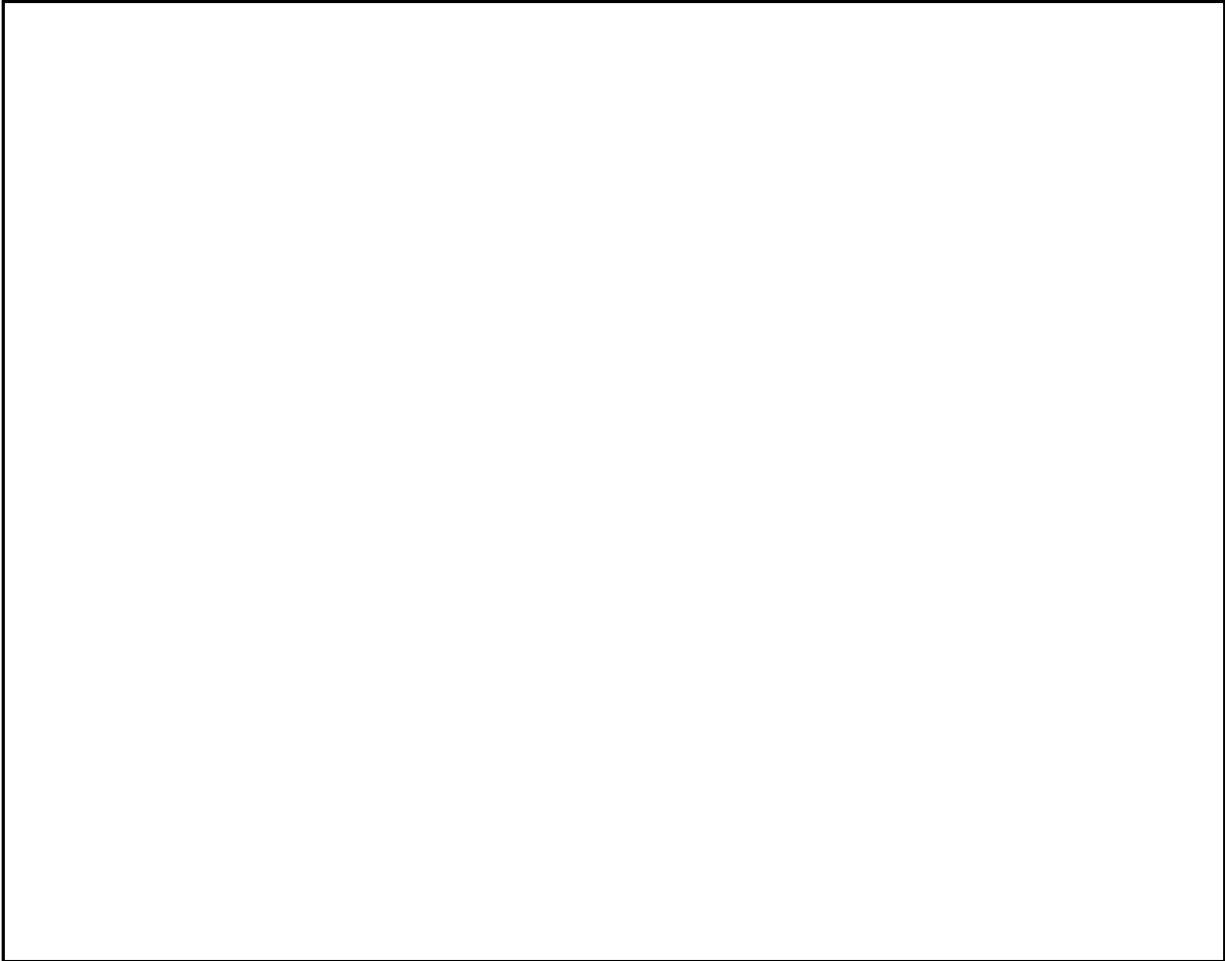


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CENTRAL INTELLIGENCE AGENCY
Office of Current Intelligence
26 October 1965

INTELLIGENCE MEMORANDUM

The Indonesian Situation
(Report # 42 -- As of 4:00 P.M. EDT)

1. The army today launched a public campaign against Foreign Minister Subandrio. The army-controlled Djakarta press demanded that he either prove or retract his charge that some of the press is financed by the CIA. A demonstration of some 10,000 Indonesian youths in front of the Foreign Ministry repeated the challenge.

2. Reports that Subandrio is under continuous army observation and will not be allowed to attend the upcoming Afro-Asian Conference have been confirmed. According to the army-controlled Antara News Agency, the composition of the Indonesian delegation to the conference "will be quite different" from the one sent to Algiers last June. Reports indicate that Subandrio is now losing the support of his top Foreign Ministry aides.

3. One of the two anti-Communist newspapers banned Sunday by Information Minister Achmadi has continued to publish in defiance of the ban. It is controlled by Brigadier General Sukendro, whom Sukarno ordered out of the country last week. Sukendro, however, plans a series of postponements which will keep him in Indonesia indefinitely.

5. In northern Sumatra widespread physical attacks on both PKI leaders and ordinary members are continuing. Press reports from Medan have mentioned a number of ceremonial self dissolutions of PKI branches and affiliates in the north Sumatra area.

6. The acrimony between Communist China and the Indonesian army leadership continues to rise. General Sukendro's newspaper yesterday declared that continued Chinese support of the PKI could compel Indonesia to seize all Chinese Communist property in the country and expel all Chinese nationals.

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