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CENTRAL INTELLIGENCE AGENCY

REPORT NO.

INFORMATION REPORT

CD NO.

COUNTRY

Indonesia

DATE DISTR.

29 June 1950

SUBJECT

Reactions in Indonesia to the Korean Crisis

Increase in Strength of Sjahrir and his Party

3. Possible Political Alignments

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SUPPLEMENT TO REPORT NO.

Communists in Indonesia have not yet reacted to the Korean crisis. They are quiet and awaiting developments. Some reaction in this quarter is expected the beginning of next week.

- Most Indonesian political leaders such as Natsir and Sjahrir, and such observers as the editor of the Keng Po and the free lance correspondent Carl Tobing feel that a Communist victory in Korea would cause almost immediate repercussions in Indonesia and other Southeast Asia countries, while strong American action in this crisis will do much to negate neutral groups in this area.
- Natsir and Sjahrir feel that Indonesia has no military defense whatsoever against aggression, but that in view of public opinion at the moment, an open offer of military assistance by the US to Indonesia would not be advisable. However, both of them feel that if the United States made an offer secretly and informally to various Indonesian leaders it would do much to bolster their spirits. It is their opinion that such an offer should take the form of "the United States will extend military assistance whenever the Indonesian Government desires such.
- Since Sjahrir's visit to various areas outside of Djakarta, the strength of his Partai Sosialis Indonesia (PSI) has increased about 25 percent in the past week. Hatta's physical condition is considered very poor, and Sjahrir is believed to be a likely candidate to succeed him if he steps out of the picture. The bulk of the Tentera Republik Indonesia Serikat (TRIS) and active youth groups are solidly behind Sjahrir.
- A political union involving Sjahrir's group, the Masjumi, and the conservatives in the Partai Nasional Indonesia (PNI) appears to be likely. The Sultan of Jogjakarta would also go along with Sjahrir.

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