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DEPARTMENT OF STATE

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JOINT WEEKA NO. 48 48

This WEEKA covers the period December 13 to December 18, 1965

POLITICAL

1. Army Takes Another Round in Anti-Sukarno Campaign
2. PKI Repression
3. Left-Wing PKI Takes More Setbacks
4. Economic Measures

PSYCHOLOGICAL

5. US-Indo Relations

MILITARY

6. KOTI takes Over BPI
7. New EASTAD Commander
8. Polish Attaches
9. Air Force Purges Begin

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POLITICAL

1. Army Takes Another Round in Anti-Sukarno Campaign (SECRET)

a. The reporting week continued to witness striking Army success in drawing power under the jurisdiction of the Supreme Operations Command, or KOTI, which the Army intends will ultimately become a "super-Cabinet" enabling it to direct national policy. On December 10, a KOTI decree gave General Suharto the authority to appoint the members of the Extraordinary Military Tribunal which will try the leaders of the September 30 Movement, as well as to set court procedures and serve as prosecutor. A few days later, on December 14, General Suharto announced on the Palace steps that President Sukarno had appointed three Deputy Great Commanders of KOTI, namely, General Nasution for Military Affairs, Sultan Hamengkubuwono for Economic and General Affairs, and Ruslan Abdulgani for Social-Political Affairs. Subandrio, who had originally been slated to receive the "General Affairs" portfolio, was nowhere listed, and on the same day an item in Antara announced he would leave on a trip to the Netherlands after the beginning of the new year.

b. The Army thus appeared to have achieved all its objectives. But the real import of the Army's victory did not strike home until a few days later when, again on the Palace steps, Suharto announced that:

(i) The Central Intelligence Bureau (EPI), the Subandrio document-fabricating and general surveillance organization, will be withdrawn from the control of the Ministry of Foreign Affairs, and incorporated into the Army-run National Intelligence Command, a sub-division of KOTI.

(ii) The Supreme Economic Operations Command (KOTOK) will be dissolved, and along with the "Berdikari Operations Command" (KOTARI) will be incorporated into the Berdikari Development Command under Sultan Hamengkubuwono in KOTI. As well as another indication of the Army's increasing power, this announcement reflected the supersession of an earlier Army decision to keep its hands off the economy until its continuing difficulties had blackened the military's adversaries.

(iii) Certain Ministers suspected of involvement in the September 30 Movement will be tried as "rebels." Suharto's reading of this announcement, according to an eye-witness, sent panic through the ranks of Ministers who habitually turn up at the Palace every morning for Sukarno's daily Kaffe-kiatsch.

(iv) The "Dwikora volunteers" said to be 21 million strong but actually more in the vicinity of 40,000 to 50,000, will henceforth be supervised by a special IKTI section. Although this is not too clear, it appears to take the responsibility for these volunteers---an important percentage of whom were controlled by the PKI---away from the National Front, an organization which appears to be on its last legs anyway.

2. PKI Repression (CONFIDENTIAL)

a. Although Sukarno went to his most vitriolic and angry lengths to demonstrate his disagreement with the present campaign of repression against the PKI---even threatening again to resign if the "jolts" were not stopped---it didn't do a bit of good. The "jolts", which have now resulted in an estimated 100,000 PKI deaths, continued, as did the issuance of more statements by politicians and youth groups denouncing the idea of any resurgent Marxist-Leninist Party, as well as reports that all members of the PKI politburo are now dead or in custody except for one said to be out of the country, and one who disappeared in August. Not surprisingly, reliable reports indicate that the PKI---what is left of it---is rapidly losing confidence in Sukarno's ability to protect it, and may resort to active defense if the situation does not improve by December 24. It is not likely to improve, but what capability the PKI will have to begin "active defense" by that date is quite problematical.

b. A reliable Balinese source informed the Embassy that PKI deaths on the island of Bali now total about 10,000, and include the parents and even distant relatives of crypto-Communist Governor Sutedja, who fled with his wife to Djakarta after his house was burned down by demonstrators. Killing is continuing on the island, which had a strong PKI and a right-wing PKI which opposed it.

3. Left-Wing PKI Takes More Potholes (CONFIDENTIAL)

The Sukarno-supported, left-wing PKI led by Ali Bastrosamidjojo and Ir. Surachman appears to have suffered sharp defeats this week in its duel with the ousted Hardi-Radisubono faction to control the PKI. According to the Hardi faction's newspaper Borita Republik, John Laminewas, Deputy Secretary General of the PKI and a chief Surachman hatchet-man, was arrested along with four other suspected Communist infiltrators of the PKI. Moreover, although this is not completely confirmed, it appears that West Java Military

Commander General Adjie withdrew his permission for the left-wing PNI to hold a "Working Body Meeting" in Bandung December 18-20 which was ordered by Sukarno to conclusively oust the Hardi-Hardisubeno faction from the party. It is true the meeting was not held, but the cause is not yet known; if it is true that Adjie has deserted Sukarno, the President has lost the only real military ally he had left.

4. Economic Measures (CONFIDENTIAL)

a. Long-awaited measures to improve the state of the Indonesian economy began to appear during the reporting week. The preceding week, President Sukarno had confined 34 economic Ministers to a villa in the resort area of Tjipanas with instructions not to emerge without an economic program. The Army, at that time, was cool toward these proceedings, and was said to have taken a decision to keep its hands off the economy in order to allow its growing slide toward chaos/blacken the image of its adversaries.

b. The first concrete results of the Tjipanas meetings came on December 13, when Third Deputy Prime Minister General Saleh announced that all currency in circulation will be replaced by new currency at a rate of 1,000 rupiah of old money to 1 rupiah of the new. The announcement sent a jolt through the markets for a day or two, but following some stern exhortations against price-raising and store-closing, things seemed to have calmed down by December 17, with prices only slightly above the previous normal.

c. The Army, which had first opposed this step, is now said to be behind it; Sultan Hamengkubuwono himself, the new Deputy Great Commander for Economic Affairs of EOTI, is even said to favor devaluation, as well as other new regulations believed to be ready for announcement.

PSYCHOLOGICAL

5. US-Indo Relations (CONFIDENTIAL)

a. Relations continue to hinge specifically on the position of the American oil companies and on Indonesian feelings for American aid (VERBA No. 47). In more general terms of course the overall political developments, now accelerating at such a speed that some significant early resolution seems inevitable, remain of dominating importance.

b. The change of atmosphere in relations between Indonesians and Americans has been conspicuous and increasingly warm cordiality has been evident in social gatherings as well as in more quiet contacts during the week. Indonesians not seen for months now freely greet American friends on public occasions. The passing of old posters and signs directed viciously against the US, sometimes along with other "Mekolim" powers, continues to strike us as evidence of the new day. Although the removal of such signs of the old regime is not complete, the former eyesores are greatly reduced. At Senajan sports hall when Sukarno, appearing in that large arena for the first time since Gestapu, addressed the 20th anniversary meeting of the women's Perwari organization on December 17, there was no sign of such former garish propaganda as caricatures of Uncle Sam and similar tasteless and hostile presentations which used to accompany the Bung's appearances. His attempt to rekindle his old oratory and to evoke the former ovations failed dismally in the new atmosphere.

c. There are signs everywhere of re-awakened intellectual curiosity as to what is going on in the outside world and especially is there an insatiable interest in what others think about Indonesian developments. People are hungry for US newspapers, magazines, books and contacts. In the fantastic switch which has occurred over ten short weeks the Embassy is busily doing what it can to meet the need and to take advantage of new opportunities which a short time ago would have seemed impossible. While the press in general remains centered, not surprisingly, on internal developments, it has given good play to the extraordinary Gemini achievements of the past week, and the Foreign Department's Nerald of December 20 front-pages story under the head "Record Breaking Gemini 7 Returns." Editorials in the same issue nevertheless regret that the United States, so advanced scientifically, is behind the times in its policy on Vietnam. But Antara, long one of our most articulate and harmful enemies, now under new Army-controlled management, has taken the occasion to emphasize what it has seen as hopeful signs for improved US-Indonesian relations, based on Ambassador Green's call on Suwito last week. On the whole, a fresh breeze is blowing.

ARMY

6. KOTI Takes Over BPI (UNCLASSIFIED)

a. General Subarto, Army Commander and Chief of Staff of KOTI announced December 18 that the Central Intelligence Body (BPI) will be

merged into the National Intelligence Command (KIN) which is subordinate to EOTI.

b. COMMENT (CONFIDENTIAL): The EPI had been, in fact, Foreign Minister Subandrio's private intelligence organization.

7. New KOSTRAD Commander (UNCLASSIFIED):

Major General Umar Wirahadikusumah, the former Military Commander of KODAM V (Greater Jakarta), was installed as the Commander of the Strategic Army Command (KOSTRAD) on December 7.

8. Polish Attaches (UNCLASSIFIED):

a Polish military attaches are accredited to Indonesia for the first time. Colonel Wacław Kruglaski, Armor, and Major Yan Bietajec, Signal, recently made their first public appearances. Both officers are accompanied by their families, and are on three year tours.

b. COMMENT (CONFIDENTIAL): Bietajec has not participated in official calls and may remain in the background. Both officers seem to be attempting to cultivate U.S. Attaches. They look on their tours in Indonesia with foreboding.

AIR FORCE

9. Air Force Purges Begin (CONFIDENTIAL):

As his first official act after being sworn in as new Air Force Minister, Sri Muljono Herlambang announced the retooling of Deputy Minister for Operations and Intelligence Devanto, who may go to Moscow as Air Attache after a brief, face-saving period in the status of "attached to the Minister." The two Deputy Minister slots he held will now be occupied by the former Air Attaches to Canberra and Moscow.

For the Ambassador:

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