

~~SECRET~~

am
COPY NO. 139

OCI NO. 0237/65

29 November 1965

|||
**CURRENT
INTELLIGENCE
DIGEST**



CENTRAL INTELLIGENCE AGENCY

OFFICE OF CURRENT INTELLIGENCE

~~SECRET~~

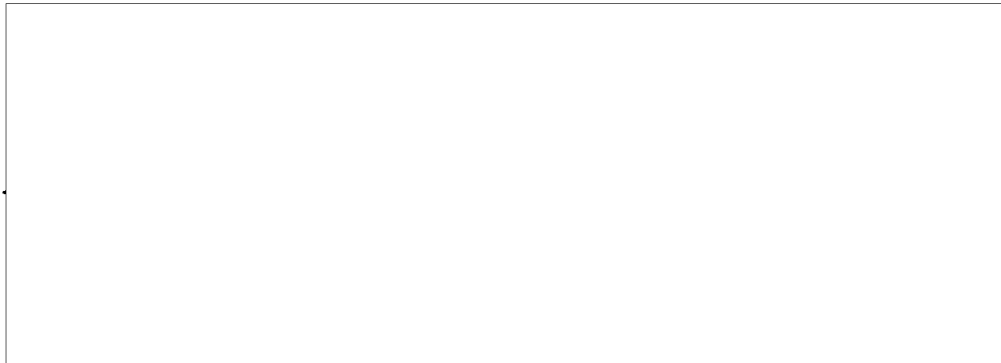
MARINE CORPS
HISTORICAL
122088
MAR 17 1966
29 Nov 65
ARCHIVES & LIBRARY

GROUP 1
Excluded from automatic
downgrading and
declassification

373520/1

(b)(3)

THIS MATERIAL CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF THE ESPIONAGE LAWS, TITLE 18, USC, SECTIONS 793 AND 794, THE TRANSMISSION OR REVELATION OF WHICH IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW.



(b)(3)

This digest of significant reports has been prepared primarily for the internal use of the Central Intelligence Agency. It does not represent a complete coverage of all current reports received. Comments represent the immediate views of the Office of Current Intelligence.

~~SECRET~~

C O N T E N T S

(Information as of 1200 EST)

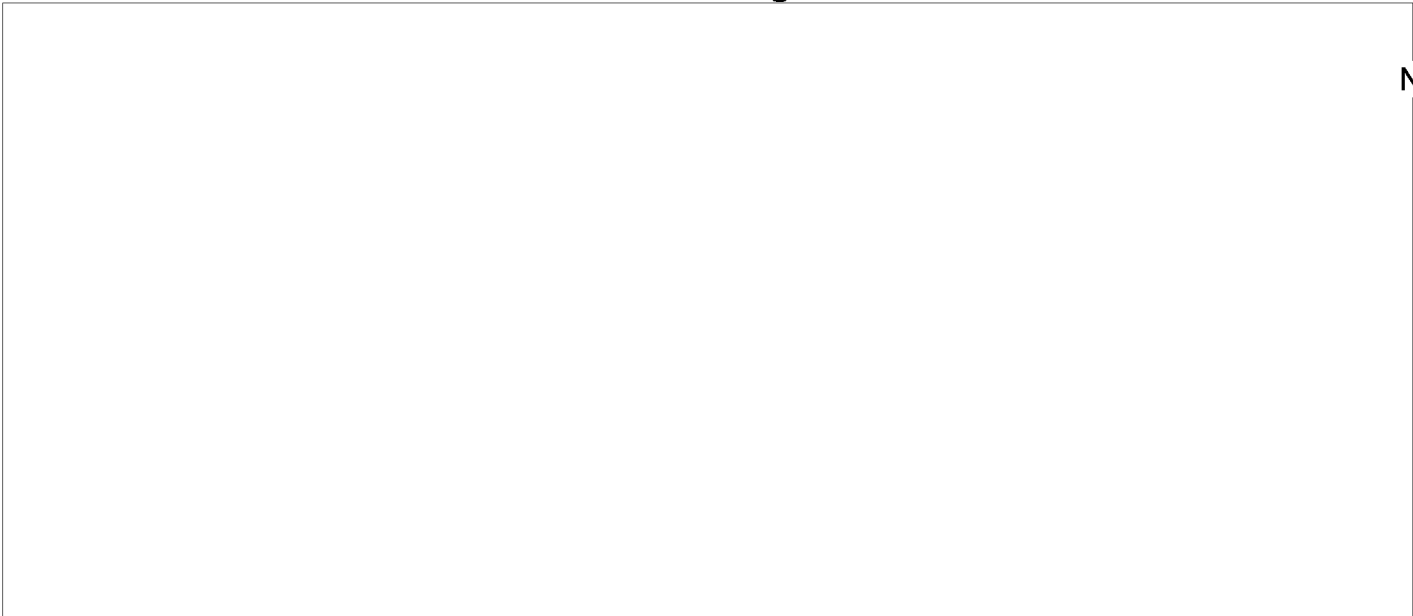


NR Record

SOUTHEAST ASIA

Indonesia
(Page 4)

The army's anti-PKI campaign continues in high gear. Also, the dismissal of air force chief Dani is a new gain for the army, which now will probably move against Foreign Minister Subandrio.



NR Record

~~SECRET~~

~~SECRET~~

SOUTHEAST ASIA

2. Indonesia

The dismissal of air force chief Dani on the 27th represents a new gain for the army.

Dani, who was deeply implicated in the 1 October insurrection, has been abroad for the past six weeks on a "diplomatic mission," and therefore not in effective control of the air force. His formal discharge from his air force post, however, is a virtual admission on President Sukarno's part of Dani's role in the abortive coup. Dani retains his post in the Indonesian cabinet.

The army's next target is likely to be Foreign Minister and First Deputy Premier Subandrio. In an attempt to strengthen his position, Subandrio on 28 November stated publicly that the 1 October affair was "masterminded" by the Communist Party (PKI) and strongly condemned the insurrection as "treason" against the Indonesian revolution. Subandrio had previously attempted to play down the insurrection as a transitory affair and had minimized the PKI's role in it.

The army's anti-PKI campaign continues in high gear. On the 27th the party and its mass affiliates were formally banned in Bali--a PKI stronghold--and the fellow-traveling governor of North Sumatra was removed from his post. The military governor of Djakarta is reported to have formally ordered the arrest of the ten top PKI leaders still at large.

In Central Java--another PKI stronghold-- [redacted] as many as 150,000 PKI adherents have been killed, and some 34,000 are said [redacted] to be under detention. In East Java also, the PKI is being pressed hard by the army and anti-Communist Moslem elements. About 15,000 PKI members are reported to have been killed in one town alone. These figures may be exaggerated, but they indicate the scope of the army campaign.

The army commander in South Celebes announced on the 26th that the PKI and its affiliates in his area had been dissolved. Similar announcements had already been made in West Java and Molucca, and a pattern of piecemeal dissolution of the party's various branches seems in the making. Both the army and Sukarno, who appears to have acquiesced in these announcements, may hope that this gradualist approach will limit adverse reaction from Moscow, on whom the army is dependent for supplies and equipment.

(continued)

~~SECRET~~

~~SECRET~~

The continuing political uncertainty in the archipelago has had an adverse effect on the economic situation, with rice in short supply and inflation rampant. The dollar now sells unofficially for 34,000 rupiahs, roughly one third above the price a week ago.

The cabinet, at Sukarno's behest, announced early last week that it would institute a series of sweeping economic decrees designed primarily to control imports. It is unlikely that these decrees will have any immediate positive effect on the present situation. The government's announcement has in fact

added to the uncertainty and confusion in the business community.

Army officials are attempting to buy rice abroad, and if they are successful in procuring and distributing this staple it would help them retain popular confidence.

The military is, however, experiencing difficulties in financing some of its actions. The navy is having to take "extraordinary steps" to obtain money for its customary end-of-year bonus payments to its forces.

(b)(3)

~~SECRET~~