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21 February 1966

MEMORANDUM FOR THE RECORD

SUBJECT: Debriefing of Ambassador Marshall Green, Ujakarta,
at Headquarters on 18 February 1966

1. The Ambassador reviewed the present situation. There are two "un-governments" in Indonesia today: Sukarno and his cronies (without their PKI base); and the military-moderate-Muslim combine. The latter grouping has many serious divisions. These differences were submerged during the anti-PKI crusade (estimated 300,000 killed) of October 1965 - January 1966, but cohesion is breaking down now that problems are largely those of political and economic construction. The military leadership has failed to press Sukarno to a showdown for fear of civil war or, at least, a breakdown in civil order; the generals also prefer to avoid responsibility for continuing economic deterioration.

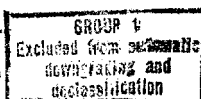
2. The Sukarno-Army conflict may rock along for quite a while but it will eventually come to a head, probably as a result of general economic deterioration, particularly the loss of foreign exchange for necessary outside purchases and a growing tendency for each ministry to operate on its own account in foreign dealings. Public discontent will result in increased requirements for military security forces and lead the generals to demand a solution to the chaotic situation, if only to protect their positions. In these circumstances, Sukarno might be faced with a de facto takeover of the government by the military -- colonels if not generals. He might go abroad to wait it out.

3. A military-dominated government would seek both US and Soviet support, among others. It would focus on efficiency and technical competence in government operations, by draconian measures if necessary. Indonesia today is probably in transition to this type of government.

4. In response to questions, Ambassador Green stated that he opposes US economic assistance to Indonesia at this time because it would only strengthen Sukarno; the Army agrees with this position. Later, we must help in association with other donors, including the USSR. Green believes that confrontation will peter out if the military gains complete power. For one thing, US help would not be forthcoming unless active confrontation ceases.

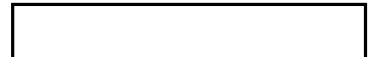
State Dept. review completed

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5. Fluses for US policy in Indonesia are: (a) The PKI will find it tough to make a comeback; (b) Chicom prestige has suffered badly; (c) Sukarno's Afro-Asian gymnastics have lost their impact; and, (d) Sukarno himself is no longer the uncontested leader of Indonesia.



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