

NSC BRIEFING

29 June 1955

INDONESIA

I. Last week, in Indonesia, a resurgence of long-standing tensions between the Army and the Government brought about a crisis which may result in collapse of the PNI-led coalition cabinet.

A. Anti Iwa-Chief-of-Staff resigned and government selected a new Army Chief-of-Staff -- Gen. Utoyo -- and installed him in office on 27 June. However, the Deputy (and formerly acting) Chief-of-Staff (Col. Lubis) together with all six territorial commanders has refused to recognize Gen. Utoyo.

B. Col. Lubis suspended by Government but refuses to recognize his suspension and claims the support of the territorial commanders.

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C. The six territorial commanders, four of whom are strongly anti-Communist, boycotted Utoyo's installation ceremony.

II. Yesterday (29 June) a motion of non-confidence in pre-Communist Defense Minister Iwa was made by independent Chairman of Parliament's Military Affairs Committee.

A. To pass, the motion will require some support from among 11 parties presently forming the Government coalition.

I. Such a sudden switch of votes (30 would be needed) is not unusual in Indonesia.

B. In view of currently low PNI prestige, (as result of Army troubles, and economic deterioration) as well as increasing conviction among Parliament members that opposition will win Sep '55 elections, passage of motion is quite possible.

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III. Real target of territorial commanders is defense minister Iwa.

IV. Collapse of entire Cabinet remains possibility, however.

A. Should coalition fall, opposition would prefer "presidential cabinet" in its place rather than itself taking on government responsibility in pre-election period when economic woes are causing widespread criticism.

V. President Sukarno, for the first time, finds himself challenged by Army and Parliament.

A. Sukarno is believed to have selected Utoyo, (himself a territorial commander -- South Sumatra) for Chief-of-Staff post.

B. Sukarno continues efforts to maintain official status as "above" all parties.

1. Wants to keep himself available for cooperation with Masjumi if they should win elections.

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2. He has refused National Party request that his name be used on National Party election list.

C. Also significant is fact that National Police (70,000, with 17,000 in mobile brigade, all under Prime Minister) for first time abandoned neutral status, sided with Army.

VI. Effect of present crisis on September parliamentary elections (nation's first) not clear.

- A. Army known to want elections held on schedule.
- B. During past two weeks and prior to army crisis, Prime Minister Ali and other cabinet officials assured nation elections would be held as scheduled.

VII. Ali said insecure and isolated areas would have to be bypassed -- representatives appointed.

- A. These delegates will account for approximately 15 percent of parliamentary strength.