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CENTRAL INTELLIGENCE AGENCY
OFFICE OF NATIONAL ESTIMATES

2 March 1966

MEMORANDUM FOR THE DDCI

SUBJECT: The Outlook for Indonesia

NOTE

This memorandum supplements an OCI intelligence memorandum on the subject: "The Situation in Indonesia" dated 24 February 1966 (OCI No. 0782/66).

GROUP 1
Excluded from automatic
downgrading and
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DISCUSSION

1. After five months of intense maneuvering, Sukarno has boldly reasserted his authority over his main political opponents, Indonesia's army leaders. No matter how the generals respond to this challenge and who ultimately emerges on top, events since the abortive pro-Communist coup of 30 September have so changed the Indonesian scene that a return to previous political patterns appears unlikely.

2. Since early October, somewhere between 100,000 and 500,000 Indonesians have been killed. For the most part, the victims were Communists, other leftists, and their sympathizers. Additionally, however, there were thousands -- perhaps tens of thousands -- of other victims, killed to settle ethnic, local, and personal feuds. The slaughter has left a legacy of hatred and suspicion which will make it more difficult than ever before for Indonesians to achieve national unity and to make the accommodations necessary to the establishment of a stable and effective government. In particular, the gulf between Muslim orthodoxy and Communism now seems unbridgeable, even by Sukarno.

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3. Among those killed during the recent "white terror" were about half the PKI politburo and numerous local party leaders. The PKI will require many years, even with Sukarno's support, to regain its former strength. Its prestige has also been badly damaged -- by its inept performance during the attempted coup and its failure to offer significant paramilitary resistance afterward. Its carefully cultivated nationalist image has suffered as a result of revelations, true and false, concerning its ties to Communist China. Though the PKI retains millions of adherents and sympathizers, a substantial underground apparatus, and great influence within Sukarno's "palace clique," it will probably not in his lifetime be in position for a peaceful takeover of the Djakarta government.

4. With regard to the Army, prior to 30 September one could envision a post-Sukarno Indonesia in which the generals chose to work together with the Communists in the interest of avoiding an inconclusive civil war. Such an accommodation now appears unlikely. The present crop of Army leaders can no longer have any illusions about Communist plans for a complete takeover, to include the liquidation of their military opponents. Under these circumstances, it is probable that Sukarno's death within a year or so would lead to the prompt seizure of power by the Army.

5. With his PKI allies badly weakened, Sukarno must build a new balance of forces if he is to stabilize his political position. He will have little difficulty in drawing left-wing Nationalists and opportunistic Muslim elements to the banner of his proposed "Sukarno Front." But neither grouping possesses the outstanding agitprop capabilities which made the PKI so useful to Sukarno. With his encouragement, therefore, the Communists will move covertly to re-establish control of the myriad existing leftist organizations that will provide his real support.

6. This time, however, bringing his moderate and Muslim opponents to heel will be more difficult for Sukarno. His prestige has been damaged by his rumored involvement in the events of 30 September, his inability to protect his adherents, and his indifference to growing economic hardships. Perhaps the greatest obstacle to a reassertion of his authority is the overt commitment which millions of Indonesians have recently made to the anti-Communist cause.

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7. In the final analysis, Sukarno's fate will hinge on his ability to tame the anti-Communist generals once again. If he succeeds in carrying off his current political gambit against Defense Minister Nasution without serious hindrance from the military, he will move again, with increased boldness, to remove and denigrate other commanders who oppose his pro-Communist policies. Control of the Army must be Sukarno's top priority project; he knows now, if he did not know in September, that he cannot settle for less if "Sukarnoism" is to survive his death.

8. There is an even chance that the generals will soon contest Sukarno's recent reassertion of authority, probably with demands for the ouster of his top leftist advisor, Subandrio. Even if the generals fail to act decisively or their moves are unsuccessful, this would not necessarily mean a rapid return to a pre-October Indonesia with Sukarno in full command. His efforts to regain his former position would be handicapped by the factors noted above: a weakened Communist Party, a less malleable non-Communist opposition, and an officer corps shorn of many illusions concerning his "NASAKOM" concepts.

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9. In addition, Sukarno would be facing a deteriorating economic situation which is having an increasingly severe impact on the bureaucratic and intellectual elite. In these circumstances, government departments and regional military administrators would probably grow less attentive to Sukarno's directives and more inclined to act autonomously in the economic field in behalf of their own constituencies. A situation of de facto fragmentation of the country might arise.

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FOR THE BOARD OF NATIONAL ESTIMATES:



for SHERMAN KENT
Chairman

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MEMORANDUM FOR: ~~Mr. Helms~~ *Mr. Kent*

This memorandum was prepared in response to your request. Representatives of OCI participated.

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Please for ahead and distribute.

for *f*

SHERMAN KENT

2 March 1966
(DATE)

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