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CENTRAL INTELLIGENCE AGENCY

OFFICE OF NATIONAL ESTIMATES

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10 February 1956

STAFF MEMORANDUM NO. 7-56

SUBJECT: The Political Situation in Indonesia

Terms of reference for NIE 65-56, "Probable Developments in Indonesia through 1956" are attached. In preparation for Board consideration of the terms of reference, this memorandum discusses the significance of the recent elections in Indonesia and the possible political composition of a new government. The estimate is presently scheduled for IAC consideration sometime in May. However, if the recent moves to advance the date of convocation of the new parliament from April to March are successful, we recommend the completion date of the estimate be advanced to mid-April.

1. Indonesia's sixth cabinet, the moderate Harshap coalition government, has suffered a series of political setbacks in recent weeks. The Premier's Masjumi party lost strength in the recent Parliament and Constituent Assembly elections, and party unity continues to be strained by rivalry between the right and left wings

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led by Natsir and Sukiman respectively. The Dutch-Indonesian talks, which the Harahap government initiated with the general aim of improving relations with the Netherlands and assuaging domestic political pressures, have reached a stalemate. Two members of the coalition cabinet, the Nahdatul Ulama (NU) and the Partai Sarekat Islam Indonesia (PSII) resigned from the cabinet on the specific issue of Harahap's conduct of negotiations with the Dutch. The withdrawals were probably due to more basic general party disagreements and the loss of prestige suffered by the Masjumi in the elections. The cabinet has also weathered an air force command crisis, a campaign of press and parliamentary denunciations and a series of mass rallies demanding its resignation.

2. In order to influence the selection of 21 representatives from the various minority groups in the new parliament, the Harahap government must remain in office until the parliament convenes. The government has indicated it intends to do so by pursuing caretaker government courses of action since the elections and by initiating a bill to advance the allocation of parliament and assembly seats from April to March. This bill will probably be passed by the present lame duck parliament and the Harahap government will probably be able to survive the shorter incumbancy. The government will face the risk of a no confidence motion and consequent unseating in getting the bill through parliament. However, a vote of no confidence would be likely only with President Sukarno's active support, and in view of the short time before the

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new parliament convenes, Sukarno will probably not take responsibility for the formation of an interim government. He probably feels the Harahap government's tenure will not change significantly the present bargaining positions of the major parties, including that of his favored National Party (PNI).

3. Indonesia's complicated system of proportional representation and seat allocation does not permit final determination of the allocation of parliamentary seats for several months after the elections. On the basis of nearly complete unofficial returns, the American Embassy in Djakarta predicts the final distribution will look like this: Out of 257 seats, Masjumi, 57; PNI, 57 and 1 satellite party; NU, 45; PKI, 40; PSII, 9; Christian party, 8; Socialists (PSI), 6; all others 34. This estimate does not include the 21 appointive seats. Not enough returns are available in the case of the 15 December constituent assembly elections to make an estimate concerning the outcome, though it is not expected to differ significantly from the parliamentary elections.

4. One of the most significant results of the elections was the unexpectedly large number of votes received by the Moslem Scholars or NU party. The NU is a new force in Indonesian politics. It split off from the Moslem intellectual strata, the Masjumi, in 1951 and until the recent elections was relatively insignificant. It is the most provincial of the Indonesian parties and has had the least contact with Western democratic traditions. The

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American Embassy in Djararta has characterized the NU as "a rustic band of Moslem elders and temple keepers." The party does not have a cadre of leaders experienced in administration or consideration of important policy issues, and derives its strength from the influence of religious teachers among its members. This influence is indicative of a broadened base of political power in a country which has been controlled since its independence by an educated elite of less than 6,000 people. In the behind the scenes political maneuvering which is now taking place, the NU has indicated a preference for a broad coalition which would include both the PNI and the Moslem parties -- Masjumi and PSII. While there are indications of differences of opinion within the NU concerning PKI participation, the NU would probably not participate in a coalition which included the PKI.

5. The PKI has achieved the status of fourth largest Indonesian party and possesses the best organizational discipline. Since the elections, the PKI has emphasized the possibility of cooperation between the PKI and other parties, particularly the PNI and the PSII. The Communists covertly sponsored and participated in three anti-colonialist rallies which also featured PNI and PSII speakers. At one rally President Sukarno spoke on the lesson of cooperation demonstrated by the rallies which might be carried over into leadership of the country. Cooperation between these three parties on specific issues in the new

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parliament would corner about 40% of the votes. President Sukarno, who is still the most popular and probably the single most powerful man in Indonesia, has demonstrated a strong affinity for the PNI and for its cooperation with the PKI. However, while the Communists will probably not be invited into the cabinet, PKI influence and political growth is highly dependent on the composition of the new cabinet.

Possible alignments in new cabinet

6. On the basis of present indications, the next Indonesian government will probably be a coalition of PNI, NU, PSII, and other minor parties. Such a coalition would be acceptable to President Sukarno. Ministerial posts held by minor parties would probably be few, since many of the smaller parties were eliminated or did not participate in the elections. The next most likely coalition is a PKI, NU and Masjumi grouping. Masjumi participation in the cabinet, however, would probably occur only in the event that the Sukiman faction of the Masjumi reached a working agreement with the PKI and the NU. Natsir and Sukiman have long been rivals but despite increased indications of strain between them in the past few weeks, Sukiman will probably not leave the party.

7. The possibility of a Moslem parties coalition -- Masjumi, NU, PSII -- in the new cabinet cannot be ruled out, although the chances for such an alignment are less than even. Rivalries within each party and the inability of the parties to unite with each other on specific issues make a Moslem coalition unlikely. PNI

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machinations and its contacts with the Sukiman faction of the Masjumi also lessen the likelihood of such a coalition. So long as Natsir remains leader of the Masjumi, the Nationalist's powerful left wing will oppose Masjumi participation in any cabinet coalition.

8. The possibility of a PNI, PKI coalition, while unlikely, also cannot be ruled out. Both President Sukarno and the left wing of the PNI have shown themselves to be in sympathy with the PKI on specific issues in the past. At a recent anti-colonialist rally Sukarno declared acceptance of any group, including Communists, who worked for national unity. He also referred to the PNI, PSII and PKI as the anti-imperialist symbols of three currents among Indonesians -- nationalism, Islam and Communism. Although the bulk of the PNI leaders are apparently anti-Communist, some appear to believe they can accept Communist participation in a government without adverse consequences. Conflicting versions of a recent PNI council meeting concerning PKI participation probably indicate the party is not united on the matter. While the PNI would probably not be adverse to Communist support in the parliament, PKI participation in a coalition is unlikely, mainly because of opposition by other Indonesian parties and the army.

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