

NSC BRIEFING

15 July 1959

INDONESIA

- I. Government reorganization formalizes President Sukarno's power position as key man in Indonesia--he now heads country both as president and premier.
- II. Of greater potential importance, however, is increased role given to army.
  - A. Army chief of staff Nasution is now defense minister, and army holds or controls other influential posts.
  - B. Army now seems to have better chance than before to follow through on its avowed aim of limiting Communist influence and activities, both in government and throughout country.
  - C. Air Force, however, resentful of being placed under Nasution's authority.
- III. However, there are no ready-made solutions to Indonesia's pressing problems--deteriorating economy, dissidence, and Communism--and no new cabinet can be expected to correct basic ills in foreseeable future.
- IV. Communists, meanwhile, have to accept political reality and profess support of government which includes some leftists.
  - A. Communists remain strongest party on major island of Java.
  - B. They have served notice that government is on its good behavior.

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