

SPECIAL NATIONAL INTELLIGENCE ESTIMATE

54/55 64

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Case # NLJ 91-357  
Document # 2

SHORT TERM PROSPECTS IN THE  
MALAYSIA/INDONESIA CONFLICT

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Submitted by the  
DIRECTOR OF CENTRAL INTELLIGENCE

Concurred in by the  
UNITED STATES INTELLIGENCE BOARD

As indicated overleaf  
16 September 1964

*The following intelligence organizations participated in the preparation of this estimate:*

The Central Intelligence Agency and the intelligence organizations of the Departments of State, Defense, and NSA.

**Concurring:**

Director of Intelligence and Research, Department of State

Director, Defense Intelligence Agency

Director of the National Security Agency

**Abstaining:**

The Atomic Energy Commission Representative to the USIB and the Assistant Director, Federal Bureau of Investigation, the subject being outside of their jurisdiction.

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CENTRAL INTELLIGENCE AGENCY

16 September 1964

SUBJECT: SNIE 54/55-64: SHORT-TERM PROSPECTS IN THE MALAYSIA/INDONESIA  
CONFLICT\*

THE PROBLEM

To estimate Indonesian objectives in the Malaysia/Indonesia conflict and the likelihood of hostilities between Indonesia and the UK.

DISCUSSION

1. Indonesian Objectives. Recent Indonesian paramilitary landings in Malaya are part of Sukarno's long-range campaign to break up Malaysia and oust the British from their military bases there. The mission of the 150 or so infiltrators includes sabotage and terrorism, guerrilla recruitment and training, and the setting up of guerrilla redoubts in Malaya's

\* For more detailed consideration, see: NIE 54/55-63: "The Malaysian-Indonesian Conflict," dated 30 October 1963; and NIE 55-64, "Prospects for Indonesia," dated 22 July 1964.

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jungles and highlands. Such raids will almost certainly continue. In the long run, through repeated infiltrations of this sort, Sukarno hopes to build up a revolutionary potential sufficient to overthrow the moderate, pro-Western government of Tunku Abdul Rahman.

2. In the short run, the infiltrations are designed to heighten local insecurity, shake the faith of the Malaysian people in their government, weaken their determination to resist Indonesia, and thus to increase the pressures on the Tunku to negotiate the dispute on Indonesian terms. Sukarno hopes that by forcing the UK and its Commonwealth allies to spread their available forces ever more thinly he will wear down their ability and determination to carry on the struggle. He also seeks to undermine Malaysian confidence in the British will and ability to provide protection.

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4. It is probable that further Indonesian infiltrations of Malaya or Singapore will precipitate a British retaliatory attack against nearby Indonesian guerrilla bases. The Indonesians would react to such an attack with vehement denunciations, seeking to establish justification for their position -- perhaps even in the UN -- that the "aggressive" British constitute the real threat to peace in the area. For a time, they would probably be somewhat more cautious in paramilitary operations in Malaya. They would want to show, however, that retaliation had not affected their confrontation policy, and they would not, in our opinion, slow down insurgency operations in Borneo or discontinue them entirely in Malaya. On balance, we believe, however, that they would probably avoid an overt military response in kind against Malaysia, for fear of triggering a war with the UK which they have long sought to avoid and in which they would suffer great damage. However, what Indonesia would do in this case depends upon the will of one man, Sukarno; we cannot be sure that he would not decide that, in the circumstances, raising the pitch of the war would be to his advantage.

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5. Should there be an escalation of overt hostilities between Indonesia and UK/Malaysia, the Soviets and the Chinese Communists would of course support Indonesia with extensive propaganda and diplomatic activity. We think it virtually certain, however, that neither power would intervene with military force.

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