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CENTRAL INTELLIGENCE AGENCY  
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INTELLIGENCE MEMORANDUM

Leadership Prospects in Indonesia

Summary

1. President Sukarno is likely to remain the Indonesian chief of state for the duration of his life. In current maneuvering with the army he is seeking to reassert himself as paramount leader. The army, however, under Generals Suharto and Nasution, probably will retain a strong national political role for the foreseeable future. Although army leaders oppose many of Sukarno's policies, they show little indication of any intention to remove him.

2. Both Sukarno and the army will turn to civilian political leaders for assistance. Sukarno will look for individuals and groups that he can use as a balance against the army, while the army will turn to them primarily for help in running the country. The extent to which the civilian leaders can assert themselves as government officials will depend on the development of Sukarno-army maneuvering and on Sukarno's health. The identity of these civilian leaders is still largely speculative.

Background

3. Major concerns of both Sukarno and the army are national unity and national progress. Neither Sukarno nor the army trusts the average Indonesian political leader. Both feel that non-Communist parties thoroughly discredited themselves during Indonesia's period of parliamentary government (1949-1957) when the average life of a cabinet was a single year and each cabinet was an uneasy, unwieldy, unproductive coalition of eight or ten parties.

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4. From 1957 through 1960, the army supported Sukarno's phased imposition of "guided democracy," which instituted a presidential rather than a parliamentary cabinet, greatly strengthened the executive, and downgraded the role of the political parties. In return for this support and as a substitute for the parties, Sukarno assigned the army a substantial political role during those years. Since 1960, however, and particularly since 1963, Sukarno had moved to reduce the army's political role and to make it an instrument of the executive.

5. The abortive leftist coup on 1 October, which perhaps was precipitated by the Indonesian Communist Party (PKI), had as its immediate objective the elimination of top army leaders. The army crushed it promptly and is still investigating those who were involved. Sukarno himself appears to have been at least partially involved; the army believes that he was, and the President is reluctant to prosecute those who participated in it.

6. As the result of the coup and its aftermath, there are now two centers of power in Indonesia--Sukarno and the army leaders. They are engaged in a struggle over Indonesia's future political orientation, the disposition of the PKI, and the involvement of the military in government leadership.

#### Army Attitude

7. One of the army's major political dilemmas today is that in addition to distrusting most political leaders, it now also distrusts Sukarno, the nation's dominant and unifying figure. At the same time, no army leaders--either individually or collectively--have yet indicated any marked desire to establish a military dictatorship. They have alluded privately to the repeated leadership crises in Vietnam precipitated by an overzealous and overambitious military.

8. The army still seems predisposed to the "middle way" propounded in 1958 by General Nasution, then commander of the army. In a speech to the National Military Academy, Nasution declared that the Indonesian Army would emulate neither the politically active military leaders of South America nor the

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"passive instrument" armies of Western Europe. As explained somewhat ingenuously by Nasution, the army as an organization would not be politically active but individual officers would participate at all levels in determining and implementing state policy.

9. Such a concept presupposes an established national leadership and political structure which the army could support, infiltrate, and guide rather than a government which the army would seize and lead. Thus, despite its distrust and misgivings about Sukarno, the army leadership continues to indicate its desire to work with the President and its hope of converting him to its anti-PKI point of view.

#### Military Leadership

10. Little change seems likely in army leadership during the next year or two. Intra-army strains surely will develop, but they are not likely to be of sufficient strength to dislodge Minister of Defense Nasution or army chief Suharto. A new slate of staff officers has recently been installed at Djakarta headquarters, and new assignments are being made in the 17 territorial army commands. Aside from filling the vacancies left when six top generals in Djakarta and several territorial officers were murdered in the abortive coup, the changes are intended to weed out officers of questionable loyalty or at least place them where they can be effectively watched and do no harm.

11. The new headquarters officers appear to have been chosen largely for their qualities of political sense, anti-PKI orientation, military reputation, and loyalty to Nasution and Suharto. The same is generally true of the territorial officers.

12. Generals Suharto and Nasution are individuals of high caliber and professional competence. They live modestly, are reputed to be incorruptible, and are deeply respected within the army.

13. Suharto was scarcely known outside Indonesia prior to 1 October. His varied assignments, however, have given him wide experience. They have included those of territorial commander in Central Java, commander of the campaign to "liberate" West New Guinea

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from the Netherlands, and head of the Army Strategic Command. His reputation within Indonesia as a highly competent officer and an anti-Communist was amply verified by his prompt and decisive action on 1 October to rally the army and crush the coup. He is also reputed to be strong willed and dogmatic, qualities which for the time being appear to assist the army in its continuing resistance to Sukarno.

14. General Nasution was commander of the army from 1949 to 1952 and again from 1955 to 1962. He is largely responsible for the professionalism and cohesiveness which the army has thus far achieved. From 1952-55 Nasution was in retirement as the result of opposition to a nationalist-Communist parliamentary coalition and indirectly to Sukarno. From 1957 to 1960, when the army held a strong political position, Nasution was easily the second most powerful official in the country. In 1962, apparently to deprive him of troop command, Sukarno appointed him chief of staff of the armed forces. Nasution has a strong sense of political mission and moral responsibility and is alarmed over the venal tendencies which have grown within the army as its administrative authority has broadened, but he is no match for Sukarno in political maneuver. In the post-Sukarno era, Nasution probably would be the army's major candidate for national leadership.

15. Fifteen army officers, including Suharto and Nasution, hold posts in the 100-man cabinet. One who is currently active in his cabinet capacity and likely to continue in this role regardless of future developments is General Ibnu Sutowo, minister of state for gas and oil since last March. Sutowo had one tour as a territorial commander in South Sumatra in the mid-50s, and served in Djakarta as army deputy for administration, deputy for territorial affairs, and chief of logistics during Nasution's second tour as army commander. In 1959, when he and several other officers were accused of corruption, Sutowo appears to have accepted the major blame. He was placed in a nonactive army status, but was appointed president of a small domestic oil company. Since then he has been continuously active in oil matters and since 1961 his responsibilities have gradually increased. For several years he has been involved in political maneuvering against Chaerul Saleh, who holds the actual

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portfolio for oil. Sutowo has a reputation as a good organizer, and Western businessmen regard him as both intelligent and shrewd.

16. Instead of working through the cabinet where Sukarno is paramount, the army is utilizing the Supreme Operations Command (KOTI). Since KOTI is an accepted mutual area of operations for both Sukarno and the army leaders, it has already become a super-cabinet and may remain so for some months. General Suharto has announced that KOTI will concern itself with political, economic, and social matters as well as military. Sukarno is KOTI Supreme Commander; Suharto is its chief of staff.

17. Army officers who participated in the provincial rebellion of 1957-58 are quite unlikely to be returned to responsible posts either in the immediate future or in the post-Sukarno era. Although that revolt was in part an anti-Sukarno, anti-Communist effort, the officers who participated in it remain discredited. Moreover, time has passed them by, and to make a place for them now--even if there were a disposition to do so--would be an act of favoritism. In an atmosphere of continuing maneuver--and careful maneuvering will go on as long as Sukarno remains reasonably vigorous--this could be for the army a serious, if not fatal, political blunder.

#### Civilian Prospects

18. Both Sukarno and the army are likely to turn to civilians both to exploit them as political leaders and to call on their expertise in administrative or substantive posts. Both the President and the army will try to control the politicians and will continue a regime which calls for a strong executive. A return to parliamentary government is most unlikely.

19. Should Sukarno die in the near future, civilian prospects for an assertive role in the government might improve. If Sukarno remains reasonably vigorous, however, civilians may be largely pawns in the Sukarno-army maneuvering. The army probably will support relatively few civilians during Sukarno's lifetime; these civilians will be competing for political

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and managerial posts not only with military personnel but also with persons from Sukarno's camp.

Army-Supported Civilian Leadership

20. The identity of civilians who would be supported by the army remains highly speculative. The army does not appear to have approached political leaders as yet with any firm offers of jobs. As it is still engaged in entrenching itself vis-a-vis Sukarno, such approaches now would be highly premature. The army has, of course, had some dealings with political leaders since the abortive coup but chiefly for the purpose of encouraging them to articulate anti-PKI sentiment and to use their organizations in action against Communists and Communist assets. This phase is now largely over.

21. A number of civilians, on the other hand, have approached the army with offers of advice. Some of them, in conversations with Western officials, try to create the impression that they have considerable influence with army leaders. Many civilians are following the Sukarno-army maneuvering with intense interest and are trying to keep a foot in both camps.

22. Speculation, both among Indonesians and among Western observers, as to civilians whom the army would trust touches on such persons as Adam Malik, Mohammed Hatta, the Sultan of Jogjakarta, and several persons in the National Party (PNI) and the large Moslem party, the Nahdatul Ulama (NU).

23. Adam Malik does seem to be a strong possibility. He would probably be acceptable to both Sukarno and the army and already holds a cabinet post, albeit the largely meaningless one of minister for the implementation of guided economy. Malik is a member of the now banned Murba or Proletarian Party, the so-called national Communist party of Indonesia. Categorized as an extreme leftist by Western observers in the 1950s, Malik increasingly took on the appearance of a "sensible moderate" in the 60s as Sukarno moved

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the government into foreign and domestic policies favorable to PKI interests. Long the head of the semiofficial (later official) Antara news agency, Malik was appointed ambassador to the Soviet Union in 1959. From 1963 to early 1965 he held the post of trade minister in the cabinet. In late 1964 he played a leading role in an anti-PKI effort, the Movement for the Promotion of Sukarnoism. The organization was banned in December 1964, and Malik became a major target of the Communist Party. Despite PKI demands for his removal, Sukarno kept him in the cabinet but transferred him to his present high-sounding but empty post.

24. Mohammed Hatta may be headed for a figurehead post or a role as elder statesman but little more. Co-author of Indonesian independence in 1945 with Sukarno, Hatta served as national vice president from 1945 to 1956. In that year, no longer able to subscribe to Sukarno's gradual move to the left, he resigned and has since lived in relative seclusion. He is a trained economist and presumably could be of assistance to a government sincerely interested in tackling Indonesia's long-standing economic problems. Hatta's health is reported to be poor and it seems unlikely that he would take on a major substantive responsibility.

25. The Sultan of Jogjakarta, Buwono IX, is widely mentioned for office and with his past army connections is a possibility for either a substantive or administrative post some months hence. The Sultan played a distinguished role as a nationalist leader during the revolution against the Dutch and served as minister of defense for several years after formal independence was achieved. He resigned in early 1953 after army leaders attempted and failed to coerce Sukarno into blocking the activities of a nationalist-Communist parliamentary coalition. He has played no major role since then and currently holds the apparently empty title of chairman of the Financial Supervisory Board. Although his sultanate has become a strongly Communist area, the sultan himself is believed to be anti-Communist. Since 1953 he is said to have insisted that only fate would propel him into the national arena again.

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26. Among members of the National Party who might be acceptable to the army are Hardi and Wilopo among the older members and Hadisubeno and Osa Maliki among the younger ones. All are identified with the moderate wing of the National Party which resisted cooperation with the Communist Party.

27. With the exception of Wilopo (prime minister in 1952-53 but relatively inactive in recent years), all were purged from the party in mid-1965. Hardi was first deputy party chairman and leader of the moderate wing prior to the purge. He participated in but later withdrew from the anti-PKI Movement for the Promotion of Sukarnoism last year. Osa Maliki, second deputy chairman before the purge, appears to be leader of the reconstituted moderate wing now that the army has legalized it again. Hadisubeno is the top provincial party leader in Central Java and has been outspokenly anti-Communist since 1959.

28. Possibilities from the Nahdatul Ulama (NU) are Dachlan, Aminudin Azis, and Subchan. All three are members of the NU's national executive board. Dachlan is a vice party chairman; Azis is currently the NU secretary general and is a cabinet minister of state assigned to the cabinet "presidium." Subchan is third vice chairman of the party and a leader of the Joint Action Command formed among political parties since 1 October and principally directed against the PKI. The three belong to the wing of the NU which is less opportunistic and less favorably disposed to Sukarno.

29. The army may also consider Kasimo, an assistant chairman of the Catholic Party who briefly supported the Sukarnoist movement last year, and Tambunan, chairman of the Christian (Protestant) Party.

30. As with army officers who participated in the 1957-58 provincial rebellion, civilian leaders who were involved--chiefly from the banned Masjumi and Socialist (PSI) parties--are unlikely to be tapped for responsible government posts. The vilification to which these individuals and their parties



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have been subjected has taken its toll, and the army is fearful of being tainted by collaboration with them.

31. Since 1 October, however, individuals from these two parties have emerged from political isolation and are again at least privy to many developments within the government. The Socialists' primary channel for information seems to be through army officers while the Masjumi deals with NU members. These persons eventually may play an informal advisory role. If the parties can be reconstituted under new names, some of the members, particularly the younger ones, should certainly play a more active role in the post-Sukarno era. Top Masjumi and Socialist leaders, now in prison, presumably will be released in time and will assume an advisory function within their own parties.

#### The Sukarno Camp

32. Faced with the army's insistence on destroying the PKI, Sukarno apparently wishes to reconstitute the party in some other form. In the meantime he will retain in the government as many personal followers, leftists, and even Communists, as possible.

33. Sukarno has so far--after two months of maneuvering with the army--personally made only one change in his motley and enormous cabinet. This is the expulsion under army pressure of the leftist Air Marshal Omar Dani as minister for the air force --a post which is concurrent with the position of air force chief of staff. Dani was formally replaced as air force chief on 27 November by his former deputy, Muljono Herlambang, an officer of similar political persuasion who is not trusted by the army.

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34. Sukarno's chief and most trusted lieutenant is Subandrio, first deputy prime minister and foreign minister. Sukarno has so far resisted army demands to displace Subandrio. Sukarno, however, is quick to recognize political realities and if he decides that Subandrio is a major detriment to his own position, he will concede to army demands. Subandrio, who the army believes was involved in the coup and who had feverishly curried favor with the PKI, is now making proper anti-PKI statements. He told an American official on 22 November that he had been naive, that he could not forgive the PKI its attempt to seize power, and that he would never trust the PKI again.

35. The status of the three Communists and eight pro- or crypto-Communists in the cabinet is in some doubt. Although theoretically they still hold their posts, some of them are said to have been placed under house arrest about mid-November. Lukman and Njoto, the first and second PKI deputy chairmen--the former a titular cabinet member by virtue of a legislative post, the latter a minister of state assigned to the presidium--may be under army detention. It seems certain that PKI chairman Aidit, titular member of the cabinet, is dead.

36. Sukarno will continue to exploit Ali Sastroamidjojo, the opportunistic chairman of the PNI, and Idham Chalid, chairman of the NU, and individuals in the respective wings of their parties. Sukarno will not carry maneuvering to the point of encouraging further national disruption. Although he will try to protect leftist elements, at the same time he will swing toward the army when he deems it politically necessary.

37. A man with a foot in both camps is Chaerul Saleh, third deputy prime minister and concurrently coordinating minister for development and minister for oil. Saleh has had a checkered career; his political associations have been leftist, but he has never been a member of the PKI and from time to time he has actively opposed the party. Like Adam Malik, he has been affiliated with the Murba party and in 1964 was deeply involved in the anti-PKI Movement to Support Sukarnoism. He is extremely ambitious and while continuing to work closely with Sukarno is also making overtures to the army. He seems likely to remain in the government at least during Sukarno's lifetime and probably afterwards as well.

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### Outlook

38. For the time being, the army holds the political initiative and seems certain to retain a strong role in the government. It will continue to work with Sukarno when it feels this is either possible or necessary but will ignore him and act on its own at other times. KOTI is likely to be the main channel of army participation in the government while Sukarno will work chiefly through the cabinet. Although it seems likely that the army will make progress in eliminating leftists from the cabinet and insinuating its own candidates, it will not be given a free hand in reorganizing the government as long as Sukarno remains reasonably vigorous.

39. The army's major problems will be economic, and Sukarno and leftist individuals and groups are likely to exploit them. Indonesia is beset with difficulties resulting from overpopulation, underproduction, and inadequate transportation and communications facilities. Inflation has been mounting for years and at present is at a new high. The government lacks foreign exchange with which to make needed purchases.

40. The army's clear-cut objective of destroying the Communist Party as an effective, legal organization is largely accomplished. It will now be increasingly confronted by the country's baffling economic problems, Sukarno's maneuvering, and probably by attention-getting but otherwise meaningless and often obstructive activities by the rejuvenated non-Communist parties. In this increasingly frustrating situation, it seems likely that a more aggressive mood will develop within the officer corps and that Suharto and Nasution will be under growing pressure from army elements, as yet unidentified, and from civilian groups, to seize the government. Although Suharto and Nasution probably will resist such pressure, the addition of this theme will insert further strains into an already complicated situation.

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# INTELLIGENCE MEMORANDUM

## LEADERSHIP PROSPECTS IN INDONESIA

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Office of Current Intelligence

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