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SNIE 55-65
10 September 1965

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NATIONAL INTELLIGENCE ESTIMATE

NUMBER 55-65

THIS ESTIMATE SUPPLEMENTS NIE 54/55-65

Prospects for and Strategic Implications of a Communist Takeover in Indonesia

Submitted by the
DIRECTOR OF CENTRAL INTELLIGENCE

Concurred in by the
UNITED STATES INTELLIGENCE BOARD

As indicated overleaf
10 SEPTEMBER 1965

APPROVED FOR RELEASE
DATE: MAY 1999

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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 to the Director, Federal Bureau of Investigation, the subject being outside of their jurisdiction.

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PROSPECTS FOR AND STRATEGIC IMPLICATIONS OF A COMMUNIST TAKEOVER IN INDONESIA

THE PROBLEM

To estimate the chances and implications of a Communist takeover in Indonesia within the next two or three years.

DISCUSSION

I. PROSPECTS FOR A COMMUNIST TAKEOVER

1. Sukarno is the unchallenged leader of Indonesia and will almost certainly remain so until death or infirmity removes him from the scene. He is developing in Indonesia an authoritarian government of the "national-front" type on which the Indonesian Communist Party (PKI) exerts the strongest influence, though under his own continued domination. The past year or two have been characterized by rapid progress toward this objective. The PKI now claims 3,000,000 members and is by far the best organized and most dynamic political entity in Indonesia. With Sukarno's support, the Communists and their sympathizers have come to occupy a major position in the central government and in numerous provincial and local administrations. Whatever its present influence on Sukarno, it is clear that the PKI finds Sukarno's policies, both domestic and foreign, compatible with its own interests. It does not create these policies, but provides specific suggestions on method and timing which Sukarno finds acceptable. His own predilections, skillfully played upon by the PKI, have brought his foreign policy into close harmony with that of the Communist states of Asia.

2. Communist fortunes in Indonesia will probably continue to prosper so long as Sukarno stays in power. As in the past, however, he will probably move cautiously in expanding PKI participation in the government so as to avoid creating excessive domestic unrest or encouraging a coalition of non-Communist elements. If Sukarno lives, it is probable that in two or three years the Indonesian state will be sufficiently controlled by the Communists to be termed a Communist state, even though Sukarno remains the acknowledged leader. It will probably not be possible, however, to detect any precise moment at which the Communists "take over," unless Sukarno chooses to proclaim it. We believe

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that domestic political considerations and his desire to bequeath his personal political concepts to Indonesia will lead him to refrain from such an announcement. Conceivably, the PKI leaders could become powerful enough to threaten Sukarno's own dominance, but since his policies are likely to remain along lines generally favorable to them, they are unlikely to take risks in order to seize power.

3. In the event of Sukarno's early death or incapacity, the PKI drive to power would probably be slowed for a time. Though there would be considerable political turmoil and perhaps some violence, the successor government would probably be headed at first by a coalition of familiar non-Communist military and civilian names. The PKI could probably not be denied an important share in this government, both because of its established position and because the military would probably be reluctant to risk civil war to initiate a roll back of the Communists. On the other hand, the party would no longer benefit from Sukarno's patronage and would have to rely entirely on its own strengths and capabilities, which though considerable would probably be insufficient to encourage an open challenge to the military. Hence, we believe that the PKI would not attempt to seize full power by force in the months following Sukarno's death if that occurred at any early date.

4. The longer Sukarno lives, the better will be the position of the PKI after his death. Another two or three years of his rule are likely to weaken anti-Communist elements in the army and elsewhere to the point where, at his death, the Communists would have a good chance of taking over full power. We do not exclude other possibilities, however, such as the emergence of a coalition of anti-Communists leading to a protracted stalemate or to a conflict which could break up the Indonesian state.

II. IMPLICATIONS

5. Sukarno's Indonesia already acts in important respects like a Communist state and is more openly hostile to the US than most Communist nations. Much of the damage that an avowedly Communist Indonesia could do to the Western position in the Far East is being done (e.g., "confrontation" of Malaysia and subversion and infiltration in the Philippines) and neither Sukarno nor any probable successor government is likely to abandon efforts to weaken the West in this area.

6. Nevertheless, the overt accession to communism of a country like Indonesia—large, populous, rich in resources, and strategically situated—would have an important impact on other countries in South and East Asia. Peking would be especially gratified by the triumph of one of its closest associates and, for a time, would probably offer close cooperation in the Malaysian area. Both Peking and Hanoi would be encouraged in their struggle with the US in Vietnam, while the confidence of Laos, Thailand, and South Vietnam would be undermined. The advent of a Communist state on the Indian Ocean would make India increasingly nervous.

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7. Given Indonesia's limited military capability and its many strategic vulnerabilities, a Communist Indonesia would pose only a potential threat to the Western position in Southeast Asia and to important world sea and air lanes. The threat of a Communist Indonesia would be felt most immediately in Malaysia, the Philippines, and Australia, and would lead their governments to make urgent demands for substantial US and Commonwealth military support.

8. The conservative Malaysian government would despair of a satisfactory settlement of its dispute with Djakarta. Furthermore, it would expect intensification of Indonesian efforts to subvert the peninsular Malays, and increased cooperation between Djakarta and Peking in arming and training dissidents on the Thai-Malayan border and in northern Borneo. Singapore would face an intensified effort to subvert its Chinese population. Both governments would face increased pressure by all left-wing political and labor groups. The Commonwealth presence would probably make it possible for moderate governments in the two states to survive for the period of this estimate, but over a longer period the existence of a Communist Indonesia would cause their chances of survival to diminish.

9. The Philippine Government, already concerned about Indonesian infiltration of the southern islands as well as Djakarta's clandestine political activities in Manila itself, would show real alarm. Irritants in its relations with the US would probably be submerged for a time in a sense of common danger. The Australians would fear for East New Guinea and their lines of communication to Europe and the Far East.

10. As a major Communist state led by a markedly independent and self-reliant party, Indonesia would become the object of more intense Sino-Soviet rivalry. Moscow would probably increase its military and economic assistance in hopes of encouraging the development of a second Asian Communist power center to compete with Peking. For its part, the PKI would probably take a friendlier attitude toward Moscow in the interest of material gain. Peking would, of course, increase its efforts to tie Djakarta even more closely to Chinese policy in the Far East. But it is likely that PKI foreign policy decisions, like those of Sukarno, would stress Indonesian national interests above those of Peking, Moscow, or international communism in general. The pursuit of these national interests would be more likely to lead to friction with the Chinese Communists than with the Soviets. Thus, Indonesia's formal accession to communism, while immediately strengthening the Communist side, would contribute over the longer run to transforming the Communist world into a looser association of sovereign states.

11. A Communist Indonesia would probably not become of major military significance to either Moscow or Peking during the period of this estimate. An Indonesia openly led by the PKI might ask for security guarantees from Moscow and Peking, and such requests might, in the circumstances, be difficult to reject. We believe that the PKI leaders would be sufficiently nationalistic to refuse to grant air or naval bases or missile sites to either Moscow or Peking, though it is

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possible that they would permit one or both to use existing Indonesian bases for logistical purposes, thereby greatly extending the range, for example, of their submarines. In any bargaining with Moscow or Peking on the subject of bases or missile sites, the Indonesians would undoubtedly be favorably impressed by offers of nuclear weapons in exchange. It is extremely doubtful, however, that Moscow would make such an offer, and, over the next two or three years, unlikely that Peking would be in a position to do so.

12. In the short term, Indonesia's formal accession to communism would have a heavy impact on world politics. It would be seen as a major change in the international balance of political forces and would inject new life into the thesis that communism is the wave of the future. But while Communists around the world would be encouraged, and their opponents disturbed, this event would not by itself cause other nations to follow suit or even necessarily to alter their foreign policies.

13. The longer term impact of a Communist Indonesia would depend primarily on the degree of success or failure which the PKI met as it moved to energize and unite the Indonesian nation. If these efforts succeeded, Indonesia would provide a powerful example for the underdeveloped world and hence a credit to communism and a setback for Western prestige. It is much more likely that the early years of a Communist Indonesia would be occupied with consolidating political control and resuscitating the Indonesian economy and that, during this period, Indonesia would be more liability than asset to the Communist powers.

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