papuans are a very primitive people. Most of them are politically apathetic and are probably reasonably satisfied with the present order of things. The Papuans in general, and the small number of educated ones in particular, distrust and consider as rivals the people of Indonesian descent living in New Guinea. The more than 10,000 resident Indonesians are probably the chief target of covert operations and subversive activities from without. However, most of them are Dutch nationals, refugees from Indonesia, or peoples from the East Indonesian area where there is a long-standing antagonism toward the Javanese and toward rule from Djakarta. Moreover, the Dutch probably have them under effective security check. Thus, Indonesian prospects for building a significant resistance movement within the near future are slight.

~~SECRET~~



84-286

4

~~TOP SECRET~~  
CENTRAL INTELLIGENCE AGENCY

~~TOP SECRET~~  
OFFICE OF THE DIRECTOR

31 January 1958

To: The Hon. Robert Cutler  
Special Assistant to the President  
for National Security Affairs

Mr. Dulles has asked me to forward  
to you the attached memorandum con-  
taining this Agency's views on the situation  
in Indonesia.



*J. S. Earman*  
J. S. Earman  
Executive Officer

Approved for Release 1431  
Date Oct 1985

*youls*  
*009*  
*al Ulmer*  
*14313941*

84-286

5

Rec'd by RCE  
Feb 1/58

TS #141712-d  
Copy No. 2

EYES ONLY

~~TOP SECRET~~

## CENTRAL INTELLIGENCE AGENCY

31 January 1958

### MEMORANDUM

#### PROBABLE DEVELOPMENTS IN INDONESIA

1. We believe that the Padang group probably will deliver its ultimatum to the central government on or about 5 February. While the Padang leaders are still reluctant to take the final step of breaking with Java and, possibly, causing a civil war, they appear committed to pursue their objectives of gaining a new government in Djakarta which will act to reduce Communist strength, will permit more autonomy to the outer islands, and will give the latter a greater share of national revenues. Because of their reluctance, they will probably be willing to negotiate with the central government even though the negotiations are prolonged far beyond the five day limit. However, if no progress is made in the negotiations, if the central government

~~TOP SECRET~~

~~TOP SECRET~~



should reject their demands out of hand, or if the central government begins to receive large quantities of Bloc arms, the chances are better than even that the Padang group would break with Java and establish a "Provisional Government of Indonesia."

2. The major factors which support this estimate are as follows:

a. The group of provincial army leaders, Hussein, Barlian, and Sumual, plus Simbolon, Djambek, and Lubis, seem fully united on undertaking some action to force a change in the central government. They probably believe they have or can gain the support of most of the military on Borneo and in the Moluccas, and the Darul Islam groups on Java and those which control most of South Celebes.

b. The leaders of the Natsir wing of the Masjumi party and their families have recently moved to Sumatra. We believe this action is important as an indication of the seriousness of Natsir intentions. Thus, the Padang group seems assured of the support of major elements of one of

~~TOP SECRET~~



~~TOP SECRET~~

the four principal Indonesian political parties. Natsir will have the active support of the Masjumi on the outer islands and at least the passive support of a large part of the Masjumi on Java. The Padang group also has some support from the small PSI party which has its strength among the intellectuals and in the civil service.

c. The Padang group probably estimates that the position of Djuanda and Sukarno has been weakened by the troubles which have resulted from the anti-Dutch campaign. The dissident leaders also know from Manjumi negotiations with the PNI that some of the PNI leaders are deeply concerned about the growth of Communist influence and are in agreement that there should be a change of government. They probably also estimate that Djuanda, even though committed to no change of government until Sukarno's return, desires to resign.

d. Most important of all, the Padang group probably estimates that it can obtain Western, particularly US support. Moreover, the group, in present circumstances,

~~TOP SECRET~~



believes it could successfully resist any military action  
by the forces loyal to the central government, unless  
the latter should obtain a massive supply of arms, in-  
cluding planes and warships, from the Bloc.

Probable Immediate Response of the Central Government  
to the Ultimatum

3. We believe that Sartono, the acting President, and  
Djuanda will refuse to capitulate to the ultimatum, but will do  
so with a "soft" answer which will probably suggest negotia-  
tion. Neither of these leaders wishes to push the situation to  
the breaking point nor to bring about a civil war. However,  
their ability to maneuver is restricted because both appear  
determined to honor their commitment to Sukarno to maintain  
the status quo until he returns. The central government, at  
least in the short run, probably will not attempt to put pressure  
on the outer islands by cutting off the pay of army units and sub-  
sidies to provincial governments in the dissident provinces,  
by strengthening garrisons of Javanese troops on Sumatra and  
the other outer islands, or by increasing blockade operations  
to halt barter trade.

~~TOP SECRET~~



4. The Padang group would probably agree to the government's offer to negotiate and would not hold to the five day period given in the ultimatum. It is difficult to say how long the Padang group would be willing to talk and the extent to which their determination to act might drain away.

5. The outcome of such negotiations is unclear. The Padang group's bargaining position would be strengthened by its growing military capabilities and the possibility of outside support, both of which will be evident to the central government. Pressure against the government by anti-Communist elements on Java who sympathize with the Padang group's objectives will also be a factor. On the other hand, the central government would have strong and vociferous support from the PKI and extreme nationalist elements in the non-Communist parties on Java. It would continue to draw on Sukarno's influence and prestige, which, though reduced, would continue to be great, particularly among the masses and certain elements of the armed forces. Its position would be greatly strengthened if

~~TOP SECRET~~

TOP SECRET



either Hatta or the Sultan of Jogjakarta had refused to have anything to do with the Padang group's proposals. The central government is aided also by the disinclination of the PNI leaders to collaborate with the Padang group because of the close association of their chief rival, the Masjumi, with this group and because of the demands of the group for considerable provincial autonomy.

6. The central government's initial purpose in seeking to negotiate would be to stall until Sukarno returns, or at least until it can obtain his views. For Sukarno, three courses of action would be possible: he could agree to the formation of a new government; he could seek to prolong the talks while taking steps to weaken or to destroy the Padang group; or he could close out the negotiation and undertake forceful measures to defeat the Padang group. In the event Sukarno should prolong his stay abroad and the Padang group became restive, Djuanda and Nasution might be forced eventually to act on their own initiative and either instal a new government or break off the negotiations.

~~TOP SECRET~~



### The Appointment of a New Government

7. We believe that the chances are better than even that Sukarno will accede to the appointment of a new government, especially if it can be done in a manner which "saves his face." However, it would probably not meet fully any of the major points contained in the Padang group's ultimatum. It would probably be made up of non-Communist political leaders and might include Hatta, but it would probably not be a government committed to rigorous action against the Communists. At best, it might agree to the removal of a few known Communists from key positions. Such a fuzzy outcome, while not satisfactory, would probably be accepted by the Padang group, at least for a trial period. The provincial leaders would probably attempt to maintain their cohesion during such a trial period in order to negotiate with the new government for their other objectives, and, if necessary, to issue a new and stiffer ultimatum.

① admission

### Prolongation of Negotiations

8. If the central government adopted this tactic, the Padang group would be in a dilemma. If they broke off the

~~TOP SECRET~~

~~TOP SECRET~~



talks, they would bear the onus and probably lose support on Java. Such action might also tend to bring the PNI and the PKI together. On the other hand, if the talks continued the central government would be gaining time in which to seek the defection of various elements among the outer islanders and to build up its own armed strength.

9. The chances are probably somewhat better than even that in this situation the Padang group would hold together and would eventually send another ultimatum. Evidence of an extensive build up of the capabilities of the armed forces on Java would probably speed up such a decision by the Padang group. If the government in reply gave little or no satisfaction, this might become the point at which the outer islands break with Java.

A Break-off of Negotiations by the Central Government

10. If, upon Sukarno's return, the central government should adopt a firm line and break off negotiations, the chances are about even that the Padang group would in reaction set itself

(3) *alternatives*

~~TOP SECRET~~

~~TOP SECRET~~

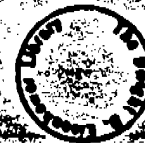
up as the "Provisional Government of Indonesia", cut off all revenues to the central government, seek to initiate covert operations on Java to bring down the government, and appeal for international recognition and more arms. In turn, the central government would adopt similar courses of action and would stop the flow of revenues to the rebel areas, would seek to establish a blockade of these areas, and would also appeal for international support and assistance. It would probably denounce the US as the cause of the situation. Although both sides would be reluctant to initiate serious military action, the chances of a full blown civil war developing would be greatly increased.

A Civil War Situation

11. If a full break should occur between Java and the outer islands, and if hostilities should begin before the Djakarta government had obtained substantial supplies of military equipment, the Padang group would have a better position in the outer islands than would the central government. It could probably count on the loyalty of the people and of the forces directly under its command

- 9 -

~~TOP SECRET~~

~~TOP SECRET~~

on Sumatra and northern Celebes. It would probably also have the support of the Atjehnese in northern Sumatra, the Darul Islam forces in South Celebes, the Amboinese and groups in the other Moluccas which support the East Indonesian Republic movement, and some elements on Borneo. We are unable to estimate the outcome of an effort by the Padang group to defeat the central government on Java. It would depend in large measure on the loyalty of Javanese army units to the central government, the capabilities of the Communists, the possible reaction within the army should the Communists seize or be given the role of leadership of the government, and on the military capabilities of the forces loyal to the Padang group. At a minimum, the Padang group could probably launch fairly widespread guerrilla warfare on Java. While it probably would not be able to land significant forces from the outer islands, it could count on the Darul Islam, the Moslem Youth Group (GPII), possibly some units from the Silawangi Division in West Java, and some volunteers from the Masjumi and possibly from the PNI and the NU.

- 10 -

~~TOP SECRET~~



~~TOP SECRET~~



Reactions of Non-Communist Countries

12. The presentation of the Padang group's ultimatum and the negotiations, which we think likely to follow, will probably elicit little response either from the Afro-Asian countries or other non-Communist countries. However, if the Djakarta government publicly charged the US as acting in support of the outer islanders, the Afro-Asian press would almost certainly echo such charges.

13. If the Padang group declared a "Provisional Government of Indonesia", most non-Communist governments would seek to remain neutral and some of the Afro-Asian governments would probably offer their good offices in hopes of averting a civil war. Most of these countries would be concerned that unless the situation was resolved fairly quickly, the Soviet Bloc would intervene to the greatest extent possible on the side of the central government, thus raising the possibility of a civil war of the Spanish variety, which potentially could blow up into a major war. At the same time, the neutral Moslem countries

- 11 -

~~TOP SECRET~~

~~TOP SECRET~~



would also have sympathy for the Moslem leaders of the Padang group. Support for the Padang group would probably increase considerably, even among the Afro-Asian neutrals, if the Communists should attempt to seize control of the government on Java.

14. If civil war actually broke out, most Afro-Asian countries would continue to remain neutral and would not extend recognition to the Padang group. A major factor determining their attitude would be whether or not the Communists had seized power on Java; if this happened, probably Malaya, Thailand, South Vietnam, the Philippines, Nationalist China, South Korea, and possibly Japan would recognize and at least extend diplomatic support to the Padang group. The general trend on the part of most Afro-Asian countries would be to seek to close out the hostilities as quickly as possible.

- 12 -

~~TOP SECRET~~

~~TOP SECRET~~



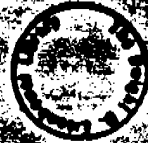
Reactions of the Sino-Soviet Bloc

15. The Bloc has already made generous offers of assistance to the central government and the presentation of the Padang group's ultimatum would have relatively little immediate effect on Bloc actions. If the Bloc leaders came to estimate that the US was involved in some manner, the Communist press would scream about "US imperialism", and would press its arms and technicians on the central government with increased urgency. It is possible that the Soviet Union would raise this issue in the United Nations. There would be little change in the character of the Bloc campaign against the West and the US if the Padang group broke with Java but the intensity might increase. The Bloc leaders might at this point order the PKI to launch a major effort to seize control of the Indonesian government.

16. If civil war should begin, the Sino-Soviet Bloc would continue to offer diplomatic and material assistance to the Indonesian government. If the Communists had come to power

~~TOP SECRET~~

~~TOP SECRET~~



on Java, the Sino-Soviet Bloc might talk in terms of sending  
volunteers. However, we believe that the Sino-Soviet Bloc  
would not attempt to intervene with its own forces or major  
numbers of volunteers, even to save a Communist govern-  
ment. The chances would be much greater that the Soviet  
Union would raise the issue in the UN.

ALLEN W. DULLES  
Director of Central Intelligence

Distribution:

The President  
The Secretary of State  
Mr. Cutler  
Mr. Robertson  
General Erskine  
Admiral Stump  
Mr. Cumming  
General Schow  
Admiral Frost  
General Lewis  
General Collins

- 14 -

~~TOP SECRET~~

For ORIS

OR IS

(note # 412

already in

ORIS, so

not to be  
misinterpreted

This was  
previously  
released

Doc # 412