

Sukarno's Confrontation With the United States: December 1964–September 1965

89. Intelligence Memorandum¹

OCI No. 2057/64

Washington, December 2, 1964.

RALLYING OF ANTI-COMMUNIST FORCES IN INDONESIA

1. For the first time in several years there are the faint stirrings of an anti-Communist movement in Indonesia. Provoked by increasing boldness on the part of the Indonesian Communist Party (PKI) and by Sukarno's own increasing reliance on the party, several non-Communist figures have raised a new banner called "Sukarnoism." The movement is ostensibly dedicated to the defense of the President's almost mystical Five Principles (Pantjasila), but its main purpose appears to be that of combating PKI influence in the government and throughout the country.

2. It is too early to measure the movement's strength or effectiveness. While it reportedly has received indirect approval from Sukarno and appears to have enlisted important support, it could well collapse overnight if its strategy of winning the President's support should fail and Sukarno should move to suppress its growth.

3. The movement first came to light during Sukarno's absence on a foreign tour from 17 September to 5 November, when articles berating the PKI appeared in the Djakarta press. The PKI responded, of course, and a lively polemic followed for several weeks. However, during the week immediately preceding and the one immediately following Sukarno's return, the polemic subsided, almost as if the Sukarnoists feared retribution from the President. The only government move against the group, however, was the banning of a single Sukarnoist newspaper soon after the President's return. In the absence of further repressive action, the group seems to have taken on new courage, and its leaders are trying to organize and expand the forces involved.

4. Minister of Trade Adam Malik leads the group, but Chaerul Saleh, third deputy prime minister and concurrently minister of development, is also deeply involved. Malik, who is a former Indonesian ambassador to the Soviet Union, and Saleh are ideologically attuned to the "right wing" of the Murba (Proletarian) Party, usually described as the national Communist Party of Indonesia. With Indonesia having moved a considerable distance to the left under Sukarno, Malik and

¹ Source: Johnson Library, National Security File, Country File, Indonesia, Vol. III, 9/64-2/65, [2 of 2]. Secret. Prepared in the Office of Current Intelligence.

Saleh represent a "moderate" position, and their activities are arousing the hopeful interest of individuals who stand further to the right. The new group has advocated the spreading of Sukarnoism, i.e., the President's teachings, as a means of unifying the nation. Its spokesmen state that the campaign to crush Malaysia and to spread Sukarnoism are inseparable. Early in the press polemic, they attacked Communist Party Chairman Aidit for a statement he allegedly made disavowing the need for Pantjasila, to which all recognized political parties are obliged to subscribe—"once the revolution is won." Although this particular line of attack has been abandoned, the Sukarnoists continue to warn against those who are not true "Pantjasilaists."

5. Malik told US Ambassador Jones on 19 November that his movement has the support of the Nahdlatul Ulama (NU), the only large Moslem party which is still legal; the right wing of the National Party; and lower levels of the bureaucracy and political parties. Sukarnoist press elements have organized a "Body to Support Sukarnoism"; youth groups have organized a "Sukarnoist Student Movement"; and several non-Communist labor federations reportedly have banded together in an "undercover body" to support Sukarnoism. The labor groups feel they must keep their organization secret to avoid attack by the PKI. Malik feels that for the time being the movement must remain a loose coalition.

6. Whether the Sukarnoists have the extensive support they claim cannot be verified. For the most part only the statements of Djakarta politicians are available. There is a large but disparate body of non-Communist opinion in Indonesia, however, which would rally if given a safe opportunity. By early November in North Sumatra, at least, newspapers were cautiously echoing the new line from Djakarta.

7. Sukarno apparently is willing to see how the situation develops. According to Malik, a NU official on 18 November requested and received Sukarno's consent to "endorse non-Communist ideas" in a speaking tour of East and Central Java. Sukarno is said to have questioned the NU leader closely about the new movement's support, and the official reportedly told him that the NU is fully backing the new force.

8. Probably as a result of this meeting and reports about it, support for Sukarnoism during the next few days began to mushroom. Two military leaders—Minister for Defense General Nasution and Navy Chief of Staff Admiral Martadinata—spoke openly in its behalf. Army leaders, initially sympathetic but circumspect toward the new movement, are now making statements which, while not specifically supporting it, obviously align them with the Sukarnoists. Minister of Information Achmadi, who earlier had opposed it, reportedly told Sukarnoist supporters in North Sumatra to ignore attacks and to spread the doc-

trine but to preserve national unity. Even First Deputy Prime Minister Subandrio, who has tried to curry favor with the PKI for the past year and a half, reportedly received a Sukarnoist delegation, was "very friendly," and gave "valuable advice." Parliament, scheduled to open on 3 December, has postponed its next session until the second quarter of 1965. The change may have been arranged to avoid an early showdown between the PKI and the Sukarnoists.

9. The PKI, with its allies in the left wing of the National Party, for the time being is on the defensive. It has labeled Sukarnoism a disguise for "Communist phobia"—a favorite term of Sukarno's—and has stressed that the anti-PKI campaign developed behind Sukarno's back while he was out of the country. It charges that Sukarnoism is an attempt to displace NASAKOM, Sukarno's term for the cooperation of nationalist, religious, and Communist elements.

10. Prospects of the Sukarnoists seem to depend largely on the President. Although he is opposed to divisive political tendencies, Sukarno is at the same time ever willing to find effective pro-Sukarno elements that can be used in his political balancing game. In view of his preoccupation with his own political position and his possible concern that the PKI is pushing too hard, the successful development of Sukarnoism may be of interest to him. He could be willing to overlook for a time the fact that there are elements within Sukarnoist ranks whom he distrusts and whom he has considered expelling from the recognized political scene.

11. A major factor in Sukarno's permissive attitude toward the new anti-PKI group may be his hope that he can use it in maneuvering to schedule new talks on the Malaysia issue, and he may even believe he can use it to get economic assistance from the West.

12. Sukarnoist spokesmen are urging the US Embassy to take steps to encourage UK-Indonesian or Indonesian-Malaysian talks. They state that unless the Malaysia issue is peacefully settled, the new non-Communist movement will be smothered in the continuing anti-Malaysia clamor, and efforts to remedy Indonesia's deteriorating economy will continue to be frustrated. Although Sukarnoist leaders have identified themselves with the Malaysia confrontation, they seem to be trying to change its emphasis from a politico-military to a politico-economic one as a means of pressing national economic development. Although the Sukarnoists are not necessarily being directed by Sukarno to approach the Americans, their needs and strategy for the moment coincide with his.

90. Memorandum From the Deputy Assistant Secretary of State for Far Eastern Affairs (Green) to the Assistant Secretary of State for Far Eastern Affairs (Bundy)¹

Washington, December 2, 1964.

SUBJECT

Conclusions Emerging from my talks with Mr. Peck, Undersecretary for Far Eastern Affairs, at the UK Foreign Office, November 27, 1964

During the course of an hour's talk with Mr. Peck November 27 in his office regarding the Indo-Malaysian confrontation, I drew generously on points developed in Mr. Cuthell's memo to me of November 25 and his talking points of November 23² for your conversations with Australian Foreign Minister Hasluck. In essence, I suggested that there was merit in the UK entering into discussions with the GOI as soon as appropriate looking to negotiations over the Malaysian issue. Set out below are my conclusions as to the British position on this issue, based on my talks with Peck.

1. There is no prospect that the UK will be willing or politically able to agree to resume talks with the GOI as long as Indonesia continues to introduce new troops into the conflict. (This confirms views expressed in Deptel 502 to Djakarta).³ Several factors bear on British thinking:

(a) There is at present no real evidence of Sukarno's willingness to call off the confrontation.

(b) The UK believes that Sukarno is just beginning to feel the pinch of a more resolute UK and US posture. Let him really feel the squeeze, together with the costs and risks involved, and maybe (but only maybe) he will then be genuinely inclined to negotiate on acceptable terms.

(c) Meanwhile, the UK does not feel it prohibitively expensive to resist the Indonesian confrontation. Besides, the situation in Kalimantan is unlikely to escalate and the Malaysian mainland incursions are so ineffective as to contribute to the GOM's rising self-confidence. The GOI is likely to suffer more from the confrontation than the UK/GOM.

2. The UK feels that any talks on the confrontation issue should be principally between the GOI and GOM and that the UK should not play into the hands of Sukarno who is trying to create the impression that Indonesia's opponent in this confrontation is a non-Asian ex-

¹ Source: National Archives and Records Administration, RG 59, Central Files 1964-66, POL 32-1 INDON-MALAYSIA. Secret. Copies were sent to Rostow, Jordan, and Cuthell. A note on the memorandum indicates that Bundy saw it.

² Neither found.

³ See footnote 6, Document 88.

colonial state. Furthermore, the UK recognizes GOM sensitivities over any hint of a GOI-UK deal behind Malaysia's back.

3. While the UK is not disposed to take any initiative at this stage with regard to talks or negotiations, it will keep lines of communication open and give due attention to overtures from the GOI side. Peck considers that the appropriate channel of communication is in Djakarta and he questions the reliability of feelers elsewhere and the utility of trying to conduct talks elsewhere (such as in Bangkok, as suggested in London's 2553 to the Department).⁴

4. Peck did not say so, but I gained the impression that if a month were to go by without any new landings on the Malaysian mainland or without any increase in the scale of Kalimantan incursions, there might be a basis for starting down the road of talks and negotiations. I believe that, to have any real chance of success, such a lifting of the intensity of the confrontation would have to be decided and acted upon quietly and unilaterally by the GOI. Its completed performance might set the stage. However, there is no guarantee that even then the USG and GOM would be willing to move to negotiations.

5. Peck seemed skeptical re the thesis (developed in Djakarta's 962 to the Department)⁵ that negotiations are now an urgent necessity in view of the danger that the PKI-Subandrio group would try to stir up the confrontation in order to submerge the nascent "Sukarnoist" movement in a wave of nationalistic frenzy. He did not argue against the possibility of this happening but he was deeply suspicious of Saleh and perhaps others among the Sukarnoists. Moreover, he saw no basis on which now to open negotiations with the GOI. Both the UK and GOM could not and would not concede on basic principles.

Comment

I see no point and considerable hazard in pushing the British on this issue—at least at this time. It is up to the Indonesians to take some tangible move to create the atmosphere and confidence necessary for beginning talks looking to negotiations. To enter into such talks prematurely is almost certain to lead to developments which tend to inflame rather than tranquilize the situation. Even to appear at this juncture to be too eager to start negotiations runs the clear risk of being misread by Sukarno.

This is not a question of our deferring to the British position in Malaysia in return for their understanding and support of our positions in Laos and Viet-Nam. It is a question of doing what is best in pursuing

⁴ Dated November 25. (National Archives and Records Administration, RG 59, Central Files 1964-66, POL 1 INDON-UK)

⁵ Document 88.

our own interests in Indo-Malaysia. It so happens that the UK and US interests there and in Southeast Asia generally are the same.

Obviously there is great advantage in quiet coordinated US and UK policies in the confrontation issue. The time may arise over the next few months when we believe the British should press forward with talks looking to negotiations, but when the British will be reluctant to do so. If meanwhile we develop the closest rapport with the British on this issue, showing understanding and forbearance, then our chances of influencing the British position when the time is ripe will be enhanced.

91. Telegram From the Department of State to the Embassy in Indonesia¹

Washington, December 9, 1964, 6:25 p.m.

531. Djakarta's 1074.² Fully endorse your efforts see Sukarno soonest re attacks on USIS installations. When you see him, should make clear you speaking under instructions.

You will, of course, be insisting that GOI take immediate steps insure full protection all USG establishments in Indo. You should emphasize our shock that GOI, rather than taking essential measures calm situation, has instead made official statements which can only be read as condoning mob action and inciting further violence. You should cite specifically Dec 5 Foreign Dept statement (Djakarta's 1060).³ You should recall that we have received repeated assurances from Sukarno and other responsible Indo leaders that USG properties would be protected, yet Surabaya library has now been arbitrarily closed by Indo authorities and you prevented from traveling Surabaya by alleged inability GOI control situation. Restating line you took with Leimena, you might

¹ Source: National Archives and Records Administration, RG 59, Central Files 1964-66, POL 23-8 INDON. Confidential; Immediate. Drafted by Ingraham, cleared by Cuthell, and approved by Bundy. Repeated to Manila and USUN for Cunningham.

² In telegram 1074 from Djakarta, December 9, Jones reported that he was advised by Indonesian police not to visit the USIS Library in Surabaya, which was damaged by demonstrators on December 7. Jones was advised that his presence would incite further demonstrations. Returning to his office, Jones received word that USIS operations in Surabaya were closed by local authorities to maintain law and order and to protect the facilities. Jones reported that he had requested to see Sukarno urgently. (Ibid.)

³ In telegram 1060, December 5, the Embassy reported that the Foreign Ministry stated that it "fully understands the anger of the youth which caused them to make the demonstrations." (Ibid.)

wish raise question whether we are to conclude from this that GOI unable maintain internal order.

You should also emphasize that, quite apart from damage done relations between our govts, these attacks and GOI failure publicly disown them are creating strong and growing resentment among US public. In this connection, suggest you stress insult to US flag, noting that US public no less aroused by such despicable acts than Indos would be under similar circumstances.

To extent possible, we believe discussion should be confined primarily to incidents themselves and to serious impact these and other recent Indo actions are having on US-Indo relations. See no advantage in permitting Sukarno divert discussion into review positions in Indo-Malaysia dispute at this time.⁴

Rusk

⁴ In telegram 1098 from Djakarta, December 11, Jones reported that he spoke with the "rare phenomenon of a somewhat defensive Sukarno" who expressed regrets for the attacks, promised compensation, stated that he did not condone such acts, and pledged to protect U.S. installations in the future. (Ibid.)

92. Memorandum of Conversation¹

SecDel/MC/50

New York, December 11, 1964, 10 a.m.

SECRETARY'S DELEGATION TO THE NINETEENTH SESSION OF
THE UNITED NATIONS GENERAL ASSEMBLY
New York, December 1964

SUBJECTS

President Sukarno's Health
US-Indonesian Relations
Malaysia
New US Ambassador to Djakarta

¹ Source: National Archives and Records Administration, RG 59, Central Files 1964-66, POL 15-1 INDON. Confidential. Drafted by Toussaint and approved in S on January 7. This was Part I of III. The other memoranda of conversation, which were attached, were about UN financing and peacekeeping and Indonesia's economy.

PARTICIPANTS

U.S.

The Secretary
Donald R. Toussaint, USUN

Indonesia

Deputy PriMin Subandrio
Ambassador Zairin Zain (Indonesian
Ambassador to the United
States)

President Sukarno's Health

The Secretary began the meeting by asking about President Sukarno's health. Deputy PriMin Subandrio said that an X-ray taken in Vienna some months ago had revealed there was a stone in President Sukarno's right kidney. Inasmuch as his other kidney is already affected, Subandrio said, the X-ray had given rise to real concern. Subsequent examination, however, had shown that the second kidney stone was not serious. As a result, the concern over President Sukarno's health had in general disappeared.

U.S.-Indonesian Relations

The Secretary broached the subject of U.S.-Indonesian relations by commenting that "we have been having difficulties lately." The Secretary said he understood President Sukarno had expressed to Ambassador Jones regrets over the damage caused by demonstrations at USIS facilities in Djakarta and Surabaya recently and had promised the Indonesian Government would make adequate compensation for the damages. Although appreciating President Sukarno's statement to Ambassador Jones, the Secretary continued, it must be recognized that the general effect of such incidents is most unfortunate, for they hamper efforts to improve U.S.-Indonesian relations. The U.S. feels very strongly, the Secretary said, that steps should be taken to prevent incidents of this nature in the future. Subandrio, in reply, laughingly but apparently seriously expressed the hope that Indonesian facilities in Washington would not receive "reciprocal treatment."

When the Secretary asked what was uppermost in Subandrio's mind concerning U.S.-Indonesian relations, Subandrio said it must be admitted that U.S.-Indonesian relations are indeed at a very low level. Nevertheless, he said, he had not lost hope they could be prevented from further deterioration; he felt there was a possibility they could even be improved. Subandrio then went on to note, however, that there is among the Indonesian public great pressure for terminating all U.S. information activities in Indonesia. Such a course, he said, was not favored by President Sukarno.

The Secretary replied in a general way that relations between any two countries tend to develop on a basis of reciprocity, that their improvement or deterioration depends on the actions of both sides.

Malaysia

The Secretary broached the subject of Malaysia by commenting that the U.S. does not fully understand what Indonesia wishes to achieve in the dispute concerning Malaysia. Subandrio said that President Sukarno had already agreed to a formula for a solution in Tokyo. One advantage of the Tokyo formula is its "face saving" character—that is, it would permit a solution which stemmed not from Western pressure but, rather, from recommendations made by an Afro-Asian group. The Indonesian Government, Subandrio said, still stands by its adherence to the formula worked out in Tokyo.

Subandrio said he believes there is still a possibility for a solution of the Malaysian dispute, although he admitted he saw no prospect of an immediate solution. He commented that the political climate was more favorable now than it was six months ago, suggesting that the new UK Government might be "less inhibited" from finding a solution than the previous UK Government. He said he still wishes to undertake talks with the new British Foreign Minister, Patrick Gordon Walker, and indicated the possibility of such talks was one reason for his present trip.²

The Secretary said it was his impression that the atmosphere in London is now "somewhat different." He went on to emphasize, however, that both the British and the Malaysians feel it is impossible for the political process of negotiations to begin functioning as long as Indonesian raids and incursions against Malaysian territory continue. The Secretary then asked for Subandrio's views as to the chances for a period of quiet during which such raids and incursions would cease. Subandrio replied, somewhat evasively, that such a period of quiet would be possible if there were indications that all sides are willing to find a solution and if all sides proved willing to tone down their provocations. In this respect, Subandrio specifically referred to broadcasts beamed to Indonesia by Radio Malaysia.

After a brief discussion of the economic situation in Indonesia (see Part III), the Secretary said he could see no reason for not arriving at a quick, peaceful solution of the dispute. The U.S., he said, wants such a solution, for if confrontation were to grow into a serious armed clash, the result could not but be costly and unfortunate for all concerned. At this stage, the Secretary said, the most important thing is the future of Indonesian raids and incursions. He went on to express the hope that some informal way could be found to terminate such incidents. In this way, it

² In telegram Secto 34 to London, December 11, Rusk summarized this portion of his talk with Subandrio for Ambassador Bruce. Rusk stated that he thought Gordon Walker would wish to know that Subandrio was making himself available in Europe and would be interested in talking with Gordon Walker. (Ibid., POL 32-1 INDON-MALAYSIA)

might be possible to bring into operation the political process of negotiations, such as the four-nation Afro-Asian group agreed to in Tokyo. The Secretary went on to say that the U.S. does not like to envisage the prospect of the chain reaction which could develop from the fact that Malaysia has allies which, in turn, are allied to the U.S.

The Secretary asked Subandrio what he envisaged as the next step toward a solution of the dispute, and specifically, whether there is any other nation, such as Thailand or Japan, which could be of real assistance in finding a solution. Subandrio replied that any steps toward a solution must use the Tokyo agreement as a basis. He then suggested that it is now up to the UK to take some initiative. In his view, Subandrio stated, there are no insurmountable obstacles to a solution. He went on to emphasize that President Sukarno has been "very easy" in the past and would continue to be so in the future provided the proper "psychological atmosphere" can be created.

When the Secretary asked whether the Indonesians had had any serious contact with the Malaysian Government, or whether Subandrio planned to talk with the British Permanent Representative, Lord Caradon, in New York, Subandrio replied in the negative. He said there had been private discussions with Singapore businessmen concerning possible solutions of the Malaysian problem, but that there had been no official contacts with the Malaysian Government.

New U.S. Ambassador

When escorting Subandrio to the elevator, the Secretary noted that Ambassador Jones had resigned at his own request, entirely for personal reasons. The Secretary went on to say that he hoped we would soon be able to give the Indonesian Government definite news of Ambassador Jones' successor.

93. **Telegram From the Embassy in Indonesia to the Department of State¹**

Djakarta, December 15, 1964, 5:45 p.m.

1119. Malaysia-Indonesia Dispute (Part I). This message in two parts. My analysis of current state of dispute and justification for USG

¹Source: National Archives and Records Administration, RG 59, Central Files 1964-66, POL 32-1 INDON-MALAYSIA. Secret; Priority. Repeated to Bangkok, Canberra, Kuala Lumpur, London, Manila, Singapore, Tokyo, Wellington, USUN, and CINCPAC for POLAD.

initiative are set forth below. Following telegram presents specific recommendations.

Analysis:

Efforts to settle Malaysia dispute have been on dead center for months. Result has been a continuing deterioration in US-Indonesian relations, increasing danger of escalation of military conflict, strengthening of PKI within Indonesia, and ever tighter Indo bonds with Asian Communist regimes. Importance of settlement increases with each passing day if effective support is to be given to anti-Communist movement within Indonesia and if we are to maneuver Sukarno into position in which he has no recourse but to accept some kind of peaceful settlement.

Dept has made clear and I agree that sine qua non preceding talks is de facto cessation of hostilities. I continue to believe that four-power AA Commission (AACC) is most likely instrument—indeed perhaps only one ready to hand—through which settlement can be effected. Sukarno, having pledged himself to accept commission's recommendations, avoids necessity of selling to his people (or to PKI) any particular formula and can accept through this mechanism solution that he could not afford to support directly.

Objections to AACC have been brought up by Brits on ground that Sukarno would always be able to exert sufficient pressure upon his own nominee (Pakistan at moment seems likeliest selection) so that no proposal to which he objected could be adopted. My own view is that through diplomatic channels we could determine other three members so that from GOM standpoint cards would be stacked in its favor. (If successful in earlier steps I am proposing in following telegram, I would also hope we might help AACC find acceptable formula, e.g. [garble] plebiscite.) In any event, if Sukarno is bluffing, which I doubt because I think it is in his own interest to achieve some kind of drawback, I believe it is time we called his bluff. If we do not, he will always be able to exploit his position with many as having gone last mile in order to achieve peaceful settlement.

In our view, internal developments as described in recent reporting and state of Sukarno's health are strong pressures on President to find way out of militant confrontation.

I hear much from UK sources to effect: "We've got Sukarno on the run. This is no time to talk settlement." This neglects consideration of Sukarno's character and fierce national pride of other Indo leaders. He will never accept humiliation and in present impasse there is real danger he will turn to whatever alternatives are available, regardless how desperate they may be. There no need to outline these self-evident alternatives. Any of them would inevitably bring about further US

military involvement in SEAsia, further deterioration of relations with Indonesia, and further likelihood of GOI control by PKI, with all of its larger implications for USG position in this area.

Jones

94. **Telegram From the Embassy in Indonesia to the Department of State¹**

Djakarta, December 15, 1964, 6:15 p.m.

1120. Embtel 1119.² Malaysia-Indonesia Dispute (Part II).

Recommendations:

For almost two months we have been holding back, hoping for fruitful results from anticipated direct discussions between UK and GOI, but combination of British reluctance and tentative nature Indo overtures has resulted in exactly nothing thus far. It seems to me that further delay simply plays into hands of those elements in Indonesia who do not want a solution to this dispute and increases danger escalation. Problem then is how to get Sukarno to call off his dogs.

In Embtel 646 we suggested a scenario for dealing with composition of the 4-power commission which has received general Dept approval in principle and endorsement of Embassies Manila and Kuala Lumpur but no steps have as yet been taken to implement it.³ In order to bridge essential first stage of placing parties in contact and halting Indo hostilities, I have another suggestion which may be worth a trial. I would suggest we put this into effect immediately if any talks which may be held between HMG officials and Subandrio during latter's current trip do not produce prompt and specific results. My suggestion is essentially an elaboration of Dept's point no. one in Deptel 502 (rptd

¹ Source: National Archives and Records Administration, RG 59, Central Files 1964-66, POL 32-1 INDON-MALAYSIA. Secret; Priority. Repeated to Bangkok, Canberra, CINCPAC for POLAD, Kuala Lumpur, London, Manila, Singapore, Tokyo, USUN, and Wellington.

² Document 93.

³ In telegram 646 from Djakarta, October 2, Jones suggested that after abatement of military hostilities and considerable diplomatic spade work, the AACC should be constituted with Thailand (the Philippine's candidate), Pakistan (Sukarno's candidate) and Malagasy Republic (a potential candidate for Malaysia) with Japan named as the fourth member. (National Archives and Records Administration, RG 59, Central Files 1964-66, POL 32-1 INDON-MALAYSIA)

KL 454 and London 3503),⁴ but requires that Amb Bell and I get into this actively somewhat as follows:

Step 1: I go to Sukarno and endeavor to obtain agreement to make unpublicized halt in further guerrilla raids, incursions, sabotage, etc., for period three (3) weeks as earnest of GOI's good intentions.⁵ Simple plea on my part would be redundant and probably useless. I propose that I seek his commitment in return for promise of active display of American interest in promoting settlement at end of three week period.

It seems to me scenario along following lines would have best chance of success. I would tell Sukarno that I not acting under instructions but that I believe USG would be willing assist in bringing contesting parties together if it clear GOI really wants to negotiate. I would point out fact HMG and GOM appear to doubt that he wishes end military action. Thus I believe it essential he demonstrate his serious intentions by halting all military action for a period of three (3) weeks. I would tell him that if this is done I believe my government would agree to assist in efforts to move dispute to conference table. I would then outline briefly steps described below. Ask President whether he believes idea has merit, and seek determine whether he interested in putting into effect three (3) week moratorium to see if plan can be carried out.

I would point out that actual performance and not just promise was essential as any default would inevitably become known to GOM/HMG and thus poison prospect for success. In addition, cessation of hostilities would be expected to continue during period active discussions taking place in capitals concerned.

Step 2: If Sukarno forthcoming, inform HMG and GOM of Sukarno's commitment and importance taking constructive attitude to see if he is bluffing. Also express reassurances that any USG initiative will be taken only when Sukarno's performance on promise is evident and that our efforts designed solely to get parties together, not to take sides in dispute. Throughout, I believe fact of cease-fire must be kept secret (we should have no difficulty measuring actual performance), for if GOM publicly reveals such a commitment in advance of more basic political understandings, Sukarno will almost certainly repudiate whole thing and charge Tunku with insincerity.

⁴ See footnote 6, Document 88.

⁵ In telegram 726 from Kuala Lumpur, December 16, Bell stated he did not think that the Malaysians would be willing to act on the basis of a 3-week cessation of hostilities. Bell recommended trying to obtain an open-ended commitment from Sukarno for cessation. (National Archives and Records Administration, RG 59, Central Files 1964-66, POL 32-1 INDON-MALAYSIA) In telegram 1135 from Djakarta, December 17, Jones stated that he did not intend to imply that hostilities would be permitted to resume after 3 weeks, but he was sure that he could not convince Sukarno to give an open pledge. (Ibid.)

Step 3: If cessation of hostilities effective, I would proceed to Kuala Lumpur to confer with Amb Bell and discuss situation with such GOM authorities as Bell deems appropriate. (I am of course well acquainted with many GOM personalities from earlier years and would hope that announcement of my intention to resign will have removed to considerable degree whatever stigma of partisanship GOM leaders might have attached to me.) Frank discussion of internal Indo developments and attitudes might be useful in convincing GOM leadership that it in our common interest to engage Indos in negotiations as means avoiding escalation, buying time, and inhibiting PKI. I would be able to argue that Sukarno's adherence to moratorium on hostilities justified positive Malaysian participation in attempt to reopen political dialogue and search for appropriate mechanism or formula which could remove some of dangers inherent in present military phase of Indo confrontation.

Step 4: Amb Bell and I proceed together to Djakarta for discussions with Sukarno and Subandrio in effort nail down whatever understanding may have been reached with GOM, whether it involves initiation of direct GOI-GOM contacts, implementation of AACC concept, or some other suggestion.

In conclusion, I wish to say that in suggesting Dept use Bell and me to connect wires between KL and Djakarta, I do so recognizing that this is thankless task and that I would welcome any alternative Dept or Amb Bell may have to suggest. Main point is that I consider it vital to get something underway soonest. Time, as I have said before, is not on our side.

Jones

95. Telegram From the Embassy in Malaysia to the Department of State¹

Kuala Lumpur, December 17, 1964, 5:45 p.m.

731. Embtel 726 to Dept.² There seems to be agreement that we should leave no avenue unexplored in effort take heat out of dispute and that we should make this effort in interest of (1) keeping Indonesia out of Communist arms, (2) trying avoid expansion our defense burdens in Southeast Asia, and (3) lifting confrontation pressures from Malaysia.

In addition views expressed reftel Dept may wish consider following additional points in determining nature and extent any US initiative:

1. Regardless of its nature Indos may interpret our initiative as sign of weakening determination and take it as proof that their strategy of applying military pressure to force Malaysians to negotiate is working. If this is their interpretation, atmosphere for negotiation unlikely be favorable. Malaysians and/or British would be at disadvantage from start.

2. Apparently underlying Amb Jones proposal is assumption that Malaysia-Indonesia dispute is source of worsening US-Indonesia relations. Corollary this assumption is that our intervention to promote settlement of dispute would lead to improvement our relations with Indonesia. I think we should consider alternative analysis that dispute not root cause our difficulties but rather a noteworthy reminder that US-Indonesian relations have been in long term declining trend for some time. If this be so (and Dept assessment of few months ago seems suggest Dept thinking in these terms), our support of Malaysia may simply have called attention to this trend somewhat sooner than might otherwise have been case.

3. In this regard it is possible that our difficulties with Indonesia stem basically from deliberate, positive GOI strategy of seeking to push Britain and the US out of Southeast Asia. If this is case, growing Indonesian alignment with Communist countries should be seen as outgrowth such strategy rather than as result of frustration over unsuccessful confrontation against Malaysia. Current intelligence reports, especially those covering Chen Yi's recent visit to Indonesia, suggest that GOI policy of at least tacit collaboration with ChiComs in SEA policy may indeed be of Indos own choosing. If this is situation, we should ask ourselves whether proposed new initiative in Malaysia-Indonesia dispute truly offers hope of thwarting rise of Communist influence over or in Indone-

¹ Source: National Archives and Records Administration, RG 59, Central Files 1964-66, POL 32-1 INDON-MALAYSIA. Secret; Priority. Repeated to Bangkok, Canberra, CINCPAC, Djakarta, Kuching, London, Manila, Singapore, Tokyo, and Wellington.

² See footnote 5, Document 94.

sia, or whether it will merely encourage Indo belligerence while sapping morale of Malaysians and perhaps of other SEA countries. (Believe this view held by both UK and Australia.) Way we handle new intervention should be shaped in light our whole range of objectives in Southeast Asia. What we are up against now is problem of reconciling our objectives towards Malaysia, Indonesia and SEA as a whole. While it is extremely important to do what we can to rescue situation in Indonesia, it also important to ensure viability Malaysia and continued ability British to play their vital security role in this region.

Bell

96. Telegram From the Department of State to the Embassy in Indonesia¹

Washington, December 18, 1964, 8:18 p.m.

554. Djakarta's 1144 (Notal).² Dept shares your concern over worsening situation in Indo and concurs your proposal for full review with Sukarno when you see him Dec 19.

We not optimistic that any initiative open to us at this stage will be sufficient induce Sukarno to ease confrontation or even refrain from further moves against US interests in Indo. Conceivable, although doubtful, that combination adroit handling and pressure of events could make him trim his sails at this point. In any event, we agree every effort must be made. We believe, however, that points made in Kuala Lumpur's 731³ are valid. Sukarno will certainly attempt exploit any initiative on our part and will do his best interpret it as sign other side is weakening.

¹ Source: National Archives and Records Administration, RG 59, Central Files 1964-66, POL INDON-US. Secret. Drafted by Ingraham, cleared by Rusk, Harriman, Green, and McGeorge Bundy, and approved by William Bundy. Repeated to Kuala Lumpur, London, and Canberra.

² In telegram 1144 from Djakarta, December 18, Jones reported that he planned to see Sukarno over the weekend for a frank discussion with him to avoid a chain of events which could result in "virtual elimination of US from Indon scene." (Ibid.) To prevent this eventuality, Jones wanted a personal message from President Johnson to Sukarno, an offer of the use of Walter Reed Hospital for treatment of Sukarno's illness, an invitation for Sukarno to come to Washington in the spring of 1965 for a working visit with the President, and a statement of U.S. willingness to assist in the Malaysia dispute along the lines of Document 94.

³ Document 95.

One thing we must avoid is commitment to Sukarno (or proposal he would twist into commitment) which we cannot fulfill. We would also have to consult Malaysians and British before undertaking any explicit move aimed at reopening negotiations. Malaysians and British almost certain reject out of hand any formula that would require them start substantive talks with Indos in return for moratorium on incursions limited to specific time period. Open-ended moratorium would probably be salable without further conditions (i.e., academic insistence on withdrawals) but we cannot guarantee this or give Sukarno grounds for claiming our guarantee. Following approach has not been discussed with British or Australians and we would not propose do so until Sukarno response known.

When you see Sukarno, you should proceed along following lines:

1. Tell him you have been instructed to convey following personal message from President:

a. President has noted with concern recent reports regarding Sukarno's health. He extends his best wishes for speedy full recovery and hopes current difficulties will in no way impair Sukarno's continued leadership Indo people. If Sukarno and his doctors believe it would be helpful, President would be pleased provide services of appropriate US medical specialist to travel Indo to assist in diagnosis. FYI. You should take no initiative in offering US medical facilities. For various reasons, including responsibility for life of such a sick national leader, we prefer that Sukarno not come US for treatment. If specialist visits Indonesia, he will be similarly instructed. If Sukarno raises matter, however, you should respond that you would be happy inform USG of his interest and are confident USG would do whatever it could to be of help. End FYI.

b. President is concerned over present state US-Indo relations and is anxious reverse unfortunate trend of past few months. He understands Sukarno is considering visit to New York World Fair next spring. If so, and if conditions otherwise appropriate, this would provide excellent opportunity for friendly review our mutual problems. Sukarno might consider visit at time official Fair re-opening in order officiate at opening Indo pavilion. Following that, President would be happy welcome him to Washington for informal talks, subject to unforeseen circumstances which might affect schedule of either one.⁴

⁴ In a memorandum to McGeorge Bundy, December 18, William Bundy stated that he had in mind for Sukarno "nothing more than a noon call followed by a small luncheon. This would fit the kind of courtesy we would show any head of state who turned up for the World's Fair." William Bundy continued that "our medical reports make it sound at best 50-50 that Sukarno will be around then," still Bundy thought an offer of a visit could have a favorable effect for the present. (Johnson Library, National Security File, Country File, Indonesia, Vol. III, Memos, 9/64-2/65, [2 of 2])

2. In regard to Indonesia-Malaysia dispute, you should tell Sukarno (stating you doing so on instruction if you believe this useful) that we continue to be more than willing to assist Sukarno in finding honorable solution to the problem which exists between him and Malaysia. In our opinion, what is preventing negotiated solution at this point is fact that continuation hostile actions by Indonesia against Malaysia has led GOM, HMG, GOA to believe that, despite public protestations to contrary, Indonesia does not really want to settle the problem. We feel that if Sukarno would quietly cut off hostile action a new atmosphere would be created in which hopefully we would be able to work effectively to encourage negotiations. We cannot estimate how long this would take, but would watch situation closely and plan to keep in touch with Sukarno on it. You should emphasize, however, that we are simply unable to encourage anyone negotiate in this situation under present circumstances.⁵

Ball

⁵ In telegram 1182 from Djakarta, December 24, Jones reported that he had a 1½ hour private talk with Sukarno that provided a full opportunity to discuss problems. The President's message and the offer of trip to Washington was "most helpful in establishing favorable atmosphere." (National Archives and Records Administration, RG 59, Central Files 1964-66, POL 15-1 INDON)

97. Memorandum From James C. Thomson, Jr., of the National Security Council Staff to the President's Special Assistant for National Security Affairs (Bundy)¹

Washington, December 28, 1964.

SUBJECT

Replacement for Howard Jones in Indonesia

It seems to me that Sukarno's plea in Djakarta's 1183² requires a speedy Presidential response. I assume you may want to discuss this at the Ranch tomorrow. Here are two possible courses of action.

¹ Source: Johnson Library, National Security File, Country File, Indonesia, Vol. III, Memos, 9/64-2/65, [2 of 2]. Secret.

² In telegram 1183 from Djakarta, December 24, Jones reported that at the conclusion of his conversation with Sukarno, the Indonesian President asked if Jones' tour of duty could be extended for 2 years as Sukarno "found it difficult to think of doing business with anyone else." (National Archives and Records Administration, RG 59, Central Files 1964-66, POL INDON-US)

A. If, as you suggested, the President is having second thoughts at letting Howard go, my own preference would be for us to be moderately forthcoming in the following manner:

1) The President should inform Sukarno, by letter, that he has checked with Jones and the East-West Center and has arranged a six-month delay in Jones' retirement.

2) He should express his deep concern over the state of U.S.-Indonesia relations and his hope that we can use Howard's final six months as a period in which to reverse the present deteriorating trend. Despite our desire for better relations, however, things simply cannot improve so long as the Indos pursue confrontation through raids against Malaysia. We cannot be helpful while aggression continues in any form; in the absence of aggression, we stand ready to be of assistance, etc.

(*Rationale:* There is no point in ridding ourselves of an asset like Jones at a critical time in Indonesia's internal development when Sukarno may well disappear from the scene. Howard knows all the rival leaders; he is also one of the few non-Marxists who still has regular access to Sukarno. There is also no point in turning down Sukarno's personal request at a time when we haven't yet found the ideal replacement.)

B. If, in the President's judgment, Howard should still move out on schedule, I would urge that a speedy decision be reached on his successor—and communicated through a conciliatory personal letter from the President in response to the present plea. I do not believe that Beam is the right man for the stormy period ahead. Ideally we need a man of warmth, vitality, and shrewd political sense, fast on his feet, with a personal tie to the President.

The following names are the unrefined product of my Christmas ruminations:

a) If we choose someone from inside the Service:

Henry A. Byroade (now Ambassador to Burma). Byroade's assets are a West Point background, extensive service in the Far East, a stint as NEA assistant secretary, good political instincts, an engaging personality. He struck it off extremely well with Nasser in 1955-6 (too well for Foster Dulles, as you will recall). He has been sitting on his hands in Rangoon. He lacks the Presidential tie.

b) If we choose an outsider:

Franklin D. Roosevelt, Jr.
Abram Chayes
Pierre Salinger
Eugene V. Rostow

(In two of these cases, Indonesia's Islamic cast should be borne in mind; not an insuperable obstacle.)

Jim

98. Telegram From the Department of State to the Mission to the United Nations¹

Washington, January 15, 1965, 6:50 p.m.

1786. Ref: NY 2546.² Following summary available intelligence Indonesian military buildup against Malaysia compiled in INR transmitted for your info and background use.

1. *Indonesian Military Buildup Against Malaysia*

Over past four months Indonesia has committed considerable numbers regular military forces to the anti-Malaysia campaign. Large scale reinforcement currently underway in Indonesian Borneo, and, since mid-December, raids against mainland Malaysia have increased.

2. *Assault on Mainland Malaysia.* The Indonesian military has apparently formulated a plan for an amphibious assault on mainland Malaysia. The plan has reportedly been designed as a response should there be a British/Malaysian attack on Indonesian bases used in the infiltration effort. Reinforcements have been sent to Central Sumatra which may be destined for use in such operation, but no indications it actively preparing for such assault.

3. Indonesian capability undertake major effort against mainland Malaysia severely limited by lack sufficient continuing air cover, overall shortage transport, and extremely difficult logistic and supply problems. Difficulties encountered during early December joint services maneuvers, which included amphibious landing, probably made military and naval leaders aware Indonesian deficiencies in such operation.

4. *Activities Against Mainland Malaysia.* Since mid-December Indonesian bases opposite Singapore and mainland Malaysia have concen-

¹ Source: National Archives and Records Administration, RG 59, Central Files 1964-66, POL 32-1 INDON-MALAYSIA. Secret; No Foreign Dissem. Drafted by Howard M. Federspiel of the Office of Research and Analysis for Far East, Southeast Asia Division, INR; cleared by Allen S. Whiting, Director of that Office, Cuthell, Louise McNutt (UN adviser in FE), William G. Jones, Deputy Director, Office of UN Political Affairs, IO; in substance by Clyde W. Snider of the Coordination Staff, INR; cleared in substance with Thomas M. Judd, Officer-in-Charge, United Kingdom Affairs, and Richard W. Petree, Officer-in-Charge of Japanese Affairs. Pouched to Djakarta, Kuala Lumpur, Manila, London, Canberra, and Tokyo.

² In telegram 2546 from USUN, January 8, the Mission requested information on the recent Indonesian military buildup along the Indonesian-Malaysian border and British Commonwealth measures to counter it. (Ibid.)

trated on infiltrating teams, varying from six to forty men, at various points along the western coast concentrating on Johore State. Several hundred persons, including Indonesian civilian volunteers, defectors from Malaysia, and large number of volunteers from regular Indonesian military and police units, located at these bases and available for infiltration. Since December 15, over a hundred persons have been infiltrated. All have been apprehended or killed by Malaysian security forces within days after they landed. We estimate raids of same magnitude will probably continue through January.

5. *Indonesian Buildup in Kalimantan.* At end December Indonesia reportedly intended increase its forces in Western Indonesian Kalimantan by three brigades. Component units from first brigade have already arrived. After reinforcements completed, probably mid-February, Indonesian forces estimated to number at least 12,500—an increase of at least 10,000 since November. Reinforcements apparently also planned in Eastern Indonesian Borneo although probably not on same magnitude as buildup western Kalimantan.

6. These forces will probably be used to infiltrate large teams in attempt gain control small pockets in Malaysian Borneo, possibly as basis for de facto recognition of a rebel government. Size of buildup suggests considerably larger infiltration attempt than a year ago when infiltration of up to 800 troops and volunteers created serious security problem in Sabah and Sarawak. While possibility of conventional attack against limited target cannot be entirely dismissed, problem of sustained air cover, supply difficulties, and certainly British retaliation would probably convince Indonesian military leaders not to follow such course. However, they may believe that infiltration of large units, possibly up to company size, would not prompt British counterstrike against Indonesian territory, and yet would be large enough to ensure capture and retention of territory.

7. Borneo operations probably still in planning stage, and probably will not occur until all reinforcements have been completed, possibly mid-February or early March.

8. *British Malaysian Countermeasures.* Over 60,000 army, navy and air force personnel are assigned to the British Far Eastern Command; overwhelming bulk committed to Malaysian theater of operations. This includes a reinforcement—now underway—of approximately 1,300 troops announced as part of a countermove against the Indonesian buildup in Indonesian Kalimantan. Malaysian armed forces number approximately 35,000 which, with units from Australia and New Zealand, brings Commonwealth strength to over 95,000.

Parallel with the buildup of troop strength, the Malaysian Government has imposed series security regulations which are designed to detect Indonesian infiltrations. In addition to regular air, naval and

land patrols these include curfews in coastal areas, prohibition on the movement of all boats at night in vulnerable areas, and organization of populace into vigilante groups to guard coast and strategic points and report movements of strangers.

These efforts have been uniformly successful in Singapore and mainland Malaysia. A number infiltration attempts have been stopped on beaches, and in some cases infiltrators have been picked up while still in boats.

In Borneo, with long land border, sparsely populated frontier, and jungle terrain, Indonesia's capability infiltrate raiders has always been greater than against mainland Malaysia. In the past Malaysian/British force have not been directed against initial infiltrations but have concentrated on elimination of raiders after they entered Malaysian territory.

USUN. USUN may draw upon paragraphs 1, 4, 5 and 7 in oral briefing Rolz-Bennett.³ UK Embassy Washington has concurred in passing this info to Secretariat, but Mission requested advise Rolz-Bennett info being made available in strictest confidence. Dept reluctant pass information re Malaysian/Commonwealth countermeasures when information readily available UN Secretariat from Malaysian and UK missions.

Rusk

³ José Rolz-Bennett, Under Secretary for Special Political Affairs, UN Secretariat.

99. Memorandum From James C. Thomson, Jr., of the National Security Council Staff to the President's Special Assistant for National Security Affairs (Bundy)¹

Washington, January 16, 1965.

SUBJECT

The Sukarno Problem

Cooper and I had a lengthy session with Dave Cuthell of State Friday² on possible actions we might take in response to Djakarta's 1358.³

State's preliminary view is that the situation is not quite as bad as Jones suggests; that it would be very risky to expend all our capital in a Presidential meeting with Sukarno outside the country (which would be used by Sukarno to push his self-image as the paramount leader of the Afro-Asian world); and that in any event such a meeting would treat only a symptom of the disease and not the disease itself.

Nonetheless, we are persuaded that a two-stage initiative might make good sense at this juncture: a brief trip by the Vice President to Manila, Kuala Lumpur and Djakarta sometime before mid-February (with Djakarta the focal point); and, if this first step brings any results, a meeting between the President and Sukarno in Hawaii sometime in April or May.

We believe that the situation *does* call for an early exercise in personal diplomacy, short of the Presidential level. If approved, a Humphrey visit should take place well before the Algiers conference, now scheduled for sometime in March—a conference at which Indonesia will certainly behave very badly. Judging by past experience, the Indos shape up rather well in anticipation of visits from our top brass. This

¹ Source: Johnson Library, National Security File, Country File, Indonesia, Vol. III, Memos, 9/64-2/65, [2 of 2]. Secret.

² January 15.

³ In telegram 1358 from Djakarta, January 15, Jones recommended that in view of the deterioration in U.S.-Indonesia relations President Johnson invite Sukarno to meet with him in Washington. (National Archives and Records Administration, RG 59, Central Files 1964-66, POL 2 INDON) In a January 17 memorandum to the President entitled "Weekend Developments of Interest," McGeorge Bundy stated that "the cable [1358 from Djakarta] is interesting, but not wholly persuasive. Our preliminary judgment is that it would be better if Herbert should go to Manila, Kuala Lumpur, and Djakarta sometime in the next month (he would be much better than the Attorney General because it is closeness to you that counts now)." Since the receipt of Djakarta telegram, Bundy noted that Subandrio and Sukarno were more forthcoming, especially on the issue of USIS libraries. Bundy thought Humphrey's visit could prove a useful "time-gaining exercise." (Johnson Library, National Security File, Memos to the President, McGeorge Bundy, Vol. 8, Jan.-Feb. 1965)

might give us a respite during the period immediately before Humphrey's arrival; and if Humphrey gets anywhere with Sukarno, the visit might conceivably have some effect on the Indo performance in Algiers.

If the Humphrey visit goes smoothly, the Hawaii meeting might possibly be focused on some such gimmick as Howard Jones' installation as Chancellor of the East-West Center. The Center has been a long-time interest of President Johnson; and it would be feasible to hold a special convocation for Jones' installation to which Jones' pal Sukarno could logically be invited.

As a possible alternative to the Humphrey trip, we might also consider a first step of lower visibility and have Mike Forrestal test the climate in Djakarta.

As an alternative to the Hawaii meeting, we might consider a Presidential invitation to both Sukarno and the Tunku to come to Washington for talks—along the lines of his invitation to Papandreou and Inonu last year.

All this is very tentative and subject to a good deal more discussion at State. Cuthell is talking with your brother this weekend, and we hope to have a formal recommendation out of the Department by the middle of next week.

Jim

100. Note From the Deputy Assistant Secretary of State for Far Eastern Affairs (Green) to the Assistant Secretary of State for Far Eastern Affairs (Bundy)¹

Washington, January 20, 1965.

I think it would be sheer folly to have any presidential meeting with Sukarno except under terms we have previously approved. I don't want to belabor a point on which I gather you are agreed but here are a few considerations:

1. Sukarno is bent on a course of action from which he will not be dissuaded. Momentarily he might smile and do a few pleasant

¹ Source: National Archives and Records Administration, RG 59, EA/Indonesia Files: Lot 68 D 467, Political Affairs Relations—United States. Secret.

things but he would maintain his current course. This would be less than helpful to our President both at home and abroad.

2. A presidential meeting would be an open invitation for others to emulate Sukarno. It would show that the bad boys are the ones that get the attention. It would have *decisively* serious impact on countries like Korea, Vietnam and perhaps even Thailand and the Philippines as far as the Far East is concerned. God knows how the Africans would react.

3. We are anxious to have the British and Australians play a firm military role in Southeast Asia. We are also anxious to have their support for our actions in Vietnam, Laos and elsewhere. Merely to suggest a presidential visit to the British might be most harmful.

4. To favor Sukarno with a presidential invitation at this time would convince Sukarno all the more that he can play his pro-Communist iconoclastic role in world affairs without fear of reaction from the Americans nor indeed from the British since he would figure that the Americans would now exercise a restraining influence upon the British and Australians.

5. Jones' easy ambiance with Sukarno is helpful but it has not and will not influence Sukarno's course of action. Nor will our aid or lack of aid influence Sukarno. What sets limits on Sukarno's course of action are:

- (a) Internal factors which are beyond our capability to influence;
- (b) Afro-Asian criticism of his confrontation policies, of his quitting the UN, etc.
- (c) Soviet reactions (e.g., Moscow can scarcely anticipate with pleasure another UNSC meeting on confrontation).

A presidential visit at this juncture while the above factors may be having a useful yeasty effect could upset the whole process.

6. Our President and Secretary continually use the line that we cannot have dealings with Communist China or admit it to the UN while Peiping pursues its present aggressive course in Southeast Asia. How can we reconcile this posture with a presidential meeting with a man who admits aggression against his Southeast Asian neighbors?

Marshall Green²

² Printed from a copy that bears this typed signature.

101. Memorandum of Conversation¹

Washington, January 22, 1965, 10 a.m.-12:40 p.m.

PRESIDENT'S MEETING WITH CONGRESSIONAL LEADERS

PARTICIPANTS

Senate

Senator Aiken
 Senator Dirksen
 Senator Kuchel
 Senator Long
 Senator Mansfield
 Senator Saltonstall
 Senator Smathers

Executive

Vice President Humphrey
 Secretary of State Rusk
 Secretary of Defense McNamara
 CIA Director McCone

House

Congressman Albert
 Congressman Arends
 Congressman Boggs
 Congressman Ford
 Congressman Laird
 Speaker McCormack

The President's Staff

For Entire Meeting:
 McGeorge Bundy
 Lawrence O'Brien
 For Part of Meeting:
 Horace Busby
 Douglass Carter
 William Moyers
 George Reedy
 Jack Valenti

The President opened the conference with Congressional leaders by explaining why it had been called. He said that at the very beginning of the Congressional session he wanted to develop procedures which would make it possible for the Administration to think and plan with Congressional leaders. He was ready to be frank and candid in all matters but to do so the discussions must not get into the public domain. Real damage is done to the national interest when information such as that which will be given during the course of the morning meeting gets into the newspapers. The objective is to make possible an examination of our foreign policy and our defense structure by the Congressional leaders of both parties who are stewards of these policies. We do not separate Democrats and Republicans in Vietnam. He wanted to work with the legislative leaders in understanding, if not agreement, on both sides of the House and Senate. During the Eisenhower Administration the system of consulting Congressional leaders was

¹ Source: Johnson Library, National Security File, Files of McGeorge Bundy, Miscellaneous Meetings, Vol. I. Top Secret. Drafted by Bromley Smith. The meeting was held in the Cabinet Room at the White House.

the best he had ever known. The meetings were not many, perhaps 4 or 5, but President Eisenhower, who had been blunt and frank with Congressional leaders, had asked for their judgments on important problems.

The President said the Chairmen of the Armed Services Committee and the Foreign Relations Committee had not been invited to this morning's meeting because he wished to limit this conference to very few persons. At a later date it will be possible to enlarge the number. Secretary Rusk had already briefed the Congressional committees on foreign policy. Secretary McNamara would be going to the Hill later to spell out our defense posture, part of which had already been made public in the Defense message sent to Congress.

The President said he was available for personal meetings with individual legislative leaders at any time.

[Here follows discussion unrelated to Indonesia-Malaysia.]

In addition to our problems with Nasser, the President continued, we are having trouble with Sukarno. Our Ambassador in Indonesia, who is one of our ablest, believes the only way to get Sukarno to turn away from his current policies, which are disastrous for the political and economic future of Indonesia, is to invite him to come here to meet with me. Ambassador Jones says we must appeal to the vanity of Sukarno in a final effort to halt him before it is too late. Ambassador Jones, in his cables, gives us a different picture of what is going on in Indonesia than appears in the newspapers.

[Here follows discussion unrelated to Indonesia-Malaysia.]

Secretary Rusk then discussed the situation in Indonesia. Sukarno is deep in domestic difficulties. His "confrontation" with Malaysia is possibly an attempt to divert attention from the serious local problems which he has not been able to solve. The United States is not going to take over the Malaysia problem because it is primarily a British problem. The British, already deeply committed, have sent substantial military force into the area. Sukarno will probably not push his "confrontation" policy to the point of undertaking major military actions. One new element is that knowledge of Sukarno's illnesses has become widely known and the succession problem is being discussed publicly in Indonesia. Although the United States has investments amounting to one-half billion dollars in Indonesia, any attempt to blackmail us by threatening to confiscate these investments is not a possibility. Sukarno now obtains \$125 million dollars annually in foreign exchange from these investments which he would be unable to do without. These foreign exchange resources would be lost if he moved in to take over the oil companies. The only U.S. aid we are now giving to Indonesia consists of funds to pay for military training. We feel such training is in our interest because it helps to tie us closer to Indonesian military

leaders, who may well play a major role in the decision as to the future political orientation of the country.

The President interrupted to say that all U.S. military assistance going to Indonesia is being provided because it is in our national interest, not theirs. He hoped that those present would make this point clear.

Senator Dirksen asked why the Australians are so upset about developments in West New Guinea. Secretary Rusk replied that the situation in West New Guinea is quiet. The Australians are concerned because if the Malaysian problem becomes more serious, there may be difficulties for them in West New Guinea.

[Here follows discussion unrelated to Indonesia-Malaysia.]

Bromley Smith

102. Telegram From the Department of State to the Embassy in the United Kingdom¹

Washington, January 25, 1965, 9:34 p.m.

4596. For the Ambassador. Please deliver following message from the President to Prime Minister Wilson:

"Dear Prime Minister:

I am writing to share some thoughts about the worsening situation in Indonesia, and to invite your comment on possibilities that have occurred to me here. As you will judge from the contents of this letter, the thoughts expressed have been very closely held within my government, and I am sure the same will be true in yours.

Sukarno's withdrawal from the UN does not seem to us too serious in itself, and indeed may get him into serious difficulties during the year as he attempts to exert influence through the proposed Afro-Asian Conference. It is already clear that it has, if anything, worsened his standing in this circle.

Nonetheless, the recent events in Indonesia, both military and political, clearly point to the possibility of increased military action against Malaysia and of a further swing to the left in the internal

¹Source: National Archives and Records Administration, RG 59, Central Files 1964-66, POL 7 INDON. Top Secret; Nodis. Drafted by Bundy, cleared with the White House, and approved by Rusk.

political balance. Even though these latter tendencies may have been checked for the moment, the power of the PKI seems to be growing steadily, whether because Sukarno actually encourages this or because he no longer has full control. Even if his health should hold up, the prospect seems to be that the left will gain steadily. If he should die or become incapacitated, the left is now in a strong position to move to take over. In short, Indonesia seems to be moving rapidly toward more aggressive policies externally and toward communist domination at home.

As you know, we have never been hopeful that negotiations or discussions with Sukarno would produce lasting solutions and get him back to work solving his serious economic problems and bringing the left under control. Nonetheless, I feel strongly that we cannot let Indonesia continue along its present path without exhausting every possible measure to turn it from catastrophe. Even if we are unsuccessful, we would have made every last effort we could make to prevent it.

Two possibilities have now occurred to me that might just help. One would be to take advantage of Sukarno's now-repeated statement that he would accept the findings of any four-power Afro-Asian Conciliation Commission. This has been stated in terms of findings of such a Commission with respect to the sentiments of the inhabitants of Sarawak and Sabah. It carried also the implication that he would accept a call by such a Commission for the cessation of Indonesian aggressive activities—infiltration in Borneo and the sporadic raids now being conducted against Malaya itself. I do not think we can now expect the Philippines to play a useful role in resuming the negotiating track that broke off in Tokyo last June. The Thai seem equally disillusioned. However, the Japanese have retained some modest influence in Djakarta and might be prepared to undertake a quiet initiative in this direction. During my recent talks with Sato,² it was clear that they were quite willing to do whatever might be helpful, although I most specifically did not urge that they take on this particular job at the moment. I wonder now whether this may not be worth a try.

I see all the difficulties, and of course the Tunku is quite right in insisting that actions are needed rather than words on the Indonesian side. But it seems to me that there is just enough hope in the recent indications to warrant another try.

My second idea is a much more far-reaching one, and I am sure you will not misunderstand my purpose in putting it forward for your reaction. Plainly, it would require the closest consultation with you and careful preparations with the Tunku.

² Eisaku Sato, Prime Minister of Japan.

Briefly, it has long been my judgment that Sukarno set great store by his personal relationship with President Kennedy. The rapport which appears to have existed between the two men did not change the basic direction of Sukarno's policy, but was certainly of value as a point of contact with the Indonesian President and may have had some moderating effect on his actions. Sukarno's personal vanity is maddening; but it may be a possible handle that might be turned to use. I have never met Sukarno and there is the possibility that we could use an official visit to the United States as a tactic to appeal to this vanity and at the same time provide an opportunity to divert him from his current path. The invitation in itself would confront him with a dilemma. His vanity and an acute sense of Indonesia's importance in the world would argue for acceptance of the invitation. The PKI would probably oppose the visit with every resource at its disposal. We might, therefore, drive a small wedge between Sukarno and the PKI, and his acceptance of the invitation would be from the outset some indication of his receptivity to the counsels of moderation. I have already told Sukarno, through Ambassador Jones, that I would be prepared to receive him—as I would any other foreign Chief of State in a like situation—if he should come to New York in connection with a reopening ceremony at the Indonesian pavilion at the New York World's Fair. Such an occasion would not arise before late April or May in any event, however, and I do not believe it could well serve as the occasion for really tough and serious discussions.

Accordingly, I have given thought to the possibility that I might invite him to visit the United States and to see me in the fairly near future, on the basis of what we would call an official visit, with some ceremony but with the greatest possible stress on direct discussions.

Again, I am well aware of the difficulties surrounding such a proposal. We would have to take every possible measure to be sure that it was not understood as an attempt by the US to obtain a compromise of the Malaysian dispute at the expense of the legitimate interests of Malaysia. Rather, we would make clear that our objective was quite simple—to have the opportunity for personal discussion and to stress our well-known view that it is in Sukarno's and Indonesia's own interest to call off confrontation of Malaysia and to turn the attention of Indonesia to the solution of its tremendous economic and political problem. You can well see that it would be essential from my own standpoint to make this position entirely clear to Congress and to our own public opinion, which would undoubtedly have great initial difficulty in understanding the purpose of the invitation.

There are many other arguments which I need not review with you in detail.

I re-emphasize my awareness of all the considerations arguing against this proposal, and recognize that it may prove as fruitless as

other past efforts have been to change the course of Sukarno's policies. Nonetheless, Sukarno is today Indonesia, and I believe we should explore every possible avenue to reach him and influence him as a man.

I should be most grateful for your comments and counsel.

Sincerely,

Lyndon B. Johnson"

Rusk

103. **Special Memorandum Prepared by the Director of the Office of National Estimates of the Central Intelligence Agency (Kent)**¹

No. 4-65

Washington, January 26, 1965.

SUBJECT

Principal Problems and Prospects in Indonesia

SUMMARY

We are now faced not only with known and growing danger from Sukarno, but with the uncertainties of a possible Indonesia without Sukarno. If this ailing dictator should indeed die in the near future, his bequest to Indonesia would be international outlawry, economic near-chaos, and weakened resistance to Communist domination. Yet if Sukarno lives on for some time to come, the chances of the Communist Party (PKI) to assume power will probably continue to improve. We do not believe that a Communist Indonesia is imminent, or that Sukarno will initiate war. In our view, however, there is sufficient chance of such developments over the next year or two to warrant especial US intelligence and planning attention.

The beginnings of a scramble for succession to Sukarno are already evident. Should Sukarno leave the scene in the near future, we believe that the initial struggle to replace him would be won by Army and non-Communist elements, though Communists would continue to play an important role. Such a government would probably continue to be

¹ Source: Johnson Library, National Security File, Country File, Indonesia, Vol. III, Memos, 2/64-2/65, [2 of 2]. Secret.

anti-US, xenophobic, and a threat to peace. Furthermore, unless the non-Communist leaders displayed more backbone, effectiveness, and unity than they have to date, the chances of eventual PKI dominance of Indonesia would quickly mount.

For the near future, Sukarno will almost certainly continue his Confrontation policy. He might sharply increase the level and intensity of Indonesian pressures against Malaysia, precipitating war with UK and Commonwealth forces; we believe it more likely, however, that he will continue present patterns of infiltration and occasional military probes, using large troop buildup and inflammatory threats essentially for diplomatic blackmail.

Sukarno will probably take various rash actions to lessen his remaining ties with the West and to continue his dalliance with Peiping. He apparently believes that long-run trends are working to weaken US/Western influence in Southeast Asia, that this provides Indonesia with the opportunity for considerable profit, and that division of the spoils with Communist China is a problem which can be safely managed at some later date. If persisted in, these views will prove ill conceived and costly, susceptible of upset by UK/US force, Chinese Communist guile, and domestic deterioration.

[Here follows the 12-page body of the memorandum.]

For the Board of National Estimates:
 Sherman Kent
Chairman

104. Memorandum From the President's Special Assistant for National Security Affairs (Bundy) to President Johnson¹

Washington, January 30, 1965.

SUBJECT

Reply from Prime Minister Wilson on Indonesia²

1. Harold Wilson's long answer to your letter about a Sukarno³ visit has just arrived. As we rather expected, he takes a very dim view

¹ Source: Johnson Library, National Security File, Memos to the President, McGeorge Bundy, Vol. 8, Jan.-Feb. 1965. Top Secret.

² Dated January 30. (Ibid., Head of State Correspondence, Prime Minister Wilson, Vol. I)

³ Document 102.

of it, and my brother and I believe that Dean Rusk will share our view that you would not wish to go ahead in these circumstances.

2. Wilson's argument is that a Sukarno visit to Washington would be regarded as a triumph for his confrontation policy in Malaysia, and in the UK, and in Indonesia. The British obviously doubt that we could turn him around in any serious way, and they point out—certainly correctly—that in the current state of British opinion and deployment, there would be very harsh criticism of us from the UK.

3. Wilson's letter also takes a very different view from ours of the future inside Indonesia. They obviously think the army will prove stronger than the P.K.I. when Sukarno leaves the scene. If this is true, it is most encouraging, and it is worth a second look here.

4. This message ties in quite neatly with the problem of getting Lodge to the Far East. Our thought now is that you might invite him to go as an informal representative to Kuala Lumpur and Djakarta and that from those points he could easily be invited by Max Taylor for an informal visit in Saigon. The whole expedition could be purely a matter of "having a look," and could be compared quite smoothly to his earlier visit to third countries on behalf of Vietnam. This does not call for a decision until I get back from Saigon, but I think it is quite a good idea for the latter part of February. Lodge is alert and ready to go whenever you want him.

5. All this of course is separate from the proposed Bunker appointment, which will take a little longer and which would be neatly balanced, in a sense, by having Lodge take an informal travelling look-see that could include reassurances to the Malaysians.

McG. B.⁴

⁴Printed from a copy that bears this typed signature.

105. Telegram From the Assistant Secretary of State for Far Eastern Affairs (William Bundy) and the President's Special Assistant for National Security Affairs (McGeorge Bundy) to the Ambassador to Indonesia (Jones)¹

Washington, February 11, 1965, 0049Z.

CAP 65036. CAS Djakarta pass to Forrestal² from Bundys.

Glad you will have further talk with Sukarno. Regard occasion as valuable opportunity to express President's personal interest and concern and to probe as fully and frankly as possible Sukarno's intentions. Suggest that you tell him of President's deep regard for Indo people. Suggest you also express President's puzzlement and concern with direction of Indo-U.S. relations over past several months. President has held firm against rising tide of public and Congressional criticism and alarm regarding Indonesia. But President himself needs reassurance regarding Indo intentions, both privately from Sukarno through you and publicly through acts and words that would counter present impression of alienation between our nations.

Bearing in mind wide range of factors, we do not feel it possible or wise at this point to commit President to unspecified initiatives with Sukarno. We would rather not go beyond outstanding offer to receive Sukarno this spring if he comes to New York (Deptel 554 and Embtel 1182),³ leaving question of initiatives until we can see some useful point of application. Suggest, however, that you and Galbraith express President's willingness to consider any thoughts Sukarno may have regarding ways to improve our relations and reduce tensions in the region.

¹ Source: Johnson Library, National Security File, Country File, Indonesia, Vol. III, Memos, 9/64-2/65, [2 of 2]. Secret. Not sent over Department of State communications channels.

² Michael V. Forrestal traveled to Djakarta after serving on McGeorge Bundy's mission to South Vietnam in early February. Reports of Forrestal's discussions with Indonesian officials are in National Archives and Records Administration, RG 59, Central Files 1964-66, POL 7 US/Forrestal and POL INDON.

³ Document 96 and footnote 5 thereto.

106. Memorandum From Director of the United States
Information Agency Rowan to Secretary of State Rusk¹

Washington, February 18, 1965.

SUBJECT

Indonesia: Possible U.S. Courses of Action

Anti-American activities in Indonesia, particularly those directed against USIS during the last six months, have created a situation that I can describe only as intolerable. I believe that American interests and our national dignity, not only in Indonesia but elsewhere, require that action now be taken to indicate that we will not allow such actions to continue unpenalized.

I realize that our long-suffering patience in these matters has been due in large part to our desire to keep Indonesia out of the communist orbit at virtually any cost, but it seems obvious that the Indonesian government is abusing our patience to its advantage—and thus our present predicament.

What is happening to USIS in Indonesia is obviously part of the much larger picture of U.S.-Indonesian relations. It is apparent that the Indonesian government has decided to apply to these relations its now well-established strategy of exerting a steadily-increasing pressure on the official and private interests of foreign countries with whose policies it does not agree with the expectation that it can force a change in those policies. At present, USIS has been singled out for special attention. We shall soon have nothing worthwhile left in the way of an information operation. The pressures now being brought to bear on American rubber estates in Sumatra indicate that these interests are next on the list. Just as in the case of the Dutch, beginning in 1957, and of the British, following the establishment of Malaysia in 1963, this trend will continue either until we make the desired concessions to the GOI or until nothing remains.

While USIS is rapidly being deprived of its capacity for effective programming, it would be a serious mistake to close down any of our operations voluntarily. Such an action would be interpreted by both our enemies and friends as a retreat and as knuckling under to communist pressure. And since no significant differences appear to exist between the Government of Indonesia and the Partai Komunis Indonesia insofar as immediate objectives are concerned, withdrawal on our part

¹ Source: Johnson Library, National Security File, Country File, Indonesia, Vol. III, Memos 9/64-2/65, [2 of 2]. Confidential. Copies were sent to Ball and William Bundy.

could only encourage further excesses against other American interests on the part of the government. Nevertheless, in view of the fact that USIS apparently has no future in Indonesia under present conditions, I am prepared to sacrifice a part, or even all, of our operation there if the Department is willing to take strong and immediate action (1) to protest what has happened to date, and (2) to put our opponents everywhere on notice that such actions inevitably have a price tag attached to them.

While superficially we appear to have little leverage with the Indonesian government, I am convinced that there are many courses of action open to us. The following come immediately to mind:

1. The top Indonesian representative available should be called in and bluntly informed that the activities which the Indonesian government has been tolerating, encouraging and even engaging in are contrary to established international and diplomatic custom and usage and that we do not intend to continue to suffer such treatment without retaliating. The press should be informed in advance that the Indonesians are being called in, and we should encourage as wide dissemination of the substance of our complaint as possible.

2. We should recall the U.S. Ambassador to Indonesia, making it clear publicly that we do not intend to replace him until we have had some satisfaction from the GOI.

3. Whatever remains in the way of a U.S. economic assistance program in Indonesia, including training, the supplying of spare parts, civic action, malaria eradication, etc., should be terminated immediately, with attendant wide publicity.

4. Although the GOI's information and cultural operation in this country is relatively small scale and hence cannot be equated with USIS in Indonesia, we should begin now to cut back certain of their activities here.

While the purely information operation of the GOI in this country has thus far been sporadic and largely ineffectual, the greatest activity has taken place in New York, as a part of the Indonesian Mission to the U.N. Following Indonesia's decision to withdraw from the U.N. we thought for a time that the GOI was planning to move this activity to its consulate general in New York, a supposition which was supported by the transfer of responsibility for publishing the Mission's bulletin, "News and Views," to the consulate general. However, the Permanent Mission resumed issuance of the bulletin under its imprint at the end of January. This obviously cannot continue after March 1, the date on which Indonesia's connection with the U.N. terminates. We do not yet know whether the consulate general will pick up the bulletin, or whether the embassy here will assume responsibility for its publication (as the consulate general information officer told one

of our people would be the case). However, the embassy here has recently stepped up the issuance of its own information bulletin from a sporadic to a regular basis of once a week. Samples of Indonesian information output in this country are attached.²

We are inclined to believe that with the departure of the Indonesian U.N. Mission from New York, the GOI will probably attach greater importance to the remaining Indonesian presence there than has hitherto been the case, primarily because of New York's importance commercially and as the seat of the United Nations headquarters, with its sizeable number of Afro-Asian representatives. Therefore, the presence of the Indonesian Consulate General in New York suggests some other interesting possibilities for retaliation. If our information operation in Surabaya is closed down, we should ask the Indonesians to withdraw their information people from New York.

If we deem it wise to close all USIS facilities in Indonesia and pull out our personnel, we should inform Indonesia that we are expelling all Indonesians engaged in informational, cultural, and other work of a nature done by USIA. This would include several Indonesians in Washington as well as some staff members in New York and San Francisco.

Because of the attacks on our Consulate proper in Medan and the harassment of our Consul in Surabaya, we ought even explore the question of whether we wish to close down our Consulate as well as the U.S. Information Service in Surabaya and in turn ask the Indonesians to close their entire New York operation.

I am fully aware that the recommendations that I have made are harsh, and that some would produce an angry reaction on the part of Sukarno.³ I believe that the only alternative is for us to continue taking abuse with the result that mob attacks will become the order of the day all around the world because government officials with grievance against us, or acting under communist pressure, will figure that they can get away with it.

Carl T. Rowan⁴

² Not attached to the source text.

³ In a memorandum to McGeorge Bundy, February 19, Thomson noted that Rowan planned to see President Johnson that afternoon at 5:45 p.m. and Rowan might raise the issue of USIS in Indonesia along the lines of this memorandum. Thomson stated Rowan's position was "an over-reaction," a view shared by FE. Thomson also noted that Jones would return to Indonesia with the "toughest message ever communicated to the Indos, as a result of mob action." The USIS library in Medan had just been reopened, Djakarta's was in "temporary protective custody," and facilities at Jogjakarta and Surabaya were closed. If the President asked for Bundy's advice on Rowan's views, Thomson suggested that Bundy advise the President to "hold off any such rash response until Jones and Sukarno have a further confrontation." (Johnson Library, National Security File, Country File, Indonesia, Vol. III, Memos 9/64-2/65, [2 of 2])

⁴ Printed from a copy that bears this typed signature.

107. Letter From Michael V. Forrestal of the National Security Council Staff to the Ambassador to Indonesia (Jones)¹

Saigon, February 19, 1965.

Dear Howard,

I hope that by the time this reaches Djakarta, both you and Mary Lou will have returned.

First I want to tell you how deeply I appreciated your hospitality and your help during my visit. Second, I want to tell you how much I missed you during the last few days—especially at Boger. You will have seen the cable reporting my talk with the Bung.² Frank [Galbraith] will have filled you in on the peculiar circumstances. I have never had such a talk with the President before. We were both exhausted and we were alone virtually in the dark in that vast hall of the Palace. We conversed for about an hour.

The Bung was gloomy but restrained and very frank. Although I left depressed, I have since come to think that I caught a glimpse of the depth of this man's understandable frustrations. In particular, I am convinced that he would like to find a way out of his impasse with K.[uala] L.[umpur]. His difficulty is how to do it.

I don't know what we can do at this juncture to help him. I rather think it is something he will have to work out for himself.

I do have hope, however. My few talks in K.L. have convinced me that we are moving into a period where the circumstances on both sides will favor some form of negotiation. The Tunku is more confident, and therefore more reasonable by far, than he was last year. To some extent he finds confrontation politically useful; but he is also aware that it increases his political dependence upon the British which is beginning to irk him—particularly in his relations with Singapore.

In Indonesia I felt that almost every leader—except Aidit—really wanted a détente.³ I can't estimate the mood of the population; but I

¹ Source: Johnson Library, National Security File, Country File, Indonesia, Vol. III, Memos, 9/64-2/65, [2 of 2]. Secret; Official-Informal. Copies were sent to William and McGeorge Bundy.

² Not found.

³ In an official-informal letter, February 25, Jones told Forrestal that he agreed that most Indonesian leaders wanted a resolution of the Malaysian problem, but internal pressures from the PKI would make it difficult for Sukarno to follow through on his desire for détente. He also agreed that the U.S. Government should have made an effort to restart the negotiations before the pressures from the internal situation and the appeal of Hanoi and Beijing became so strong. Jones noted that the Embassy tried hard to initiate early action. As for telecommunications equipment for the Indonesian Army, Jones wanted to keep the U.S. commitment, but he feared that time was running out. (Washington National Records Center, RG 84, Djakarta Embassy Files: FRC 69 A 6507, Defense 19-B)

would suspect that the mass of them do not particularly care one way or the other. In brief, I think Nasution was wrong when he said that the political climate in both K.L. and Djakarta did not favor talks. I would hope that the current feelers would lead to a Tokyo meeting which would in turn lead to the appointment of a commission. This commission could talk and supervise direct talks for a very long time—during which both sides might reduce their activities along the border.

Incidentally, there was a possibly important item which I failed to report from K.L. Ghazali made quite a point about getting Subandrio to say publicly that there were no longer any guerrillas to be withdrawn from North Kalimantan. I admitted that the Indos had said this privately (Sukarno told me this himself); but he insisted that a public statement would go a long way to setting the stage for talks.

His reasoning apparently is that such a statement would remove the gun from the head of the Malaysians since it would in fact be a relinquishment of the Indonesian claim that there was a successful rebel movement in the two territories. Ghazali is so mercurial that I do not know whether to take him seriously; but if it were possible to get Subandrio or Jani to say that the question of withdrawal of guerrillas was no longer an issue, you might get a good response from K.L.

On the question of U.S.-Indo relations I am not optimistic—at least in the short term. One of the prices we have to pay for our actions in Viet-Nam is a certain amount of flak in Djakarta. These actions, I am convinced, have had a very salutary effect on confrontation in both K.L. and Indonesia. But there is inevitably some adverse side-effect.

Since, by the nature of things, we shall probably have to continue our pressures in Vietnam, I think we will have to face a period of tension while Sukarno tries to adjust to the situation. In a way it's a shame we didn't start sooner—i.e., before Sukarno got caught in his drift toward Hanoi and Peking.

Therefore, I am inclined to believe that we should reduce our presence temporarily. I realize that the P.K.I. will always find targets; but I don't think we should give them unnecessary levers on our own public opinion. Thus, I would get the AID mission down to a minimum and pull out our libraries.

On the other hand, I do think that we should let the Army have the Java portion of the telecommunications equipment we promised them. Not only would this tend to keep our lines clear to them; it would probably also help them in the event there were trouble with the P.K.I. on Java.

Generally speaking, I would try to make our reduction as quiet and normal-appearing as possible—I would also try to maintain as much flexibility in coming back in again when conditions improve—hopefully after a solution or abatement of the confrontation problem.

Well, many thanks again for all your kindness. My affectionate regards to Mary Lou—and to Frank and Martha.

Best of luck to you.

Sincerely,

MVF

P.S. I am sending copies of this to Mac and Bill Bundy just to let them know I am not sound asleep out here.

108. Telegram From the Department of State to the Embassy in Indonesia¹

Washington, February 20, 1965, 12:39 p.m.

727. Crescendo of harassments against USG establishment in Indonesia, culminating in attacks on Djakarta and Medan libraries has brought us to stage where we will have to consider constricting our relations with Indos to minimum unless GOI takes prompt steps to halt depredations and restore situation. We recognize how this could conflict with our long-range interests in Southwest Pacific, but point is at hand where that consideration may have to give way to our inability tolerate such treatment. Question is not only one of US public outrage at Indonesian insults, but of virtual impossibility continuing do business with Indonesia under present conditions.

In line with recent expressions by President and Secretary of growing concern over mistreatment US diplomatic establishments abroad, we feel it necessary to respond in tangible manner to GOI directed or tolerated misconduct. For present we are holding up \$350,000 contribution to Bandung reactor, and are considering other appropriate measures. We will, of course, bear in mind in implementing these measures that large US private investment in Indonesia is potential Indo hostage, while we have no equivalent.

To lessen our exposure and to demonstrate our concern, AID will propose further substantial reduction in size of USAID mission in

¹ Source: National Archives and Records Administration, RG 59, Central Files 1964-66, POL INDON-US. Confidential; Priority. Drafted by Ingraham; cleared by Cuthell, Poats, Thompson, Green, Gilbert H. Kinney of the Vietnam Working Group, and Harriman; and approved by William Bundy and Rusk. Repeated to Manila for Jones and CINCPAC for POLAD.

Indonesia. Proposals subject separate communications.² Question of MILTAG also under consideration.

With Ambassador scheduled return February 22, request Embassy advise Palace that he will be returning with instructions from USG and will seek appointment with Sukarno immediately upon return.

When Ambassador sees Sukarno, he should make clear he speaking under instructions and should convey following message in unmistakable terms: (a) USG, including President himself, views these inexcusable attacks on USG property with gravest concern, and fears they will completely destroy useful relations between us unless steps taken not only to halt them but to restore situation; and (b) as minimum, we must insist that all forms discrimination against US diplomatic community and violations accepted diplomatic standards cease immediately (Ambassador knows what they are and should cite them).

In ensuing discussion, Ambassador should draw on following points, conveying them in manner best suited to atmosphere but indicating that they being made under instructions:

1. Treatment USG properties and violations our diplomatic privileges has gone far beyond stage any sovereign country can be expected accept. Despite this, USG has hitherto exercised greatest restraint because of our sincere desire prevent relations from further deterioration and because we have been relying on repeated GOI assurances that seized properties would be returned to us and harassments halted. These assurances so far have proved valueless.

2. Sukarno and other GOI leaders have attempted portray these excesses as expressions spontaneous anger at US policies for which GOI cannot be held responsible. We cannot accept this portrayal, which in effect asks us to acknowledge that Sukarno and GOI have lost control in their own country. Facts are clear that GOI itself has taken lead in creating this deplorable atmosphere, not only by failing to speak out for law and order but by publicly condoning and endorsing mob violence.

3. GOI leaders have ventured suggest that USG must itself share in task of halting these excesses by modifying its policies in FE. We cannot believe this suggestion advanced seriously. We prepared at any time to discuss our policies with GOI, explain our motives, and listen to GOI views. These excesses, however, do not add to our appreciation of GOI viewpoint and interests but diminish it to vanishing point.

4. We particularly regret that Indonesians have used Viet-Nam situation as excuse for latest series of outrages. We know GOI disagrees with our Viet-Nam policy. However, such disagreements must in no way be allowed to result in destruction or violation of diplomatic,

² Not further identified.

consular or any other property. Our actions in Viet-Nam stem from our firm commitment to help South Viet-Nam defend itself against outside aggression, and we determined to continue doing whatever is found necessary to meet that commitment. No actions by GOI or Indonesian mobs are going to change that situation to slightest degree, and we are sorry to see GOI sacrificing our bilateral relations in fruitless, undignified efforts to do so. (If Sukarno takes this opportunity to debate our Viet-Nam policy, you should draw on Depcirtels 1441, 1442, 1443, 1449 and 1467³ in response.)

5. We have now reached critical watershed in our relations with Indonesia. We want better relations and we prepared do whatever we reasonably can to achieve them. At present, however, we are at point where we can do no more unless GOI responds by promptly restoring conditions which will permit us deal with each other under tolerable conditions.

Rusk

³ Dated February 7, 7, 7, 8, and 11, respectively. (All in National Archives and Records Administration, RG 59, Central Files 1964-66, POL 27 VIET S)

109. Telegram From the Embassy in Indonesia to the Department of State¹

Djakarta, February 22, 1965, 5 p.m.

1643. Ref: Deptel 727.² While we agree with analysis reftel, Country Team seriously concerned that line Ambassador instructed take with Sukarno will worsen rather than help basic situation. Recent deplorable attacks US installations here are reflection rather than cause fundamental US-GOI problem. Debate with Sukarno on Viet-Nam and other policy issues along lines reftel is not only futile but will just anger him and probably increase our troubles. Country Team convinced day when we can profitably try to argue Indos into accepting our viewpoint on major world issues is, for the moment and hopefully temporarily, past.

¹ Source: National Archives and Records Administration, RG 59, Central Files 1964-66, POL INDON-US. Secret; Immediate. Repeated to CINCPAC for POLAD. Upon receipt, passed to the White House, Defense Department, and CIA.

² Document 108.

Believe we should "agree to disagree" with GOI on China, Viet-Nam, Malaysia, Congo, etc. We can, of course, discuss these problems but would be futile to lay our prestige on line by attempting convince them we are right and they wrong. Believe, however, we can and should attempt turn present unfortunate situation to some advantage by shifting dialogue onto preservation our bilateral relationships and seeking actions best designed to do this.

Following additional factors underlie Country Team thinking:

1. If we seem attack and threaten Indos along lines refel they will react adversely and irrationally. We will not convince them, merely aggravate them. Situation will continue to worsen, perhaps to breaking point.

2. With no real capacity for retaliation against Indo installations in US, we only increase danger to our own establishment here by vague threats and admonitions. We believe it important that USG retain foothold in Indonesia. If present trends continue we will be put in position sooner or later where we will have little alternative but to retaliate against some Indo installations in US. Resulting tit-for-tat exchange could eliminate US from Indonesia. As Dept aware, Indos are hypersensitive in dealing with big Western power and perfectly capable cutting own throats if they believe they being pressured.

3. We support delay in \$350,000 contribution to Bandung reactor but fact remains it is limited lever over Sukarno, whereas if used punitively it will only hurt and antagonize some of our friends here (especially Siwabessy). Unilateral reduction size USAID as punitive measure similar. If this to be done believe we should do it in way which gets at least some mileage from GOI.

4. Despite what Sukarno, Subandrio and others have said, evidence is clear they do not want our USIS libraries, at least as they now function, and have little interest in USAID. Same is probably true other parts US installation. Indos seem be reaching point at which they "tolerate" our programs because they think we want them and because up to a point they want to avoid antagonizing us further. Refel seems imply we should press for physical protection existing establishment by GOI. We agree but believe we should also examine that establishment more closely to reduce difficulty of protection.

5. Would be unrealistic for us to insist on retention USIS libraries or other aspects our programs directed toward Indo people when they are in such marked contrast with what GOI is telling its own people. GOI has given us clear signal on these libraries. We should recognize it.

6. Despite our policy differences with GOI, Country Team believes constructive discussion is possible and necessary regarding our bilateral relations. We believe Sukarno and many of his top aides want avoid break with USG. Reasons for this complex but probably include

(a) fact that US is major world power as well as power in Pacific; (b) GOI view that USG may at some point be useful in exerting influence on Brits; (c) belief US is still potent source aid; and (d) though this seems to be diminishing possible belief USG is useful as counter-plot to Communist China. Sukarno's often expressed and we believe sincere friendship for Americans as individuals also should not be overlooked.

7. As result above analysis, Country Team believes our objectives should be (a) quietly to reduce hostages (especially unengaged people in USIS aid and MILTAG); (b) eliminate those parts our establishment which have become useless to us and source profitless friction with GOI; and (c) try to convince Indos it in our common interest to carry out (a) and (b) above in rational and orderly manner and in way that will preserve our future bilateral relationship.

8. Approach which seeks reduce our presence here may actually stimulate Indos to help preserve as much of our establishment as possible. Our apparent readiness to take initiative may shock some Indos into believing we are preparing to abandon them. This could rebound to our benefit. Continued effort by us to avoid reductions in establishment likely strengthen hand those who seek total elimination USG presence.

To summarize, Country Team and I believe attacks on US installations and other recent GOI actions are signal Indos do not want us here in strength and form we now have. This not to say attacks in any sense justified or should be condoned. What we mean is that discussion should not be restricted solely to attacks and ostensible reason for them (Viet-Nam). Rather these should be used as springboard for far-reaching exploration seeking rational and realistic basis for continued USG-GOI relations. Numbered paras 1, 2 and 5 in instructions (reffel) seem fit within this framework. Paras 3 and 4 would, I believe, be counterproductive. I therefore urge Dept amend my instructions and authorize me make following approach to Sukarno and Subandrio (I would hope see them together; if not I would go over same ground separately).³

³ In telegram 731 to Djakarta, February 22, the Department agreed to Jones' revised presentation subject to certain comments and observations. The Department believed that Indonesia had moved from "agreeing to disagree" to "riotsmanship" in its differences with the United States over Vietnam. The Department hoped that Sukarno "would not put the course of bilateral Indonesian-American relations in the hands of the Viet Cong." The Department hoped for a clearer idea of what part of the USIS program Indonesia was prepared to defend and warned that the AID programs in Indonesia were under increasing Congressional scrutiny and unless Sukarno desired termination or substantial reduction, there was no chance of Congressional agreement. (National Archives and Records Administration, RG 59, Central Files 1964-66, POL INDON-US)

1. (Same as numbered para 1 reftel.)

2. (Same as numbered para 2 reftel.)

3. These events have brought us to critical position. We want better relations and are prepared do whatever we reasonably can to achieve them. We believe GOI also wants maintain constructive relations with us. However this mutual desire endangers present situation in which we faced by intolerable attacks on our installations.

4. We believe we can and must seek position in which we can have honest policy differences without excesses. One phase of present problem may be GOI view that US presence in Indo too large and active and no longer reflects actual state our relations. Seems to us this is what GOI trying tell us by these repeated attacks on our installations.

5. If so we would like bring this into open so we can discuss on fal [full?] and frank basis; otherwise, continuation present trends may endanger more permanent aspects of our relationship. We fully willing discuss reductions and adjustments in our programs and installations if GOI believes these desirable. However we want to take these up in orderly way on government-to-government basis and not as result mob attacks. These attacks only complicate problem and make understanding more difficult. I would then seek draw Sukarno and Subandrio out on USIS and other US installations and programs along lines set forth above. I would stress need for facing problem openly and directly and would say that in view importance USG attaches to this issue I believe it essential we have joint understanding on these matters within 30 days. I would tell them I would report their views to my government and will want to discuss matter further. I would, of course, make no commitments at this time.

Foregoing message in which I concur was drafted by Country Team prior my return this afternoon and held for my signature. As Dept aware, I have long held out for maintaining as complete US presence here as possible, considering that closing down of USIS installations would be heralded as PKI victory and swiftly result in further clipping away of US presence as PKI tacticians turn the heat on Peace Corps, AID [less than 1 line of source text not declassified].

It is obvious, however, that if GOI does not want USIS to continue its activity in its present form, we as guests in country have no choice but to accept verdict. It is of vital importance to our bilateral relationship that if utility of USIS operation actually has diminished to point at which we are getting no returns on our investment, whatever adjustment is to be made should be made in manner to do least damage to totality of US position. This I and all of Country Team consider can only be done by full and free frank discussion with Sukarno and Subandrio without establishing atmosphere of threat or implied punishment.

USITO 132⁴ reporting USIA Director Rowen's views being answered separately.

Jones

⁴ Not found.

110. Memorandum Prepared for the 303 Committee¹

Washington, February 23, 1965.

SUBJECT

Progress Report on [less than 1 line of source text not declassified] Covert Action in Indonesia

1. Summary

Since the summer of 1964, [less than 1 line of source text not declassified] has worked with the Department of State in formulating concepts and developing an operational program of political action in Indonesia aimed at bolstering the more moderate elements in the Indonesian political spectrum to counter the growing power of the Communist Party of Indonesia (PKI). This program has been coordinated in the Department of State with the Assistant Secretary for Far Eastern Affairs and with the U.S. Ambassador to Indonesia.

The aim of this political action program is to reduce the influence on Indonesian foreign and domestic policies of the PKI and the Government of Red China and to encourage and support existing non-Communist elements within Indonesia. The program envisages continuation of certain activities which have been undertaken previously on a developmental basis plus other new activities which appear now to offer

¹ Source: National Security Council, Special Group/303 Committee Files, Subject Files, Indonesia. Secret; Eyes Only. In a brief attached note, March 4, [text not declassified], the NSC staff member on loan from the CIA, summarized this proposal as "[less than 1 line of source text not declassified] to chip away at the PKI and continue covert liaison and support to [less than 1 line of source text not declassified] and [less than 1 line of source text not declassified] personalities." [text not declassified] also stated that the proposal included the "up hill work" of exploiting factionalism and emphasizing traditional Indonesia mistrust of the Chinese mainland. He noted that "everyone concurs" and that Helms argued against any break with Sukarno because "whatever equities exist will be decimated without representation there." (Ibid., 303 Committee Minutes, 3/5/65)

promise of success if implemented on a coordinated and sustained basis. The main thrust of this program is designed to exploit factionalism within the PKI itself, to emphasize traditional Indonesian distrust of Mainland China and to portray the PKI as an instrument of Red Chinese imperialism. Specific types of activity envisaged include covert liaison with and support to existing anti-Communist groups, particularly among the [less than 1 line of source text not declassified],² black letter operations, media operations, including possibly black radio, and political action within existing Indonesian organizations and institutions. The estimated annual cost of this program is [less than 1 line of source text not declassified]. These funds are available [less than 1 line of source text not declassified].

2. Problem

To counter the growing strength and influence of the Communist Party of Indonesia and Communist China over Indonesian foreign and domestic policies.

3. Factors Bearing on the Problem

One of the main factors bearing on the problem is the close affinity between the current objectives of Sukarno and Red China and the support provided to Sukarno by the PKI in contrast to the lack of coordination and common ground for action among the various anti-Communist elements within Indonesia.

a. Origin of the Requirement

The requirement for a program of this type arose out of a series of discussions of the problem between Ambassador Jones and the [less than 1 line of source text not declassified] and between Ambassador Jones and officials of the Department of State and the CIA in Washington.

b. Pertinent U.S. Policy Considerations

The program is consistent with U.S. policy which seeks a stable, non-Communist Indonesia.

² On December 14, 1961, the Special Group (predecessor of the 303 Committee) agreed to spend [text not declassified] during FY 1962 "to support civic action and anti-Communist activities to be executed through [Indonesian] [less than 1 line of source text not declassified] instrumentalities" and [text not declassified] during FY 1962 and 1963 "to assist [less than 1 line of source text not declassified] in covert training of selected personnel and civilians, who will be placed in key positions in the [less than 1 line of source text not declassified] civic action program." (CIA Paper for the Special Group, December 11, 1961, and December 14, 1961, Minutes of the Special Group; *ibid.*, Subject Files, Indonesia and Special Group Minutes, 12/14/61)

c. Operational Objectives

Portray the PKI as an increasingly ambitious, dangerous opponent of Sukarno and legitimate nationalism and instrument of Chinese neo-imperialism.

Provide covert assistance to individuals and organizations capable of and prepared to take obstructive action against the PKI.

Encourage the growth of an ideological common denominator, within the framework of Sukarno's enunciated concepts, which will serve to unite non-Communist elements and create cleavage between the PKI and the balance of the Indonesian society.

Develop black and grey propaganda themes and mechanisms for use within Indonesia and via appropriate media assets outside of Indonesia in support of the objectives of this program.

Identify and cultivate potential leaders within Indonesia for the purpose of ensuring an orderly non-Communist succession upon Sukarno's death or removal from office.

Identify, assess and monitor the activities of anti-regime elements for the purpose of influencing them to support a non-Communist successor regime.

d. Risks Involved

Risks involved in this program include the possibility that were Sukarno to learn of its existence and to suspect that one of the objectives of the program is to weaken his control of Indonesian affairs, further deterioration of relations between Indonesia and the United States could result. An additional risk is the possibility that too blatant anti-PKI activity is likely to invite repressive measures on Sukarno's part, assisted by PKI attacks upon key anti-Communist leaders, with concomitant further disarray within the non-Communist groups. Nevertheless, it is believed that a program of this type should be attempted.

e. Funding

The estimated annual cost of this program is [less than 1 line of source text not declassified]. Funds are available [less than 1 line of source text not declassified] to support this program.

f. Support Required from Other Agencies

No support will be required from other agencies other than that normally deriving from Country Team cooperation in the field.

g. Timing of the Operation

[less than 1 line of source text not declassified] has been developing active relationships with leading nationalist personalities [1 line of source text not declassified]. Through secure mechanisms some funds have been

given to key personalities to bolster their ability and their resolve to continue their anti-Communist activities which essentially are in the U.S. direction. The proposed operational program will be carried out as soon as approved.

4. Coordination

This operational program has been approved by Assistant Secretary of State for Far Eastern Affairs and by the U.S. Ambassador to Indonesia. Continuing coordination of specific projects will be effected in Djakarta with the Principal Officer.

5. Recommendation

It is recommended that the 303 Committee approve this program.³

³ The 303 Committee approved this paper on March 4. [text not declassified] of the CIA took the opportunity to urge "a larger political design or master plan to arrest the Indonesian march into the Chinese camp" based on the Maphilindo concept. He argued a major effort was required to prevent the United States from being excluded from Indonesia, suggesting that the loss of a nation of 105 million to the "Communist camp" would make a victory in Vietnam of little meaning. McGeorge Bundy stated that as a major political problem, Indonesia was receiving attention, but it "could not be settled in the 303 forum." (Ibid., 303 Committee Minutes, 3/5/65)

111. Telegram From the Embassy in Indonesia to the Department of State¹

Djakarta, February 24, 1965, 2 p.m.

1658. Pass USIA for Rowan, Bunce.² Ref: Deptels 727,³ 731;⁴ Embtel 1643.⁵ Serious talk with Sukarno alone this morning (Subandrio had departed for Medan) resulted in repeated promises and protestations that he would "do his best" to improve operating conditions for Embassy here as well as bilateral US-Indonesia relations. His statements were accompanied by vigorous complaints re treatment he was receiv-

¹ Source: National Archives and Records Administration, RG 59, Central Files 1964-66, POL INDON-US. Confidential; Priority. Repeated to CINCPAC for POLAD and passed to the White House, Defense Department, and CIA.

² William K. Bunce, Deputy Director, Far East, USIA.

³ Document 108.

⁴ See footnote 3, Document 109.

⁵ Document 109.

ing at hands US press and accusations of CIA participation in conspiracy against himself. In response my complaint that his previous orders to permit our access to USIS Libraries had not been carried out, he summoned his aide and gave specific instructions to local authorities to this effect. Following meeting I issued press statement reported TOUSI 195.⁶

Meeting was unique in that there was no banter, hardly opportunity for usual exchange of courtesies. Promptly at 0730 President excused himself from group of courtiers and we got down to business at once. I reviewed situation as it existed two weeks ago at time of my departure for Manila, reminded President of promises he had made at that time, deplored deterioration in Emb operating conditions and overall US-Indo relationships since then and made points in Deptel 727 as modified by subsequent exchanges with Dept. I put up forcibly the proposition as to whether GOI was going to let mob action destroy possibility of satisfactory bilateral relations. I said I knew Sukarno could control situation if he made the effort although some of my people were now beginning to challenge this. I told Sukarno that we took very serious view of situation, that my government, including President Johnson, views inexcusable attacks on USG property with gravest concern and fears they will completely destroy useful relations between us unless steps are taken not only to halt them but to restore normal operating conditions. In making points 1, 2 and 5 in Deptel 727, in order impress him with fact we had about reached point of no return, I drew reflet from my pocket and read him actual text of portions of it. I then went on to suggest that we had reached stage where some basic decisions were required. We could no longer continue on present basis. We recognized that we were guests in Indonesia. Despite fact that USIS Libraries were established with a view to improving relations and creating better understanding between our two countries, we appeared to have reached point at which these installations had become local point of contact [*conflict?*]. If they were in fact not helping relations but rather reverse, perhaps we should consider closing them down. It obviously made no sense to continue effort which, aimed at creating understanding, was being exploited by hostile elements uncontrolled by GOI to exacerbate relations between us.

I suggested that we both consider this possible course of action from point of view of what was best for US-Indo bilateral relations and if it seemed closing USIS installations was the answer, then decision should be reached on basis mutual understanding and implementation carried out in cooperative manner calculated to do least harm to our relations.

⁶ Not found.

President responded by nodding his head thoughtfully, indicating he wished to think matter over carefully. He said he would talk to me again about it in near future. I told him that conditions were currently intolerable and that I felt basic decision had to be reached in very near future as to whether libraries were to be closed and our books sent home or whether libraries were to be reopened. I reminded him that we had earlier discussed possibility of reopening Jogjakarta Library as gesture toward improved relations. I asked him to set a date for further discussion of this matter.

I then went on to summarize other harassments to which we had recently been subject, including specific mention of difficulties in utilization ALUSNA aircraft, harassment at airport in connection with receipt and delivery of APO mail, threatening circular letters addressed to American and Indonesian employees of Embassy and other unpleasantnesses. Under current circumstances, US Embassy was being harassed and discriminated against in violation of all international customs and usage to point where we could not conduct our normal business. I also mentioned Subandrio's trip to Medan and said that I had been informed that this trip represented first step in takeover rubber estates.

Sukarno vehemently denied this, said shoe was on other foot, that Subandrio was proceeding to Medan accompanied by Sudibjo of National Front, in effort to guard and protect American properties. As to other harassments, Sukarno said that he would do everything he could. As first step, he summoned his aide as reported above, and gave him specific instructions to notify local authorities in Jogjakarta, Surabaya and Djakarta that we should have access to USIS Libraries. At same time Sukarno said American Government was making it very difficult for him in his relationships with his own people because of our policies in Asia. I responded that America and Indonesia would be neighbors in the Pacific for centuries to come and that regardless of differences of views on such current issues as Vietnam, Malaysia, the Congo, etc. it seemed self-evident that it was in interest of both countries to maintain friendly bilateral relations and that these relations should not be impaired by mob action condoned by governmental authorities.

Sukarno admitted that he regarded action against USIS as retaliatory for US press attacks against him and Indonesia. He mentioned several examples to which he objected including recent *Newsweek* cover story. He said we always hid behind our freedom of the press but that unfriendly attacks on head of state by American journalists had same effect in Indonesia as demonstrations against USIS installations had in US. I pointed out obvious difference between two—Sukarno had the power to control press and mobs in Indonesia whereas our government

did not have the power to control our press which was reacting to unjustified attacks on American property. "Can't your people understand that I am hurt, personally hurt, by these press attacks?" Sukarno asked. I reminded him that some of the greatest idols in American history including Presidents Lincoln, Roosevelt and Kennedy had been maligned by American press. He was no exception.

I drew conversation back to practical situation which called for immediate remedy. I suggested that Sukarno make public statement clarifying GOI responsibility under international law for protection of foreign persons and property and reminding his people that disagreements between nations did not warrant such hostile actions as we were currently experiencing. I concluded by repeating that this situation could not be allowed to drift any longer and that I felt we should shortly reach discussion as to future of American presence in Indonesia. I urged him to consider seriously how USIS problem should be handled and requested further appointment to follow up our discussions today later this week. Sukarno agreed and set up appointment for [garble—meeting?] Feb 26.

Without committing himself specifically, he again promised to do everything he could to improve situation but asked me to appeal to USG to move carefully in Asia and to do anything we could do to improve unfair and distorted press treatment of Indonesia and himself.

Sukarno comments on CIA subject in separate telegram.⁷

Jones

⁷ In telegram 1662 from Indonesia, February 24, Jones reported that in his discussion with Sukarno, "I categorically denied that CIA was involved in any operations against him. I told him [*1 line of source text not declassified*]" that "his suspicions that CIA was working to topple him were absolutely unfounded." According to Jones, Sukarno was unconvinced, referring to the "invisible government." Sukarno stated that Jones was not a party to nor aware of these clandestine operations. When Jones asked Sukarno to show him documentary evidence, Sukarno retorted it was no use because anything Sukarno showed him Jones would claim was "no good." Jones concluded, "We left it at that." (National Archives and Records Administration, RG 59, Central Files 1964-66, POL INDON-US)

112. Memorandum of Telephone Conversation Between the Assistant Secretary of State for Far Eastern Affairs (Bundy) and the Under Secretary of State (Ball)¹

Washington, March 2, 1965, 9:50 a.m.

SUBJECT

Indonesia

Ball said he thought we were creating an impression of looking undignified, and he thought we were going to ask Jones about his coming back.

Bundy said he had talked to the Secretary about this and explained his strong feeling that we are almost certainly headed for a very sharp cut-down in all our activities and we are going to announce our plans when they are clear. The way we do it makes a good deal of difference in whether we get back in at a later time and Jones' role at this point. Ball said he thought we should be taking the initiative in cutting down. Bundy said we are prepared to but we should do it as gently as possible for the time we move back in (presumably after Sukarno).

Ball thought these actions were hurting us in many other places. Bundy explained his visit to the Hill yesterday and there appeared to be no animosity as to the way the Dept was handling Indonesia. Ball said he did not think we had a program for reducing. Bundy said there was one and that it is just about racked up.² Ball said he would like to see it. A meeting was agreed on for today at 4:30 in Ball's office.³

Ball said he was disappointed in Jones' actions of late. He thought he was becoming too soft in order to go out with good relations. Bundy was not in complete agreement on this.

¹ Source: Johnson Library, Ball Papers, Telephone Conversations, Indonesia, [4/12/64-11/10/65]. No classification marking.

² On March 4 USIA announced it was closing all USIA Libraries and Reading Rooms in Indonesia in the face of Government of Indonesia failure to restrain mob violence and its placing of the USIA operations "under conditions that we find intolerable." The text of the statement is in *American Foreign Policy: Current Documents, 1965*, p. 755.

³ No record of this meeting has been found. At 7 p.m. on March 2 Ball talked on the telephone with Under Secretary of State for Economic Affairs Thomas Mann. Ball informed Mann that Bunker would be going to Indonesia for a special assessment of the situation, but he asked that Mann not reveal it because he did not want to give Sukarno "a kudo" when "he is kicking us to death." Ball informed Mann that "we are pulling USIA out on March 3. Mann stated that Moyers recommended that since Sukarno planned to take over U.S. oil assets in Indonesia, the U.S. needed an Ambassador there. Mann did not think the President was as firm on this as Moyers was and agreed to talk to Moyers about it. (Johnson Library, Ball Papers, Telephone Conversations, Indonesia, [4/12/64-11/10/65])

113. Telegram From the Embassy in Indonesia to the Department of State¹

Djakarta, March 4, 1965, 10 a.m.

1735. Ref: Embtel 1730.² Country Team and I have carefully considered possible retaliatory action against GOI and have reached following conclusions:

1. While there some chance serious discussions with influential Indos (particularly military) of what US can and will do unless GOI stops its harassments US installations would be effective, we doubt on balance that such a move would evoke desired response. On contrary it would probably only tend confirm and accelerate direction Sukarno and Subandrio have chosen for Indo policy, i.e. de facto and hopefully temporary alliance with Peiping and Hanoi. We not at all hopeful Indo military, faced with virtual ultimatum from USG, would take action to force change in GOI policies or personnel. More likely, they would be swept under in wave intense nationalism against foreign intervention propelled by personal emotionalism Sukarno, Subandrio and others.

2. On balance, we believe USG would lose more than it would gain by responding to GOI harassments in kind. While it might be self-satisfying for the moment to close Indo information programs in US, this would clearly preclude us from carrying on any info or cultural programs at our Embassy here. Similarly, economic retaliatory measures suggested reftel would not seriously affect Indo economy but would only drive Indos closer to Communist Bloc and accelerate takeover remaining US-owned enterprises (oil companies) here. Real punitive measures also highly inadvisable while we have so many hostages in Indo.

3. Only effective retaliation we have is in military field. Show of military force against Indonesia would undoubtedly impress Indos but would, of course, create whole new situation presumably calling for cashing by Indo of commitments ChiComs have allegedly made to them. Situation does not yet warrant taking that risk. Over longer run we believe military and other actions which show clear evidence US determination hold fast in nearby free world areas such as S. Vietnam, Thailand, Malaysia and Philippines will have salutary effect on Indo behavior.

¹ Source: National Archives and Records Administration, RG 59, Central Files 1964-66, POL INDON-US. Secret; Priority.

² In telegram 1730 from Djakarta, March 3, the Embassy prepared a list of 20 possible retaliatory actions for countering increasing Indonesian harassment of U.S. official operations in Indonesia as well as an estimate of probable Indonesian counter reactions. The list was in increasing order of severity. (Ibid.)

4. While we not in favor of punitive retaliation against GOI, do believe it essential we make rapid but orderly adjustments in our establishment and programs to reflect present inhospitable situation.

These matters are currently under thorough inter-agency discussion here and specific recommendations as to AID, USIS, Peace Corps, MILTAG, etc, will be forwarded separately.

Wish emphasize these adjustments should be on orderly basis without appearance this punitive action. Otherwise our problems will be increased and we will probably find it impossible get our equipment and material out. If Department concurs this course of action believe it important also that Congress be briefed fully and urged refrain from provocative statements which will only compound our problems here.

Important thing is to avoid dramatizing this reduction in way which may bring violent Indo reaction resulting in danger to US personnel and possibility of undignified route similar to British exit year and half ago.

Jones

114. Telegram From the Department of State to the Embassy in Malaysia¹

Washington, March 6, 1965, 2:03 p.m.

1428. Kuala Lumpur's 1109.² Department's attitude toward current motions in direction negotiation Indo-Malaysian dispute has been as follows:

1. We have continued believe bilateral contacts between senior officials of GOI and GOM could be useful to help locate areas within

¹Source: National Archives and Records Administration, RG 59, Central Files 1964-66, POL 32-1 INDON-MALAYSIA. Secret; Immediate. Drafted by Cuthell and approved by Green. Also sent to Tokyo for Bundy and repeated to Bangkok, Djakarta, Kuala Lumpur, London, Singapore, and Canberra.

²In telegram 1109 from Kuala Lumpur, March 5, Bell suggested that Department officials talk to the British about an AACC in which Sukarno would choose Pakistan or Cambodia, the Philippines would designate Thailand at U.S. urging, and Malaysia would consider Nigeria as their candidate. (Ibid.)

which agreement possible, and to prevent Indos from claiming GOM avoiding settlement. We therefore encouraged HMG and GOA to support or at least not deter Razak-Subandrio meeting.

2. For same reasons we have not opposed Sukarno-Tunku meeting, subject qualification that at that level meeting would be less formal, would lose some of flavor of "contact" and would take on air of negotiation.

3. We have not wanted sponsor negotiations at this point because we think they will inevitably lead to some version of AACC idea, and we think it would be premature and perhaps dangerous for GOM to accept such vague concept until preliminary quiet contacts have established more precisely what is meant.

4. While there are advantages in AACC, as idea stands undefined at present, it has these dangers: Sukarno has publicly stated and reiterated that he will accept any solution proposed by AACC. This is fine public position, but at same time various Indo diplomats have recently confirmed what we have previously assumed, which is that Indos would insist that AACC work on basis consensus unless, of course, they had pro-Indo majority. At least Indo nominee would not accept position which too hard for GOI to swallow, and other Asians would be most unlikely incur Indo enmity by pushing too hard for such position. We thus feel we could rule out idea that AACC would confirm UN ascertainment and certify Malaysia as pure. AACC would be left with choice of recognizing inability reach agreement or of coming up with some new form of "testing will of people of North Kalimantan." This being case, we think that what form this testing procedure would take must be worked out informally between GOM and GOI before concept accepted. Otherwise, GOM is likely to be faced with AACC recommendation for plebiscite which it might feel it had to reject, thus giving ball game to Sukarno.

5. As far as Phils are concerned, we have felt they have no place in bilateral contacts because their presence reintroduces Borneo claim, because their method of operation via press leak has been dramatically unhelpful, and because Indos have been most successful in using them as divisive element in past. At same time, if matters proceed past bilateral stage in trilateral meeting, we think it important that they be fully aware of situation and our views of it in hope we can mitigate disadvantages inherent in their presence. This produces dilemma: if we talk to them too fully and too soon we may encourage their desire attend, while if we leave them out too long we may have uninformed and destructive Philippine involvement.

At this stage we inclined think we should not push Phils until it clear that tripartite meeting is inevitable. We expect, however, that Macapagal or Mendez or both will want Bundy's views on Indo-

Malaysian negotiations, and recognize subject cannot be by-passed. If this happens, suggest Ambassador and Bundy might give briefing on current status of contacts, drawing on points 1 to 4 above, and endorsing AACC structure outlined Kuala Lumpur's 1109, with which we fully agree.

Rusk

115. Telegram From the Embassy in Indonesia to the Department of State¹

Djakarta, March 8, 1965, 5 p.m.

1784. Embtel 795.² As set forth Embtel 1643³ and other recent messages, Country Team and I are agreed on orderly reduction and regrouping of American-official presence here worked out as cooperatively as possible with GOI or those elements GOI which are responsive in that way, and consistent with task US can and should try to accomplish in Indonesia. We are against reduction beyond that as either punitive or defensive measure unless and until security situation worsens markedly. Despite rising tide anti-Americanism which has closed our USIS operations, forced beginnings of takeover of American private property and made continuation some of our other projects and programs, including AID, of marginal value or impossible, we feel that we should try to weather storm and retain nucleus of mission which could again mount programs designed to assert effectively US influence in this country. It is our hope that reductions in various agencies now under way may to some extent increase and enhance work in small mission we hope to form here in way which will make it more water tight and storm worthy. In general we would like to (a) fold smaller and hope fully hard hitting information and psychological staff into Embassy and

¹Source: National Archives and Records Administration, RG 59, Central Files 1964-66, POL INDON-US. Secret; Immediate. Repeated to Manila for Bundy and FELG, and to CINCPAC, Medan, and Surabaya. Passed to the White House, Defense, and CIA.

²In telegram 795 to Djakarta, March 5, the Department indicated that the United States must reduce American presence in Indonesia beyond cutting the USIS program. The Department suggested "quiet and undramatic" reductions, including a prompt close-out of the AID program by June 30, planning for a possible Peace Corps withdrawal, a closing of the Military Advisory Group operation by the end of the fiscal year, and urgent consideration of evacuation of U.S. officials' dependents. (Ibid.)

³Document 109.

Consulates and continue contest for minds of Indonesians, particularly youth; (b) retain AID building (despite difficulties noted AIDTO 1055),⁴ sufficient housing to accommodate small AID staff (we would plan to use building also, if agreement can be gotten from GOI, to take some of pressure off of Embassy which is bulging at seams for space); (c) small Defense liaison staff attached to Embassy in place of MILTAG (perhaps also to be officed in AID building); (d) residual civic action liaison to be continued by foregoing; (e) [garble—Peace?] Corps to extent requested, used and protected by GOI.

Following are more detailed comments on numbered paras reftel in seriatim;

1. AID. CT considers situation requires withdrawal most of USAID on basis b AIDTO 1049⁵ with following modifications:

(a) University contracts be terminated ASAP view limitations imposed on their operations by program restrictions and their isolated exposure possible harassment. Would attempt terminate contracts and withdraw personnel as soon as feasible.

(b) USAID and AID/W initiate action immediately to cancel outstanding procurement and divert shipments en route as deemed appropriate.

(c) We hope that some participant training might continue. While we will not press GOI on this we would hope have funds and US administrative personnel available to be responsive to any Indo request for training in US, at least until it absolutely certain GOI will approve no such training whatever.

USAID preparing separate message response AIDTO 1049 recommending schedule required actions. In brief, we envisage residual AID staff of 8-10 persons as against present strength of 70. Edwards will discuss problems with Poats at Baguio.

2. Peace Corps. Believe PC should remain Indonesia as long as volunteers can continue to do their assigned jobs without undue harassment. This may be possible if planned reductions US presence here produces easing of tensions and GOI actively implements announced desire maintain good relations with USA. If, however, withdrawal USIS allowed become focal point increased anti-American activity PC will not escape attack but indeed will be all more evident target as others depart.

⁴ Dated March 5. (National Archives and Records Administration, RG 59, Central Files 1964-66, AID (US) 1 INDON)

⁵ Dated March 4. (Ibid.)

Maintenance effective PC operations in Indonesia will require GOI take additional steps to promote recently reiterated Sukarno desire continue PC in Indonesia. This subject currently under discussion with FonMin; response we receive will be significant test GOI determination keep PC here in spite of current atmosphere. Without some strong Sukarno support to regional govts we believe unlikely PC can continue operate effectively under any circumstances. Do not believe any evacuation required at this time; physical safety PCVS not seriously in question whereas any such moves would signal drive to oust all PCVS. Will keep this under constant review and notify Dept soonest if situation changes.

3. MILTAG. Do not consider voluntarily close-out to be in US interest, however, believe we should consider deactivation of MILTAG as such and establishment within Embassy of "Special Assistant to Ambassador for Defense Liaison Activities." This Defense Liaison Group to have mission maintain US military presence, perform MAP and civic action residual function, maintain direct link to CINCPAC and DOD, and provide base for future expansion of MAP or other Defense activities should such expansion become desirable. Organization should include officer representation from each service dept, personnel to perform continuing specialized functions, and minimum clerical and administrative support. Believe this can be accomplished with eight military personnel (5 officers and 3 enlisted), which includes spaces for Signal Corps officer to supervise Philco contract, army schools liaison officer at Bandung, and enlisted radio man to support military communications system at the Embassy. Believe reduction below numbers proposed above should not be considered until requirements are further reduced or until further reduction is made necessary by actions of Indonesian Govt. This represents drastic cut from present MILTAG strength of 25 enlisted men and officers. Proposed organizations will be covered in greater detail in MILTAG reply to CINCPAC message DTG 030419Z.⁶

4. Evacuation. Do not believe advisable yet move into formal phase of E and E plan. To do so would almost inevitably leak to Indonesian community and complicate our problems; at very best such action would add to morale problems in American community. What I need in face this unpredictable situation is standby authority to (a) authorize advance travel for dependents who would like to leave on voluntary basis, (b) advance authorization to ship HHE, if necessary, and we strongly recommend CONUS as safehaven (Deptel 798),⁶ (c) use foreign flag vessels if American shipping not available. Embassy believes it would also be wise, on contingency basis, to select and make

⁶ Not found.

other necessary preliminary arrangements for representation of US interests in Indonesia by third power. (I would think that Japanese Embassy here would be one of few here with sufficient staff and standing with GOI to do this effectively—would welcome Dept's comments.) Preparations for fulfillment provisions FAM 7-950⁷ could then be completed.

5. USIS Regrouping. See TOUSI 215.⁷

Reconstituted programs outlined above based on strong belief it in US interest, at least until game progresses a bit further, to maintain nucleus MILTAG and USAID (possibly under other names) along lines outlined above for residual reporting responsibilities and other situations that may develop. Number of events could alter present direction Indo politics and provide renewed openings for US initiative. Among these are (a) possible replacement of Sukarno through death or incapacitation; (b) possible army move to stem present trends; or (c) conceivably shift of Malaysian confrontation out of military arena. None of these at all certain but all possible. More likely is hope, as stated Embtel 1643 that with less conspicuous and smaller mission here GOI will find it easier to protect us and that our relations will accordingly, and despite continued foreign policy differences, be eased. This assumes of course GOI desires continued relations. While this also not certain, believe it clearly in US national interest to continue on this assumption until situation clarifies way in which GOI cooperates in orderly withdrawal of USIS installations will provide barometer for future action across board. If we are successful in closing down USIS without exacerbation already difficult situation, I propose that I have frank discussion with Sukarno/Subandrio re remainder of our programs in effort reach understanding. Do not believe we should move too fast with actions which will be interpreted by Indos as retaliatory. Let us have our plans ready so as to be able move fast if necessary and desirable but take soundings as we go. As Dept aware, stakes in game are high and we should not burn any bridges before absolutely necessary.

Subandrio has promised see DCM March 9 to discuss surplus housing and related matters. We should if possible get his agreement on our retention AID building and part of AID housing as well as on use AID building for some other elements this mission. Would appreciate reaction Dept and other agencies soonest.

(AIDTO 1055 received after preparation this message but presents no basic inconsistency with USAID proposal in para 1 above. Will reply part I following Baguio discussions. Response part II being provided separately.)

Jones

⁷Not found.

116. Memorandum From Chester L. Cooper of the National Security Council Staff to the President's Special Assistant for National Security Affairs (Bundy)¹

Washington, March 13, 1965.

SUBJECT

Jones on Johnson-Sukarno Exchange

Jones suggests (see attached)² that the President send a note to Sukarno to:

1. Express concern re deteriorating U.S.-Indonesian relations;
2. "Agree to disagree" as friends;
3. Reassure Sukarno that CIA has no intent to kill him, and that our aid to Malaysia does not reflect major change in U.S. policy;
4. Suggest a summit meeting.

I think a note to Sukarno from the President, covering points 1 and 2 above, might be a good idea; it won't solve the problem, but it probably won't hurt.

I think it unwise for the President to stoop to CIA-assassination fears.³ Sukarno is psychopathic on this score and he has been assured, reassured and re-re-assured to no avail. He seems to enjoy this death-wish and appears to use it to justify to himself and to others any of his anti-American acts.

A high-level meeting should not be dismissed out-of-hand, but if it takes place I think a scenario along this line should be worked out:

- (1) Jones leaves for East-West Center.
- (2) Jones invites Sukarno as old friend to his induction ceremonies in Honolulu.
- (3) The President (Vice President?) decides to attend himself because of his friendship for Jones, because of the significance of the E-W Center in our Asian policy, because he has never been to the 50th State since he became President.
- (4) The President takes this occasion to meet for an hour or so with Sukarno.

¹ Source: Johnson Library, National Security File, Country File, Indonesia, Vol. IV, Memos, 3/65-9/65, [1 of 2]. Secret.

² Telegram 1850 from Djakarta, March 13, not attached. (National Archives and Records Administration, RG 59, Central Files 1964-66, POL INDON-US)

³ In telegram 1869 from Djakarta, March 16, Jones reported that he had informed Sukarno and Subandrio that he had received assurances from the "CIA Head for the Far East" that there were no anti-Sukarno and anti-Indonesia subversive operations. Subandrio admitted that he had no reliable evidence to the contrary, but Jones was still convinced that only a personal denial by President Johnson would "carry full weight." (Ibid.)

But two points should be mentioned:

(1) I don't think we can expect anything much to emerge from such a meeting.

(2) I believe the Department (at least FE) is opposed to the idea.

See attached memo for some further thoughts on Indonesia, Sukarno and All That.⁴

C

⁴ Reference is to a 4-page unattributed paper, March 10, which recommended "a carrot and stick proposition" to Sukarno since U.S.-Indonesian relations were at a crossroads and Sukarno must choose which fork to travel. The memorandum recommended as carrots a Presidential letter to Sukarno written "more in sorrow than in anger," a visit by Harriman or Robert Kennedy to offer U.S. good services to mediate the dispute with Malaysia, and the prospect of additional U.S. economic assistance. The United States would pass the word to moderate politicians and military leaders that the U.S. offer was their last chance. Should Indonesians reject the offer, the United States would increase the pressure by giving military assistance to the British and Malaysians including U.S. advisers. Should Indonesia persist in aggression against Malaysia, the United States should use air and naval power against Indonesian supply lines and back "independence" movements in the outer islands. (Johnson Library, National Security File, Country File, Indonesia, Vol. IV, Memos, 3/65-9/65, [1 of 2])

117. Memorandum of Telephone Conversation Between the Under Secretary of State (Ball) and Director of Central Intelligence McCone¹

Washington, March 14, 1965, 10:30 a.m.

McCone mentioned two cables² were in on the subject they had discussed last night; asked if Ball was having a meeting on this subject. Ball suggested a meeting at 11:30.³ [*less than 1 line of source text not declassified*] from McCone's shop will represent them.

One serious aspect pointed out by McCone was he thought we should alert the oil interests there.⁴ From available information, the

¹ Source: Johnson Library, Ball Papers, Telephone Conversations, Indonesia, [4/12/64-11/10/65]. Confidential.

² Not further identified.

³ No record of this meeting has been found.

⁴ On March 16 Robert Barnett met with 10 U.S. oil company representatives, 2 U.S. rubber representatives, and a representative of Pan American Airlines to brief them on the Indonesian situation. (Memorandum of conversation, March 16; National Archives and Records Administration, RG 59, Central Files 1964-66, POL INDON-US)

grab will go forward. They would impound all tankers in the dock. We ought to get out. Ball agreed.

McCone felt we should explore what might be done constructively to offer some hope to elements who are not all wedded to this philosophy of Sukarno and Subandrio. In this respect he mentioned [*less than 1 line of source text not declassified*] who because of his identification with the conservative political elements friendly to the West, has become obscure.⁵

⁵ On March 15 Ball telephoned McGeorge Bundy to express his concern about Indonesia which was "moving very rapidly in the wrong direction and picking up a certain amount of momentum." Ball noted that Indonesia was the fifth largest country in the world, was strategically located, and "may be more important to us than South V-N." Ball suggested that the President should have a chance to look at Indonesian policy. Bundy asked Ball to prepare a 2-3 page paper outlining policy choices. (Johnson Library, Ball Papers, Telephone Conversations, [4/12/64-11/10/65])

118. Memorandum From the Under Secretary of State (Ball) to President Johnson¹

Washington, March 18, 1965.

SUBJECT

Proposed Mission for Ellsworth Bunker to Indonesia

Our relations with Indonesia are on the verge of falling apart. Sukarno is turning more and more toward the Communist PKI. The Army, which has been the traditional countervailing force, has its own problems of internal cohesion.

¹ Source: Johnson Library, National Security File, Country File, Indonesia, Vol. IV, Memos, 3/65-9/65. Secret. A note on the source text indicates that the President saw it. According to a Department of State copy of this memorandum it was drafted by Ball. (National Archives and Records Administration, RG 59, Ball Files: Lot 74 D 272, Southeast Asia) On March 16 Ball initially drafted this memorandum; a copy is *ibid.*, Central Files 1964-66, POL 1 INDON-US. According to a memorandum of conversation between Ball and McGeorge Bundy, Ball agreed to rewrite it in light of the changed situation in Indonesia. They also agreed along with Rusk that it would be a good idea to send Bunker to "take a quick look" and give them his "sound judgment." (Memorandum of telephone conversation, March 17, 10:15 a.m.; Johnson Library, Ball Papers, Telephone Conversations, Indonesia, [4/12/64-11/10/65])

Within the past few days the situation has grown increasingly more ominous. Not only has the management of the American rubber plants been taken over, but there are dangers of an imminent seizure of the American oil companies.

Under these circumstances, Secretary Rusk and I feel it essential to get a clear, objective reading of the situation.

Ambassador Jones has been in Djakarta for seven years. He is tired and worried. He has done everything possible to advance American interests through his close personal relations with Sukarno. But that line seems pretty well played out.

Before we recommend to you some of the hard decisions that may be required over the next few weeks we think it would be valuable to have Ellsworth Bunker make a fresh and objective reading of the situation.² After he had reported his conclusions we would be in a better position to advise whether

- a. You should send Bunker to Djakarta as Ambassador;
- b. You should send someone less prestigious; or
- c. The post should be left vacant as an expression of our dissatisfaction pending an improvement in relations.

We recommend, therefore, that Ambassador Bunker be asked to pay a brief visit to Djakarta. He is prepared to leave next Wednesday. His mission would have the following objectives:

1. He could carry a letter from you to Sukarno. Because of Sukarno's respect for you this might be the means of temporarily stabilizing the situation.
2. He could make use of his own prestige with the Indonesians (you will recall he was the man who negotiated the West New Guinea settlement) to try to get a commitment from Sukarno to take a more moderate course.
3. He would be able to recommend the decisions we may be forced to make regarding the further evacuation of personnel; the handling of the problem of the oil companies, etc.

If you think well of this idea, we will prepare a draft letter from you to Sukarno which Ambassador Bunker could deliver. Meanwhile, the mere fact that Sukarno knew that Ambassador Bunker was proposing to visit Djakarta on your behalf could have a stabilizing effect.

George W. Ball

² On March 18 at 11:10 a.m., Ball telephoned Bunker and asked "how he would feel about making a quick trip out, leaving the question as to permanent representation based on the recommendation Bunker would make about the type and quality of Ambassador we want out there." Ball told Bunker that "an independent view by someone who would be objective and tough-minded would help the President make some of the hard decisions we will have to be making out there." Bunker agreed. (Memorandum of telephone conversation; *ibid.*)

119. Memorandum From the President's Special Assistant for National Security Affairs (Bundy) and James C. Thompson, Jr., of the National Security Council Staff to President Johnson¹

Washington, March 24, 1965.

SUBJECT

Your meeting with Ambassador Bunker, today at 1 p.m.²

1. Ambassador Bunker is seeing you at 1 p.m. today in connection with his mission to Indonesia. He is seeking general guidelines from you on the purpose of his trip. He will be leaving for Djakarta this weekend and will probably stay for a week or ten days.

2. As you know, Bunker was deeply involved in the Indonesian problem when he served successfully as United Nations Mediator for the West Irian (West New Guinea) dispute between the Indonesians and the Dutch in 1962. He is devoting this week to an intensive updating on the current state of U.S.-Indonesia relations.

3. We would suggest that you stress the following points in your talk with the Ambassador:

(1) It is clearly in our interest to do what we can to arrest Indonesia's apparent drift into the Communist camp under the auspices of the Indonesian Communist Party (PKI). At stake are 100 million people, vast potential resources, and a strategically important chain of islands.

(2) There is disagreement both in our Djakarta Embassy and in Washington as to (a) Sukarno's real intentions; (b) the Indo power balance between Communists and non-Communists; and (c) what the U.S. can and should do—some recommend a "deep freeze" for Sukarno & Co.; others believe in a continued effort to win back their interest and friendship. You want his best judgment on these points.

(3) You would therefore like him to consult in depth with Ambassador Jones, with other members of the Country Team, with Sukarno, and with a broad spectrum of top Indonesian officials.

JCT Jr
McGB

¹ Source: Johnson Library, National Security File, Memos to the President, McGeorge Bundy, Vol. 9, Mar.-Apr. 14, 1965. Secret. Also from Thomson.

² President Johnson met Bunker from 1:30 to 1:38 p.m. (Ibid., President's Daily Diary) No other record this meeting has been found. Jones was informed officially of Bunker's mission in telegram 860 to Djakarta, March 19. (National Archives and Records Administration, RG 59, Central Files 1964-66, POL 7 US/BUNKER)

120. Editorial Note

In an April 23, 1965, letter to Assistant Secretary for Far Eastern Affairs William Bundy, Ambassador Howard Jones stated that he was "privy to plans for a coup here and write you to inform you of the possibility." Jones stated that he had informed only one other person in Djakarta, Edward E. Masters, the head of the Embassy's political section, "because any indication that USG even knows about this could be the kiss of death not only to the effort itself, but to those involved." Jones also told Bundy, "to play safe, I informed my contact that the U.S. Government can in no way participate in any effort of this kind. I nevertheless conveyed clearly my own sympathy with his objectives." Jones went on to explain that the tentative plans contemplated action in late May or June when Sukarno was out of the country and suggested that Bundy might want to share this information with the President. He told Bundy, "I should caution that we do not yet know how seriously the plans are to be taken." Jones assured Bundy that his information was based on "personal contact with one of the leaders of the coup group which represents important civil and military elements." (Johnson Library, National Security File, Country File, Indonesia, Vol. IV, Memos, 3/65-9/65)

Deputy Assistant Secretary of State for Far Eastern Affairs Leonard Unger sent this letter to McGeorge Bundy at the White House suggesting that "he should be aware of this and you may wish to alert the President, although the information contained is obviously far from firm." (Memorandum from Unger to McGeorge Bundy, May 3; *ibid.*) There is no indication that the President was informed.

As it turned out, Jones' information proved to be "far from firm." Jones left Indonesia on May 24, 1965. On May 25 Jones cabled the Department of State from Bangkok in telegram 1879, that "plans referred to in my letter maturing slowly" and that "earlier it appeared as though some action against Sukarno government might be attempted while he was out of the country within the next weeks. This, it now develops, will not happen because people involved have not been able to move fast enough. (National Archives and Records Administration, RG 59, Central Files 1964-66, PER JONES, HOWARD P.)

121. Report From Ambassador Ellsworth Bunker to President Johnson¹

Washington, undated.

INDONESIAN-AMERICAN RELATIONS

Part I: General Conclusions

1. Because of the factors mentioned below Indonesian-American relations are unlikely to improve in the near future.

2. Ostensible reasons advanced by Sukarno for the deterioration of Indo-U.S. relations are:

- a) U.S. recognition and support of Malaysia, as evidenced by the Johnson-Tunku communiqué² and arms assistance ("a slap in the face");
- b) Our "intervention" in South Vietnam and support of the government which he held not representative of the people;
- c) U.S. presence and bases in that part of the world.

3. Other and more fundamental reasons for the present state of Indo-U.S. relations which will continue to affect them adversely are:

a) Sukarno's ambition to solidify the Afro-Asian nations in a struggle of the NEFOS (New Emerging Forces) against the OLDEFOS (Old Established Forces) and to occupy himself a dominant position in the struggle;

b) Characterization of the West as representative of neo-colonialism and imperialism (NEKOLIM), therefore as the enemy of the newly independent countries. The U.S. as the most powerful leader of the developed countries is identified as enemy No. 1;

c) The influence of the PKI (Communist Party of Indonesia), which looks to Peking for inspiration and whose avowed purpose is to drive the U.S. out of Indonesia;

d) Sukarno's proclaimed Marxism and his avowed intention of doing away with capitalism in the process of socializing Indonesia;

¹ Source: Johnson Library, National Security File, Country File, Indonesia, Vol. IV, Memos, 3/65-9/65. Confidential. Bunker sent this memorandum to the President under cover of an April 23 transmittal letter. (Ibid.) According to a memorandum from Thomson to McGeorge Bundy, April 19, Bunker wanted to see the President briefly on April 21 to give him an oral summary of his findings. According to Thomson, Bunker's "most urgent piece of business with the President is the recommendation of a replacement for Howard Jones. He is for the open door (versus the deep freeze) and will propose *Hank Byroate*; State heartily concurs. (So do I!)" (Ibid.) Bunker met with the President on April 26 from 7 to 7:32 p.m. (Ibid., President's Daily Diary) According to a memorandum from Thomson to McGeorge Bundy, April 30, the President approved Bunker's recommendations during that meeting. (Ibid., National Security File, Country File, Indonesia, Memos, 3/65-9/65) See also Document 122.

² For text of the joint communiqué, July 23, 1964, see *American Foreign Policy, Current Documents, 1964*, pp. 899-900.

e) Sukarno's view that creation of national unity and a sense of national identity are more important than economic development; hence his emphasis on the "romanticism of revolution", and external issues to involve the emotional response of his people;

f) Sukarno's confidence that he can bend the PKI to his will; hence his emphasis on NASOKOM, the unification of the national, the religious and the communist elements into a national consensus;

g) Sukarno's mystical belief in his own destiny, hence his conviction that it is his mission to lead his country to unity and power; and because of doubts about his health, to accelerate the process.

4. While the settlement of the Malaysia problem directly, and that of Southeast Asia indirectly, might remove some tension in Indo-U.S. relations, it is probable that these will be under strain for a considerable period because of the factors enumerated above.

5. There are, however, elements of strength in the situation, but which at present find it expedient not to oppose the party line. These, which numerically outnumber the PKI, are:

- a) The military, especially the army;
- b) Moderate moslem political organizations;
- c) Other moderate political elements now inactive.

6. The military, because of the widespread emotional popular support for Sukarno's policy of confrontation with Malaysia, and because of their adherence to constitutionality, support the confrontation policy.

It is believed, however, that the military understands that:

- a) It cannot win a war with Malaysia as long as the latter has British backing;
- b) A defeat would seriously damage its prestige domestically, hence increase relatively the strength of the PKI;
- c) Would therefore prefer a settlement which would permit troops to return to Indonesia to be prepared for a future confrontation with the PKI and other extremists.

7. In terms of internal political power it is not in the U.S. interest to see the military defeated. Such a result, however, would not be unwelcome to the PKI which would like to discredit the present military leadership.

8. Sectors of the moslem population are increasingly restive over the growing power of the PKI. Clashes between these elements have already taken place in east and central Java and Sumatra.

9. A large and widespread U.S. presence provides the PKI and other extremist elements targets for attack.

A defense of the U.S. presence, even by the forces of law and order, is embarrassing to them and to those friendly to the U.S. since it subjects them to attack as defenders or stooges of the imperialists.

10. U.S. visibility should be reduced so that those opposed to the communists and extremists may be free to handle a confrontation,

which they believe will come, without the incubus of being attacked as defenders of the neo-colonialists and imperialists.

11. Within the limitations imposed by the preceding paragraph the U.S. should maintain contact with the constructive elements of strength in Indonesia.

12. Indonesia essentially will have to save itself. U.S. policy should be directed toward creating conditions which will give the elements of potential strength the most favorable conditions for confrontation.

13. The struggle for succession has already begun. First Deputy Prime Minister Subandrio, devious and untrustworthy, is in the lead, following the communist line in an endeavor to use the PKI as a political base.

14. If Subandrio were to succeed Sukarno in the near future there is a probability that the military would try to force his retirement.

15. Sukarno is still the symbol of Indonesian unity and independence, believes in himself and his destiny, and is able and shrewd. There is little question of his continued hold on the loyalty of the Indonesian people, who in large measure look to him for leadership, trust his leadership, and are willing to follow him. No force in the country can attack him nor is there evidence that any significant group would want to do so.

16. Sukarno has, however, increasingly shown a tendency to take positions consistently favoring the pro-communist forces. Unless he moves to restore the balance, the drift toward communist domination of the country will continue.

17. The Indonesian economy:

a) Has not been effectively exploited since the country proclaimed its independence in 1945;

b) Development planning has been inept, and is today virtually non-existent;

c) Over half the population live outside the monetized sector of the economy as self-sufficient farmers, a fact which accounts for the resilience to economic adversity demonstrated by Indonesia over the last two decades;

d) Inflation has been widespread and inflationary forces continue to exert an upward pressure on prices;

e) The government occupies a dominant position in basic industry, public utilities, internal transportation and communication;

f) Sukarno emphasized in his speech on April 11 that his concept of "guided economy" includes a speeding-up of the process of socializing the country;

g) It is probable that foreign private ownership will disappear and may be succeeded by some form of production-profit-sharing contract arrangements to be applied to all foreign investment;

h) The avowed Indonesian objective is "to stand on their own feet" in developing their economy, free from foreign, especially Western, influence.

18. Since Sukarno occupies a dominant and virtually unchallenged position of leadership, Indo-U.S. relations will be largely what he wishes them to be, while he remains in power.

19. There are, as noted above, moderate elements which are in contention to succeed Sukarno. Whether they will be able to do so will depend on their own strength and unity, and to some extent on our relations with them and with Indonesia during the remainder of Sukarno's regime.

Part 2: Recommendations

General

1. Because of Indonesia's importance and potential strength, we should seek to retain a continued presence in Indonesia.

2. Where aspects of our presence in Indonesia provide targets easily exploitable by the PKI, they should be quietly removed.

3. Our major effort should be directed toward influencing long-range developments in Indonesia.

4. In dealing with the present regime we should continue to emphasize our desire for friendly relations while recognizing the fact that the nature of our relations depends primarily on what the Government of Indonesia wishes them to be. Accepting the fact that our bilateral relations are presently unsatisfactory we should, to the extent possible, continue the effort to work with Sukarno and maintain a dialogue between him and the President.

5. We should try to maintain as much contact with as many other elements in Indonesia, both of current and potential importance, as circumstances permit.

6. We should avoid taking actions which appear to be punitive. We should also recognize the fact that public castigation of the Sukarno regime produces no restraining effect in Indonesia, but on the contrary tends to intensify our problems there.

7. We should quietly but effectively, using wherever possible the agency of third countries, oppose Indonesia's efforts to turn the Afro-Asian-Latin American countries into an anti-American bloc.

8. Because the ideal of national unity is an overriding obsession with practically all Indonesians, stronger by far than any real divisive regional feeling, we should avoid becoming involved in efforts to split off Sumatra or other areas from Indonesia.

9. We should continue to avoid direct involvement in both the military and diplomatic aspects of the Malaysian problem.

Specific

1. The security situation as it affects dependents of American personnel should be kept under constant review. An unpublicized and

temporary freeze should be put on the travel of dependents of newly assigned personnel going to Djakarta until at least May 15, the situation to be re-assessed at that time. We should also establish Indonesia as in Phase I of Emergency and Evacuation planning without, however, any general circulation of this fact beyond a need-to-know basis.

2. The U.S. has an unfulfilled commitment to the Indonesian Army, involving the personal position of Army Chief General Yani, to complete the fixed communications project on which the Indonesian Army has expended some \$10 million. If this project is not completed General Yani will be placed in a very vulnerable position which, in turn, will have an adverse effect on the Army's attitude toward the U.S. and its ability to resist the Communist Party. Unless an acceptable proposal for the Indonesian Army's acquisition of the equipment through commercial channels can be made to General Yani, the U.S. should complete the now reduced project under the Military Assistance Program.

3. Other than completing the foregoing project, we should not contemplate further deliveries under the Military Assistance Program. In order to keep maximum contact with the Indonesian military we should retain a few selected officers of the military assistance training group, either as a part of the attaché staff or as a separate unit within the Embassy.

4. Although new money should not be sought from Congress for FY 1966, a skeleton AID staff should be maintained at least as long as AID-administered activities continue. If all such activities are terminated, the question of maintenance of a skeleton staff should be reviewed.

5. The University contracts should be continued so long as there is not a marked increase in the general security threat to Americans and so long as they are able to operate.

6. The Harbor Construction Project, a development loan granted well before Indonesia began its military confrontation against Malaysia, is well along, and involves a commitment by the U.S. Government both to the Government of Indonesia and to the company which has the contract. Defaulting on this commitment, a punitive action on our part, would not only reflect unfavorably on the U.S. but would put in jeopardy some \$500,000 worth of equipment owned by the American company. We should try to complete this project.

7. An information program under the aegis of the Embassy should be pursued and, if possible, expanded with the objective of keeping a window open for U.S. influence with Indonesian leaders, particularly those among the youth. The recent proposal by USIA involving the assignment of two officers and 16 locals to the Embassy and the two Consulates seems a reasonable beginning.

Part 3: Discussions with President Sukarno and Other Principal Indonesian Figures³

In the course of my visit to Indonesia—a stay of one day more than two weeks—I had four meetings with President Sukarno, two other meetings with First Deputy Prime Minister and Foreign Minister Subandrio, and I also called on a number of other ministers in influential positions. Additionally, I lunched once with President Sukarno at the Palace in Djakarta and in turn entertained him once at a luncheon at the Embassy Residence in Djakarta. At his request I also went to Bandung to hear his speech at the opening session of the Consultative Assembly. In addition, I obtained the views of a number of ambassadors accredited to Djakarta.

In the talks with President Sukarno and members of his government I endeavored consistently to make a number of points about our general concept of United States relations with Indonesia and in turn to elicit from Indonesians their views of present and future relations with the United States. I avoided to the extent possible becoming involved in operational questions which I felt would be more appropriately handled by the Embassy.

The following are the aspects of United States policy toward Indonesia which I particularly stressed in my talks with Indonesian leaders:

1. I said that I had come to Indonesia at the request of President Johnson who had become concerned by the recent deterioration of relations between Indonesia and the United States, and who had expressed to me his wish to enter into a closer dialogue with President Sukarno in which American attitudes and Indonesian views might better be understood by both sides. I emphasized that neither the President nor I considered my visit to be a "last ditch" effort, but rather an aspect of continuing communication between the two countries.

2. I made clear that the United States seeks a friendly and constructive relationship with Indonesia to the extent that this kind of relationship also is desired and would be supported by the Indonesian Government. I stressed that the United States has no territorial or other ambitions in the Far Eastern region. When talking to President Sukarno, I assured him most clearly that the United States Government is not working against him personally and does not seek his removal from power.

3. I pointed out to the Indonesian leadership that, contrary to what some of them may believe, the United States very well understands the dynamics and objectives of revolution, including that of Indonesia.

³Memoranda of conversation between Bunker and Indonesian officials with the exception of Sukarno, Nasution, and Subandrio are in National Archives and Records Administration, RG 59, Central Files 1964-66, POL INDON-US. Additional reports are *ibid.*, POL 7 US/BUNKER and POL 15-1 INDON.

The American revolution has continued and its present manifestation in which the equal rights of citizens are being sought has even strengthened our understanding and sympathy for such legitimate aspirations. We understand that to be strong a nation must be given a sense of unity, self-identification, and self-reliance.

4. We believe it natural that Indonesia should play an important role in international affairs, I pointed out to President Sukarno, and I added that we could see no reason why this should bring the United States and Indonesia into opposition. I expressed the thought in this connection that Indonesia's ability to exert external influence on events would be enhanced by peaceful settlement of Indonesia's differences with its neighbors.

5. I told the Indonesians that since we share many basic objectives, we should be able to live in mutual friendship and respect. This is the desire of the United States and we hope also of Indonesia. However, it is evident that our bilateral relations have been disturbed and allowed to deteriorate because of our differing views on a broad range of other issues in the world. The United States, I said, does not wish that these other issues should control our relationship, but it seems to us that the Indonesian Government has deliberately allowed this to happen. Moreover, the campaign of anti-Americanism which has been taking place in Indonesia in recent months seems designed to identify the United States as the principal enemy of Indonesia. We understand that the Indonesian Communist Party wishes to disrupt relations between the two countries, but we do not assume that this also is the objective of President Sukarno and other Indonesian leaders. I told President Sukarno that I would like to be able to report to President Johnson his estimate of the direction and nature of Indonesian relations with the United States. U.S. programs in Indonesia, such as USIS, AID and the Peace Corps, I pointed out, had been designed to promote friendship and understanding between us. However, since it appeared that they had instead become irritants in our relations, we believe that they should be removed unless the Indonesian Government wished them to remain and would support them.

6. I told President Sukarno that we considered him to be the leader of the Indonesian people and the principal formulator of Indonesian policies. We believed the Indonesian people would follow his guidance. Therefore, the nature of future United States-Indonesian relations would be up to him. We should be prepared for a constructive, friendly relationship.

President Sukarno and Foreign Minister Subandrio pushed very hard to obtain United States support in their "confrontation" with Malaysia, both constantly reiterating that what they termed as American support of Malaysia could not but constitute a serious obstacle to the improvement of relations between us. President Sukarno described

the communiqué between President Johnson and Tunku Abdul Rahman and U.S. military aid to Malaysia as evidence of United States support of Malaysia and opposition to Indonesia. Sukarno asserted that he regards Malaysia as a puppet of "British imperialism" and had evidence it had been set up to "contain" Indonesia. Sukarno sought to obtain from me United States endorsement of his proposal that the Malaysian issue be settled along the lines of the Manila agreement or Tokyo declaration, and asserted that United States support in this respect would permit the Indonesian Government to support and promote improved bilateral relations.

In addition to the subject of Malaysia, Sukarno also mentioned North Vietnam, North Korea, and the Congo as examples of matters in which our differing approaches have an effect on our bilateral relations. Sukarno described to me his concept of the Afro-Asian area as an "integrated political whole" and sought to obtain from me agreement, which I did not give, that this concept is accepted by the United States.

I spelled out for Sukarno, in precise terms, our policy toward Malaysia and the nature of and reasons for our commitment to South Vietnam, and the fact that we had no territorial or other ambitions in Southeast Asia.

Nevertheless Sukarno and Subandrio clearly and repeatedly inserted third country issues into our bilateral relationship and gave every indication that Indonesia would continue to let the relationship be dominated by such issues. I consistently declined to be drawn into debate of the substance of these various other matters, explaining that President Johnson had asked me to come to Indonesia to discuss with Sukarno the United States-Indonesian bilateral relationship and reiterated that it seemed to me this should not be influenced unduly by third country relationships; that where our policies diverged we could at least agree to disagree amicably. Apparently it became clear to Sukarno that I would not make a substantive concession to his views regarding Malaysia, and he settled for language in a communiqué that was much less than fully satisfactory to him but nonetheless did permit him, as well as me, to conclude the conversation gracefully.

President Sukarno asserted that he also wished good relationships with the United States and he requested that his views, as described above, be fully reported to President Johnson. Sukarno acquiesced in the removal, strongly recommended by First Deputy Prime Minister Subandrio, Minister of Defense Nasution and Army Chief of Staff Yani in their remarks to me, of the Peace Corps from Indonesia. He also, in the communiqué, publicly affirmed his desire that AID-financed university contract teams be continued. Sukarno made no specific response to most of the points I had made to him concerning our concept of and desire for friendly and constructive bilateral relations.

Other Indonesian officials with whom I talked, including most importantly the Minister of Defense, General Nasution, strongly advocated and advised that American programs in Indonesia be removed for the time being. Arguments in support of this advice pointed out that the Indonesian Communist Party is targeting its harassment tactics on these programs. Indonesian officialdom, led by Sukarno, has taken an anti-American line publicly, and this makes it virtually impossible for the military and police to support or even to protect these programs adequately. Therefore, the programs would best be removed because their security could not be assured, because they could not be fully effective, and because they divert attention from the main aspects of the sharpening internal power struggle between the communists and non-communists. General Nasution predicted a one to two-year period of tense relations with the United States resulting from this internal political struggle. He observed that these political phenomena have their own momentum and direction, and therefore are unlikely to be influenced by external pressures. General Nasution, principal leader of the anti-communist military forces, in effect advised that the United States prepare to keep its head down and patiently ride out a period of political turbulence, and he said that he also wished the Indonesian Army to follow this same course. A minority view, most prominently expressed by Adam Malik, who was recently promoted out of the Ministry of Trade, was that the United States should avoid reducing its presence or its programs in Indonesia on the grounds that removal of U.S. programs would encourage the Indonesian communists and make them appear stronger than they actually are.

Conversations with Indonesians generally followed this pattern of conversation with President Sukarno and with General Nasution: Those of the Sukarno persuasion taking the position that improvement in United States-Indonesian relations would be contingent on United States support of Indonesia for the Malaysia issue, while other elements, those traditionally more friendly to the United States, advising that a period of disturbed relations lies ahead, that the United States should lower its profile in order to remove targets from communists' harassment, retain only those programs for which President Sukarno's public support and protection could be obtained, and maintain a posture that will permit a renewal of good relationships when conditions in Indonesia change.

[Here follows part 4, "Background," 9 pages including sections on, "Indonesia's Position in Asia," "The Colonial Heritage," "Progress Since Independence," "The Political Structure," "Political Forces," "The Current Picture" and "Prospects for Indonesia."]

122. Memorandum From the President's Special Assistant for National Security Affairs (Bundy) to President Johnson¹

Washington, April 26, 1965.

SUBJECT

Ambassador Bunker's meeting with you today

1. Ambassador Bunker is coming in primarily to report to you on his mission to Indonesia. I attach at Tab A the first two sections of a long report.² These sections give his general conclusions and his recommendations.

2. He is pessimistic about the short-run prospects for improved U.S. relations with Indonesia. Bunker knows it takes two to have good relations, and he thinks Sukarno simply does not want them right now. Malaysia is the immediate cause of friction, but even if Malaysia were settled, the internal politics of Indonesia would bend Sukarno toward hostility to the U.S.

3. At the same time, Bunker believes strongly in a continued U.S. effort to play for the long-term stakes by keeping open quiet lines of contact to the Indonesian Government and people—and especially to the Indonesian military. He recommends that we reduce our visibility, avoid punitive actions, remove vulnerable Americans from isolated regions, but maintain a skeleton AID staff with minor and popular AID projects as our University contract program. His one politically tricky recommendation is that we should keep our good relations with the Indonesian military by completing a firm but unfulfilled commitment to the Indonesian army to help in finishing a telecommunications project (Part 2, page 2, item 2). There is not yet an inter-agency position on this one.

4. There are two questions that may be more important than Bunker's report: (1) the succession in Indonesia, and (2) your own possible interest in appointing Bunker.

(1) On Indonesia, Bunker recommends Henry Byroade who has done a very good job as Ambassador in Burma. The State Department concurs, and so do we. Byroade's record is marred by some private indiscretions, but he has apparently behaved very well in Burma, and he has the temperament and style for Indonesia.

¹ Source: Johnson Library, National Security File, Memos to the President, McGeorge Bundy, 3/3/65-6/30/65. Secret.

² See Document 121.

(2) On Bunker himself, I continue to think that if he were interested, he would give a stature and coherence to our European Bureau that it has never had in many years, even under Foy Kohler.

McG. B.

123. Telegram From the Department of State to the Embassy in Indonesia¹

Washington, May 21, 1965, 10:02 a.m.

1193. Embtels 2443 and 2444.²

We agree that this is appropriate time for President to write to Sukarno, both to indicate his continued interest in Ambassador Bunker's mission and to encourage Sukarno's early acceptance of your successor. We do not, however, believe that this is suitable occasion for introduction questions of substance on matters where we are in disagreement with Indonesia as this would be likely to deflect Sukarno's attention. We have, therefore, shortened and revised your most helpful draft. Following is text of letter which you should deliver to Sukarno soonest.³

"Dear Mr. President:

Ambassador Bunker has recently reported to me on his mission to Indonesia. I have discussed with him his experiences and impressions and have read with much interest his report of his conversations with you and your advisers. I am deeply appreciative of the time which you personally gave him and the courtesies extended to him during his stay in Indonesia.

Ambassador Bunker's mission has enabled us to obtain a fuller measure of understanding of your hopes and concerns for Indonesia.

¹ Source: National Archives and Records Administration, RG 59, Central Files 1964-66, POL INDON-US. Secret; Immediate; Verbatim Text; Limdis.

² In telegram 2443 from Djakarta, May 10, Jones suggested that Johnson send Sukarno a personal message and telegram 2444 from Djakarta, also May 10, contained the proposed text of the message. (Both *Ibid.*)

³ In telegram 2550 from Djakarta, May 22, Jones reported that he delivered the letter to Sukarno that afternoon who expressed appreciation for it, reiterated his desire for good relations, and expressed hope Johnson would visit Indonesia. (*Ibid.*)

I hope that it has correspondingly brought you a clearer view of American policies and of our continuing desire for mutually friendly and beneficial relations between the United States and Indonesia.

I hope, Mr. President, that we can keep in personal contact, and I shall look forward to an opportunity when we can meet together for a closer discussion of the broad areas of our mutual interests. Although there are differences of view between us on some issues, I believe we should not allow these differences to impair the relationships which have existed between our governments and peoples over a number of years of friendly association.

I am very grateful for the many years of dedicated service which Ambassador Jones has given in the cause of friendly relations between our nations. We all regret his forthcoming retirement, but I have every confidence that we will be able to continue under his successor the tradition of friendship and close relations which Ambassador Jones has fostered.

Only a few days ago I had the pleasure of welcoming Ambassador Palar to Washington, and I trust, Mr. President, that either through the channels of our respective Ambassadors, or through this more direct means of personal correspondence, we may narrow the gaps that threaten to separate our countries and find and maintain a basis on which our peoples may continue to live in true peace and friendship.

With all good wishes,

Sincerely yours,"

Rusk

124. Telegram From the Embassy in Indonesia to the Department of State¹

Djakarta, June 5, 1965, 0825Z.

2641. Embtel 2640.²

Indo trends outlined in reftel raise some serious questions for USG, both as to our basic assessment of GOI and in our posture and actions in response to such assessment. One of important aspects of these trends and possible consequences is that they are almost equally inimical and end result is same whether one takes position all is logical consequence of Sukarno commitment to carry Indonesia into "socialist stage" or whether more fuzzy combination of psychological, ideological and other factors motivate Sukarno's actions.

Present GOI has become deeply hostile to most of what USG striving for internationally in today's world. If Indo virus is allowed to spread unchecked in AA world it could be particularly insidious front runner for international communism. "International Nasakom" coalition concept could be of real use to ChiComs and would undoubtedly have more appeal in Islam-impacted Middle East than uncompromising brand of purely Communist-directed violent revolution.

Despite this assessment, I believe it would be unwise for US to declare that Indonesia is Communist or to begin overtly to treat Indonesia as a Communist state. Should we do so the effect would most probably be to rally in defense their country's honor and prestige those many who presently give Sukarno's policies only lip service and half-hearted support. There is still some chance for change or possibly even reversal of policies not yet ineluctably solidified into Communist mold, and US posture should be one that will enhance and strengthen if possible chances for future change toward improved US-Indonesian relationship.

We believe guidelines set by Bunker report³ are still correct but that US should begin energetically though quietly to tool up for effective

¹ Source: National Archives and Records Administration, RG 59, Central Files 1964-66, POL INDON-US. Secret. Repeated to Medan and Surabaya.

² In telegram 2640 from Djakarta, June 5, the Embassy reported that the PKI had recently made important strides in its campaign against remaining anti-Communist forces. The nationalist, Moslem and other religious-backed political forces had suffered important setbacks and the military was increasingly under Sukarno's control. The Embassy suggested that the United States should prepare for the possibility that Indonesia "could pass under institutionalized Communist control in the not too distant future," although the Embassy suggested it would be a "maverick nationalist brand of communism which would be Indonesia centered." (*Ibid.*, POL 15 INDON)

³ Document 121.

counter-propaganda effort and other counter-actions against Sukarno's policies and Indonesia's current objective of Nasakomizing Afro-Asian World.

For present we should not take lead in overtly declaring GOI pariah in our informational media since this action would on one hand precipitate Indo reaction which would make our maintenance of desired presence here virtually impossible and, on other hand, would probably be premature in terms of credence to be given by most AA nations we would hope to influence. Suggest therefore that our public posture continue to be correct while avoiding being identifiably hostile. We should probably express any cordiality required to continue to play game with Sukarno in non-public channels. We should, however, cease characterizing Indonesia as part of "free world," since in its international alignments it clearly is not, and term is ridiculed by GOI itself.

Specific actions recommended at this time are:

1. Make immediate and major effort to improve VOA signal strength and time devoted to broadcasting to Indonesia. Indonesian people are currently almost completely cut off from any interpretation, other than that dictated by Communist-dominated GOI propaganda machine, of facts about national and international events. Most Western news magazines are banned. VOA signal poor.

2. Establish team composed of members located in this Embassy and in Washington of political-editorial experts who can prepare material on current basis for use by VOA and other media for counter-propaganda effort with AA world.

(A) It is hoped that promised info officer will be shortly assigned and will be crack writer who can quickly put in usable form and transmit to Washington material gathered here in conjunction with Embassy political officer for channeling back to Indonesia.

(B) Team in Washington should, besides screening and deciding on use of this material, be concerned with broad appeal to Afro-Asian world and techniques and actions required to counter ChiCom-Indonesian efforts subvert other AA countries to their ideologies.

3. Major effect should be made to enlist active support for counter-effort described above from friendly AA nations and they, rather than US, should begin publicly to expose Djakarta's aggressive and pro-Community policies.

4. Continue our efforts to inform AA moderates of true nature of Indo approach to Algiers conference and importance of avoiding victory by Indonesian-ChiCom coalition in name of unity or avoidance controversy. We believe, for example, that greater emphasis on GOI's own aggressive influence and policies rather than on desirability Malaysian admission is indicated. Isolation of GOI at Algiers almost certainly lesser evil than Indonesian success.

5. Through third country radio broadcasts and such other means as can be made available, including Embassy's own modest informational effort, expose PKI efforts dominate political spectrum in Indonesia.

6. Through friendly AA countries expose throughout AA world effect of Sukarno's policies in Indonesia and acceleration of PKI influence here.

7. Achieve foregoing in subdued manner which will avoid complete break and removal remaining American presence in Indonesia. Obviously risks would be involved in this respect in carrying out above recommendations but risk must be taken in view danger current Indo policies aimed at rest of AA world.

Main thrust foregoing recommendations meant to be greater USG attention to and attempt cope with problems raised by trends described refert both in Indonesia and in wider Afro-Asian context.

Galbraith

125. Memorandum From the President's Special Assistant for National Security Affairs (Bundy) to President Johnson¹

Washington, June 30, 1965, 8:35 a.m.

SUBJECT

Your Meeting with Ambassador Jones and Green (Indonesia) at 11:30 a.m. Wednesday, June 30²

Green leaves for Indonesia July 8. Jones becomes Chancellor of the East-West Center later in July.

The purpose of this meeting is to give Jones a word of deserved thanks and to give Djakarta a signal of your confidence in Green. The Indonesians, and Sukarno in particular, had a particularly high regard for Jones.

As you know, our policy toward Indonesia is cool and correct at the moment. We are keeping the door open to friendly relations, but we have removed the Peace Corps and other targets of Communist

¹ Source: Johnson Library, National Security File, Memos to the President, McGeorge Bundy, Vol. 11. No classification marking.

² According to the President's Daily Diary, the meeting took place from 12:45 to 12:48 p.m. (Ibid.)

agitation. We are really playing for the breaks in a situation in which the Communists are gaining in influence, but the prospect of a reaction by the military is strong.

I attach a letter (Tab 1) for Green to deliver to Sukarno.³ Sukarno being the highly personalistic type he is, a message of this kind will increase Green's standing and give some additional weight to whatever he may have to say as our relations develop. I have redrafted the State Department version to make it cool, but courteous, and I think it will be a help to Green. On the other hand, we have not made any promise of such a letter and you can give it a pocket veto if you prefer.

McG. B.⁴

³ Not attached, it introduced Green as "one of our most able and experienced officials in the affairs of Asia," fully attuned to the President's own thinking. (Ibid., National Security File, Special Head of State Correspondence, Indonesia Presidential Correspondence)

⁴ Printed from a copy that bears these typed initials.

126. National Intelligence Memorandum¹

NIE 54/55-65

Washington, July 1, 1965.

PROSPECTS FOR INDONESIA AND MALAYSIA

The Problem

To examine the domestic political situation and foreign policy trends in Indonesia and Malaysia, and to estimate the prospects of both countries and the probable course of their conflict with one another over the next year or so.

Conclusions

A. The principal development in Indonesia over the past year has been the sharply accelerated growth of the Communist Party (PKI) role

¹ Source: Department of State, INR/EAP Files: Lot 90 D 165, NIE 54/55-65. Secret; Controlled Dissem. The Central Intelligence Agency and the intelligence organizations of the Departments of State, Defense, and the NSA prepared this estimate, which was concurred in by the members of the U.S. Intelligence Board on July 1, except the representatives of the AEC and FBI who abstained on the grounds that the topic was outside their jurisdiction.

in government. This trend is likely to continue as long as Sukarno is in control. Opponents of this trend are discouraged and intimidated; even the military has all but lost the will to resist. The longer Sukarno lives, the better will be the PKI chances of maintaining or improving its position following his death. (Paras. 2-11)

B. Sukarno's campaign to destroy Malaysia, now in its third year, will almost certainly continue at varying levels of intensity. There is little prospect of an Indonesian military victory and Sukarno knows it. This realization has led him to denounce and harass the entire Western presence in Southeast Asia, and indeed in the Afro-Asian world. (Paras. 14-16, 21)

C. We look for a continuation of Indonesia's hostile attitude toward the US, though chances are less than even that Sukarno will go so far as to break diplomatic relations. Ties with Communist China are likely to become closer, since Sukarno sees no immediate Chinese threat to Indonesian ambitions. The desire of the Indonesian military to continue receiving Soviet arms aid will probably induce Sukarno to maintain relatively friendly relations with the USSR. (Paras. 17-23)

D. If Sukarno dies or becomes incapacitated in the next year or so, the immediate successor government would probably be an ostensibly non-Communist coalition. The military would almost certainly exercise greater authority than at present, but would be unlikely to risk civil war to initiate a roll back of the Communists. Indeed, the Communists are already so entrenched that they could probably not be denied an important share in any successor government. (Paras. 12-13)

E. In Malaysia, existing political and racial frictions will intensify, but even if no settlement is achieved, we do not believe that this will lead to a breakup of the federation during the period of this estimate. The subversive threat to Malaysia is unlikely to bring down the present regime unless it is significantly weakened by Indonesian actions on a scale which we consider improbable. (Paras 24-33)

F. Malaysia is totally dependent on British military support and its foreign policy is closely allied to that of the UK and its Commonwealth partners. The UK, and to a lesser extent Australia and New Zealand, have committed a considerable military force to the defense of Malaysia. It will probably prove adequate to cope with likely Indonesian actions and to deter Sukarno from substantially bolder aggression. Nevertheless, Malaysia will continue to seek an even stronger US commitment to its defense. (Paras. 34-36)

[Here follows the Discussion section of the estimate.]

127. Memorandum of Conversation¹

Washington, July 20, 1965, 5:35 p.m.

SUBJECT

U.S. Communications Equipment for Indonesian Army

PARTICIPANTS

The Secretary
Thomas M. Judd, EUR/BNA
Sir Patrick Dean, British Ambassador

Secretary Rusk said he wished to make sure that London is fully informed concerning our decision to permit the commercial sale of about \$3,000,000 worth of communications equipment to the Indonesian Army. The Indonesian Army had originally asked to buy \$13,000,000 worth of equipment but we had said no. The Indonesian Army people had come to us privately saying they needed some secure means of internal communication within the army. Commercial communications were in the hands of the PKI. The equipment we were selling would be used only on Java and would be stationary.²

Ambassador Dean thanked the Secretary for his presentation. He said that the Embassy had previously been informed of the situation by FE.

¹ Source: National Archives and Records Administration, RG 84, Djakarta Embassy Files [formerly FRC 69 A 6509, Box 116], DEF 19-8 Indocom. Confidential. Drafted by Judd and approved in S on August 16. The memorandum is part 5 of 5. The discussion took place in Rusk's office.

² In telegram 46 to Kuala Lumpur, July 20, the Department instructed the Embassy to inform Razak or other appropriate officials at the Ministry of External Affairs of the U.S. decision to grant an export license for tropospheric scatter fixed communications systems to be installed at Djakarta, Bandung, and Palembang and to stress that the Department had determined that the equipment would not assist in Indonesia's military confrontation against Malaysia. (Ibid., RG 59, Central Files 1964-66, DEF 21 INDON)

128. Memorandum of Conversation¹

Washington, July 28, 1965, 6:30 p.m.

SUBJECT

Sale of U.S. Communications Equipment to Indonesia

PARTICIPANTS

The Secretary
Thomas M. Judd, EUR/BNA
Sir Patrick Dean, British Ambassador
Nigel C.C. Trench, Counselor, British Embassy

Ambassador Dean said he had been instructed to convey to the Secretary the British Government's unhappiness about the U.S. decision to permit the sale of communications equipment for use by the Indonesian Army. The Ambassador said he understood the U.S. problem but the British were faced with the situation of trying to prevent other friendly countries from supplying military equipment to the Indonesians. The French were getting ready to sell three helicopters, using the action of the U.S. as an excuse. The Dutch were about to sell twenty Fokkers. HMG was also having a lot of trouble with the Japanese. The British had demonstrated that they practiced what they preached when they cancelled the Decca contract some time ago.

Secretary Rusk went over the reasons for the U.S. decision which he had previously given to the Ambassador. He stressed the limitations on the program and the desirability of aiding the Indonesian Army to obtain a secure means of internal communication.

The Secretary went on to say that this sort of problem existed elsewhere. We were not happy with some of the things the British were doing. For instance, British shipping to Cuba. It was difficult to deal with each one of these cases on an ad hoc basis. Perhaps we should discuss the general problem in an attempt to arrive at a broad policy agreement. The Secretary said we would be glad to talk with the British to see if a basis could be found for a general agreement.

Ambassador Dean said he thought HMG would be interested in such talks. Perhaps Sir Burke Trend, Secretary of the British Cabinet, could take up this matter on his current visit to the U.S.

There was further discussion of our proposal to permit the sale of communications equipment to the Indonesian Army. The Secretary

¹Source: National Archives and Records Administration, RG 59, Central Files 1964-66, DEF 21 INDON. Secret. Drafted by Judd and approved in S on August 8. The memorandum is part 1 of 2. The discussion took place in Rusk's office.

then mentioned that the Pakistanis were apparently sending C-130 spare parts to Indonesia from supplies originally furnished by the United States. We had taken this matter up with Pakistan. In view of the nature of the problem, it would probably be inadvisable for the British to make any approaches to the Pakistanis.

Ambassador Dean said that he had been unaware of this situation. He agreed that it would probably not be a good idea for the UK to talk with the Pakistanis.²

² In another meeting on August 2, also in Rusk's office, the Secretary told Dean that "the British should probably wait to see what happens. There is a good chance the Indonesians will not go through with the purchase of the equipment." (Memorandum of conversation, August 2; *ibid.*)

129. Memorandum From the Director, Far East Region (Blouin) to the Assistant Secretary of Defense for International Security Affairs (McNaughton)¹

I-25070/65

Washington, August 3, 1965.

SUBJECT

Further Deterioration in Relations with Indonesia

Problem

Ambassador Green reports from Djakarta that the United States should prepare for a break in diplomatic relations with Indonesia.² Although he does not believe a break is imminent, he says the "heat is again being turned on us" and that preparations should be made for this eventuality. This assessment was made in a few hours before a Communist-led mob stoned the U.S. Consulate in Medan.

Discussion

The strong anti-U.S. demonstrations which have taken place since Green's arrival in Djakarta, the blunt words which Sukarno leveled at

¹ Source: Washington National Records Center, RG 330, OASD/ISA Files: FRC 70 A 3717, Indonesia, 000.1-291.2 (092. Indonesia). Secret. Drafted by D.E. Neuchterlein of OASD/ISA/FER.

² In telegram 190 from Djakarta, July 31. (National Archives and Records Administration, RG 59, Central Files 1964-66, POL INDON-US)

the United States during the Ambassador's presentation of credentials, and the increasingly vitriolic anti-American and anti-Green statements in the Indonesian press apparently have convinced the Ambassador that his initial efforts to improve relations between the two countries have met with sharp rebuff.³ Relatedly, the Indonesian Government has turned down a request for the research ship *Atlantis II* to conduct a marine survey in the Banda Sea, which Indonesia claims as its territorial waters. Sukarno is pressing ahead full speed with plans to set up a rival to the United Nations known as the CONEFO (Conference of Newly Emerging Forces) next year, and his latest boast that he will explode an atomic bomb in November has caused the Embassy to speculate that Peking may detonate a bomb in Indonesia in order to bolster Sukarno's prestige among the Afro-Asian nations. A growing campaign is being waged by the Indonesian Government, or important elements in it, to convince the public that Indonesia is under imminent threat of attack from the United States. A forged document was recently made public by the foreign minister which "proved" that the British and American Ambassadors in Djakarta were conspiring on plans for an invasion of Indonesia.

Conclusion and Recommendations

It appears that the conclusions reached by the Bunker Mission, namely, that a large reduction in the American presence in Indonesia would produce a better climate in which to conduct US/Indonesian relations, are being proved fallacious and that time may be running out on U.S. efforts to placate Sukarno. Perhaps our moderation in dealing with Indonesia has misled Sukarno to believe that the United States is not prepared to defend its interests. There are nearly 100 million people in Indonesia who by all logic and past history should be pro-American. I am convinced they are truly afraid of Communist China but have the delusion that they (Indos) are clever enough to handle them and/or are convinced that the U.S. will back down and leave the Communist Chinese in a commanding position.

Therefore, it might be appropriate to consider what measures we should take to make clear our determination to use the international waters around the Indonesian islands and also to counteract the political impact of the possible detonation of an atomic bomb in Indonesia. The following steps might be taken:

1. Reopen with State the question of sending one or more Navy ships through the Indonesian Straits "unannounced" to demonstrate our refusal to accept the Indonesian claim to these as territorial waters.

³ As reported in telegram 188 from Djakarta, July 31. (Ibid.)

2. Encourage the *Atlantis II* to carry out that part of its survey in the Banda Sea which is clearly outside Indonesian territorial waters and make it clear we will not stand for any harassment.

3. Reconsider our decision to permit Philco Corporation to build a three-site communication system for the Indonesian Army. The Indonesians apparently are delaying any decision in this matter in order to reap a full political harvest from Malaysia's bitter reaction to the United States support for its "enemy". Although I supported the decision and feel the opposition to this sale is largely emotional, I'm leaning toward renegeing now, not just because of Commonwealth opposition, but because of continued Sukarno boorishness.

4. Take steps to minimize the political impact if Indonesia should detonate an atomic bomb. Such a detonation is hardly possible without ChiCom help but the Indos have surprised us before. The event would alarm not only the Malaysians but the Fils, too.

F. J. Blouin⁴
Rear Admiral, USN

⁴Printed from a copy that indicates Blouin signed the original.

130. Memorandum From Chester L. Cooper and James C. Thomson, Jr., of the National Security Council Staff to the President's Special Assistant for National Security Affairs (Bundy)¹

Washington, August 3, 1965.

SUBJECT

Avoidance of Panic Regarding Indonesia

We have learned of some disturbing views that are circulating on the seventh floor at State regarding U.S. relations with Indonesia. We are at a point where either *an initiative by you at today's lunch or a talk with Bill Bundy* is probably required.

¹Source: Johnson Library, National Security File, Country File, Indonesia, Vol. IV, Memos, 3/65-9/65. Confidential.

It appears that the report of the attack on our Medan consulate coincided with a contingency message from Marshall Green discussing third-country representation of our interests in the event of a break in relations with Indonesia—jointly to cause undue alarm at State.² The result has been a high-level thrust toward quick and drastic action on the evacuation of dependents and the reduction of staff. *There is danger that an impulsive decision may be reached here within the next two days.*

This high-level concern is shared neither by Green nor by the working level of the Department. As Green reports in Djakarta's 191 (attached³), he believes that actions at odds with the Bunker report would be premature at this time. Both he and the experts regard *August 17th* as the annual critical date. Actions taken by us prior to the 17th would tend to be self-fulfilling.

Marshall Green now has the authority to evacuate any dependents any time he chooses. We should let him take the lead on this one and support his judgment. What the seventh floor needs at the moment is to move gently some feet away from the panic button.⁴

J
C

² The report of the attack on the consulate in Medan is in telegram 3 from Medan, July 30. (National Archives and Records Administration, RG 59, Central Files 1964-66, POL 23-8 INDON) Regarding the contingency message, see footnote 2, Document 129.

³ Dated July 31. (National Archives and Records Administration, RG 59, Central Files 1964-66, POL INDON-US)

⁴ At the bottom of the memorandum, McGeorge Bundy wrote: "done by call to WPB[undy] who agrees. McGB." Thomson, Ropa, and Cooper updated events in Indonesia in an August 9 memorandum to Bundy. They noted that Thomson was in close contact with FE in State and that harassment had ended with an August 7 attack on the U.S. Consulate at Surabaya where the Indonesian security forces "did their honest best to hold back the mob." Green had rejected closing the Medan and Surabaya consulates and expected a "breather" until Sukarno's August 17 speech. Green was described as "very much on top of the situation" and was proceeding with an orderly, quiet reduction of U.S. Embassy staff. State was "back on Green's wave length—alert, concerned, and ready to move fast if necessary. FE has been informed that the President is also concerned." (Johnson Library, National Security File, Name File, Cooper Memos)

131. Telegram From the Embassy in Indonesia to the Department of State¹

Djakarta, August 8, 1965, 11:05 a.m.

264. 1. Following are my dominant first impressions of Indonesian political scene. These impressions are shared by senior members of my staff and are reflected in their excellent reports these past several months.

2. *Sukarno is deliberately promoting Communism's cause in Indonesia.* I concur in view already expressed in this Embassy's reporting that Sukarno, who clearly calls the shots here, is attempting to move all forces in Indo society to left or, more explicitly, to policy orientation similar to that PKI. This is being done at as rapid a pace as seems prudent without creating excessive dissidence or coalition of more conservative elements which might conceivably act as coherent restraining influence. Sukarno is not a "Communist" in a formal sense, but he is certainly attracted to Communism as a means of organizing society and advancing his own Marxist-nationalistic ideology. We may look for Sukarno to continue his efforts to develop a family of more or less "Communist" power elements, of which the PKI proper would be an important but not an exclusive element. This (i) gives Sukarno more freedom to operate, (ii) makes some sort of "communization a la Indonesia" more palatable to other groups by allowing them to continue their existence and even to prosper while being altered in their intrinsic content and (iii) provides a more acceptable image abroad in areas of would-be Indonesian or "NEFO" penetration.

3. *Indonesia has become an almost completely closed society.* I was aware in Washington that we were taking a propaganda beating but I was not aware of the extent of this anti-U.S. campaign. Pro-Communist *Antara* News Agency is sole source of foreign news. Indonesian people are receiving steady propaganda diet through speeches of their leaders, press, radio and TV emphasizing seamy side of U.S. domestic life and U.S. "imperialism and aggression" abroad. U.S. efforts to refute hostile propaganda are largely ignored. While many Indonesians say privately that they see merit in our side of story, they are submerged in mass of anti-U.S. rhetoric and distorted news from *Antara* or from Peiping, Pyongyang, Hanoi and Moscow. No one has the guts to print objective views and this is understandable in Indonesia's political environment.

¹ Source: National Archives and Records Administration, RG 59, Central Files 1964-66, POL 2 INDON. Secret. Repeated to Hong Kong, Kuala Lumpur, Manila, Tokyo, and CINCPAC for POLAD.

a. Indonesians have developed art of smearing by insinuation to fine point. Usual formula is to print distorted or manufactured allegation against U.S. or other "imperialist" enemy, refuse to print rebuttal, and then take stand that silence by "imperialists" implies consent. This point clearly indicated by Minister Coordinator for Public Relations Ruslan Abdulgani, who said in speech July 27 that absence of denial by UK and Malaysia to Indo charges of subversion in Sulawesi remind one of old Dutch saying that "those who keep silent consent."

4. *U.S. officials in Indonesia are becoming increasingly isolated.* Indonesian contacts shy away from us when political climate heats up, and this is the hot season in Djakarta. For our part we do not press to see them since in present atmosphere this would put them in difficult position. DCM, who has been here on and off since 1949 and who, therefore, has many old Indonesian friends, tells me that he leaves it up to these friends in most cases to see him, wanting to avoid putting them on spot by seeking them out. In most cases they stay away.

5. *Although I see no immediate physical threat to Americans in Indonesia, I believe there is virtue in further contraction of our establishment here.* I lean more and more in favor of withdrawing all university contract Americans. Possibly it would be helpful to convey to Indos impression that we are prepared to pull out completely if conditions worsen appreciably. Perhaps if Sukarno started really to think about it he would begin to realize all the disadvantages and even dangers to him were a break in relations to occur. This is not to deny that there would be disadvantages to us as well, but I feel that Sukarno has come to feel over the last several years that the U.S. has an infinite capacity to put up with Indo harassments and humiliations. If we could shake this belief we might at least buy time. In any case, previous U.S. posture of sweetness and light has been anything but successful in recent past.

6. *I have been unable to establish any kind of dialogue or even antiphonal autologue with Sukarno in short time I have been here.* Process has been inhibited of course by events before my arrival, events following that arrival and perhaps importantly by fact that Sukarno goes into hibernation for three weeks before his annual blockbuster speech on August 17. In fact he raised latter subject with me as first topic in our conversation July 26. Subandrio has avoided any talks with me. Other Indonesians are perfectly pleasant (for example, my wife and I had long pleasant chat with Madame Hartini Sukarno and several cabinet ministers after opening of Book Fair yesterday) but social dealings are as generally reflected in para 4 above.

7. Our style and approach towards Sukarno and company in past years may have been appropriate under circumstances then but I believe time has come to challenge old assumptions, to look at facts anew and to re-examine our posture toward Indonesia. This is process we

must do in orderly deliberate manner. We should avoid to extent circumstances permit any sudden changes of policy or crash operations.

Green

132. Memorandum From the Deputy Assistant Secretary of State for Far Eastern Affairs (Berger) to the Staff Assistant of the Under Secretary of State for Economic Affairs (Johnston)¹

Washington, August 8, 1965.

SUBJECT

Status Report: Indonesia

I. Green Recommendations on Staffing

A. Green foresees no immediate physical threat to Americans. He recommends a further reduction of U.S. establishment in Indonesia, but urges that this be done in a gradual and orderly manner that will avoid indications of a sudden crash operation.

1. He now leans towards withdrawing all university contract Americans.

2. Green plans soon to submit the Embassy's thinking on basic USG contingency planning to counter a possible increase in Indonesian pressures. He feels the recommendations will be more pertinent if made in the post-August 17 context.

II. Department Actions on Personnel Reduction

A. We have placed a freeze on the movement of all USG personnel to Indonesia.

B. Our Embassy has been instructed to draw up a plan to reduce its staff to the hard core necessary to maintain essential, as opposed to desirable, contacts and reporting. Our Consulates in Medan and Surabaya have been asked to appraise the present danger arising from the anti-American atmosphere, and to assess the utility versus the risk of maintaining a consular presence.

¹Source: National Archives and Records Administration, RG 59, Central Files 1964-66, POL 23-9 INDON. Secret. Drafted by Robert P. Myers, Jr., of SPA. Originally directed to Under Secretary Mann, but his name was crossed out and "For James D. Johnston" was typed at the top of the memorandum.

C. On August 6 discussions were held in the Department with representatives of the major U.S. companies with holdings in Indonesia to inform them of our intended course of action and to learn their present views of the situation.²

III. Prospects for August 17

The separation of Singapore from Malaysia may turn the August 17 Independence Day ceremony into a victory celebration, thereby diverting the major thrust of Sukarno's remarks away from the U.S. and USG policies.

² Berger, Cuthell, and Francis G. Jarvis, Economic Adviser, SPA, and H. Kent Goodspeed met with representatives of the Goodyear Tire and Rubber Company, U.S. Rubber Company, American Overseas Petroleum Ltd., Esso Standard Eastern, and Mobil Petroleum Ltd. (Memoranda of conversation, August 6; *ibid.*, INCO 15-2)

133. Memorandum From the Deputy Assistant Secretary of Defense for International Security Affairs (Barber) to the Assistant Secretary of Defense (McNaughton)¹

I-25237/65

Washington, August 11, 1965.

SUBJECT

Indonesian Claims on Nuclear Capability

On 24 July Sukarno stated that Indonesia would build its own atomic bomb in the near future. He added it would not be used for aggressive purposes. Last November General Hartono, Director of the Army Arsenal said Indonesia planned to explode a bomb in 1969. The same officer declared on 2 February 1965, that 200 scientists were working to produce bomb and promised a "surprise" at the Armed Forces Day celebration in October 1965. A third statement by Hartono made 27 July stated that there is a good possibility that Indonesia will test an atomic bomb following the Afro-Asian conference in Algiers this coming November.

¹ Source: Washington National Records Center, RG 330, OASD/ISA Files: 70 A 3717, 400.73 Indonesia. Secret. Prepared by Commander Gorman of the Arms and Trade Control Division.

Indonesia does not have the capability to produce an atomic bomb without outside assistance. Therefore, Sukarno's behavior may be explained by the following:

1. Just propaganda.
2. Forthcoming test of a Chinese bomb on Indonesian soil with Chinese cooperation.
3. Forthcoming test of a Chinese bomb with "Indonesian 'participation'" and attendant publicity.
4. Sukarno may denounce the test ban and withdraw from it.

If 1. above is the case and Sukarno is making a strictly propaganda pitch (our Embassy in Djakarta suspects this), then no comment on the part of the United States is required.

Regarding 2., a test in Indonesia, our Embassy remains doubtful that a detonation will take place. Yet the Embassy allows that if the detonation is to be made almost purely for political purposes and if auxiliary scientific expertise needed to collect technical research data is held to a minimum or dispensed with entirely, it is conceivable that a ChiCom-Indonesian collaboration could successfully meet the deadline. Reporting for the ChiCom side, our Consul General in Hong Kong believes the ChiComs would recoil in horror from conducting a test in Indonesia, mainly on security grounds. AmConGen Hong Kong notes that the ChiCom hypersensitivity on maintaining security with respect to conventional military developments is notorious and without question would be even greater with respect to nuclear weapons. AmConGen Hong Kong doubts that the ChiComs would expect that their role could be kept secret. If it became known this would defeat Sukarno's presumed purpose, i.e. that it was solely an Indonesian nuclear breakthrough.

We can not doubt that Sukarno would like to detonate a bomb in Indonesia. He would believe that it would enhance his prestige among the Afro-Asians and it would, quite frankly, shock the British and their Malaysian allies, along with Australia. It would add tremendous drive to Indonesia's plan to set up the Conference of Newly Emerging Forces (CONEFO) as a rival and eventual successor to the UN. The problem is not whether Indonesia would detonate a bomb if they could but whether the ChiComs will help them. We don't think they will. Nevertheless we have requested DIA to intensify their efforts in watching for indications of a preparation of an Indonesian testing site and association of Indonesians with the ChiCom test program.

If it is indicated that the ChiComs and Indonesians are preparing for a detonation then we should

- a) Coordinate early with the British on intelligence.
- b) Prepare a pre-emptive statement which would take much of the wind out of the Indonesian sails.

Regarding 3., a test of a ChiCom bomb in China, with "Indonesian participation,"—we give this a better chance of being carried out than we do a detonation in Indonesia but we are doubtful it will be done. Besides the problem of security, there is the question of whether or not Peiping really wants another Asian state to claim the status of being a nuclear power. AmConGen Hong Kong believes that Peiping is trying to reduce Asian, and especially Japanese, criticism of its nuclear program and wonders if ChiCom nationalistic and chauvinistic pride might not cause them to take a dim view of an additional Asian country attempts to climb on the nuclear bandwagon. We don't think Peiping wants Indonesia alongside—at least for the present. However, we have asked DIA carefully watch for any Indonesian participation in the ChiCom test program.

If there is an indication of this, we should prepare a pre-emptive statement which would denounce the Indo-ChiCom collaborative effort.

The final case is that Sukarno may denounce the test ban treaty and withdraw from it. There is a good chance that this might happen. State believes that recent Indonesian pronouncements regarding atomic bombs point toward the possibility that Sukarno might regard a denunciation of the test ban treaty as valid and dramatic material for use in his 17 August Independence Day speech. State particularly notes Foreign Minister Subandrio's recent statement to the effect that the only real way of removing the threat of nuclear war is for all nations to have their own stocks of nuclear weapons. We recommend:

- a) Watch Sukarno's 17 August speech. In addition to possibility of a test ban denunciation, it may indicate *more about a future detonation*.
- b) Prepare a contingent statement in case Indonesia withdraws from the TBT.²

Arthur W. Barber³

² In an August 19 memorandum to Barber, (I-25438) Acting Director of the Far East Division of ISA William C. Hamilton, wrote "there is enough of a possibility that Indonesians may acquire an atomic device and explode it for psychological reasons to warrant an investigation by the intelligence community and to prepare a public position." Hamilton suggested consulting the Department of State. (Ibid.) On September 22 Barber wrote Deputy Assistant Secretary of State for International Organization Affairs Joseph J. Sisco a letter stating that "there was a very real possibility that an atomic bomb will be set off in Indonesia in October, with Chinese assistance." Barber hoped that the United Nations could pass a strongly worded resolution condemning any such test. (Ibid.)

³ Printed from a copy that indicates Barber signed the original.

134. Memorandum of Conversation¹

Washington, August 18, 1965, 8:15 p.m.

PARTICIPANTS

The Secretary
Under Secretary Ball
Assistant Secretary MacArthur

Senator Fulbright
Senator Gore
Senator Symington
Senator Pastore

SUBJECT

Breakfast Meeting and Informal Discussion of Indonesia

The subject of Indonesia came up briefly at the breakfast meeting this morning attended by the above persons. The Senators were interested in what Sukarno had said in his August 7 [17] Independence Anniversary speech. Under Secretary Ball observed that the US rather than Britain and Australia had been singled out for attack although perhaps the attack was less violent than one might have expected. The speech clearly aligned Sukarno and Indonesia with the Communist World in terms of objectives and purposes.

There was then an inconclusive discussion about the role of the PKI and the army in Indonesia, during which the Under Secretary indicated that Sukarno's activities had considerably aided the PKI's penetration of the government. One of the Senators said that he understood the army would oppose the PKI. The Under Secretary commented that the situation would not arise as long as Sukarno was at the helm. Should Sukarno disappear, and there were rumors that he had been quite ill recently, it was not clear and predictable whether the army would go all out against the PKI or whether the PKI processes of infiltration of the government had reached that point where the army would try to accommodate itself with the PKI in some form of modus vivendi. Much might depend on the kind of action the PKI initiated should Sukarno disappear and this is unpredictable at this juncture.

¹Source: National Archives and Records Administration, RG 59, Central Files 1964-66, POL INDON. Confidential. Drafted by Douglas MacArthur II. Copies were sent to Ball, Rusk's Special Assistant C. Arthur Borg, Read, and William Bundy. The time of the meeting is from the Johnson Library, Rusk Appointment Book.

135. Telegram From the Embassy in Indonesia to the Department of State¹

Djakarta, August 23, 1965, 0930Z.

403. 1. Following is my assessment of where we stand following Sukarno's August 17 attack on US.

2. There are widely differing interpretations of speech and its implications.

A. Many, who emphasize what Sukarno might have said or done, consider speech "mild." Australians, British and Indians here hold view, but my Australian colleague (Shann) showed me his report to Canberra which ends on note that despite "mildness" of speech he "does not take much comfort from it."

B. Others view speech as further tightening of inexorable process by which Sukarno, singlehandedly but with support PKI and others, subverts that large, unknowing and basically unwilling part of Indo people and induces them to accept a Communist-oriented state and severance of ties with USG. Subgroup of Indos who share this general view realizes what Sukarno is attempting to do but prefers ignore or downplay his effectiveness in belief they can achieve their own narrow objectives (usually profit) and live until pendulum swings back from extreme left. Latter group includes some of Indo army and many private entrepreneurs.

3. Future events will show which of foregoing closest to truth. We can take some satisfaction from fact Sukarno did not attack President Johnson or mention CIA. However US was only nation singled out for strong attack and I believe we should get across the idea that we are anything but happy about speech and that there are limits to what any nation can take in terms of abuse, damage to property, etc.

4. Process of implementing Aug 17 address will probably be one in which Sukarno's ministers and others will attempt sense what speech means by offering to Sukarno for approval those actions they believe he wants. Significant so far in this respect is campaign to have US Consul Surabaya declared persona non grata (Embtel 365).² Press charges August 21 that American missionaries implicated in recent civil unrest in West Irian may be another example.

5. We interpret August 17 speech to mean that USG is in for continued difficulty in trying to do normal business in Indonesia. We

¹ Source: National Archives and Records Administration, RG 59, Central Files 1964-66, POL INDON-US. Secret. Repeated to CINCPAC for POLAD.

² Dated August 8. (Ibid., POL 17 US-INDON)

believe Sukarno again gave clear signal that he will keep heat on US unless and until we change our policies toward Malaysia, Vietnam and elsewhere to conform to his wishes. If not, he threatens action against US business interests and has, in effect, given green light for further "expressions of peoples' will" against official US installations.

6. By same token we believe speech indicates Sukarno not now ready for break with USG. Relating future of American business enterprises to Malaysia rather than to Vietnam may mean he still hopes get some mileage from US on Malaysia now that Singapore has withdrawn. Subandrio implied as much during my call August 12 (Embtel 318).³ We may as result have some slack, but probably not much.

7. August 17 speech and other recent events also indicate we probably cannot have much direct impact on Indonesia's policymaking through normal diplomatic exchange as long as Sukarno is in control. As a result of his own complexes, Marxist political views and suspicions arising from 1958 events and later, Sukarno has clearly identified US as enemy. No Indonesians influential in governing processes are likely to stand up to him even if he should push relations with US to breaking point. We also cannot realistically expect to have decisive influence on other power groups, such as mil although it important we maintain contact with them.

8. Although prospects for short run gloomy, there is very useful role for USG to play in Indonesia. Following are among things we can and should do as long as we can stay here with dignity:

A. Maintain whatever contact possible with military and other elements in power structure, looking toward post-Sukarno period.

B. Maintain basic diplomatic and hopefully consular presence here, again looking toward time when we may be able operate more effectively.

C. Continue do useful political, economic and especially intelligence reporting. While Washington best judge, we believe it important maintain full flow reporting to build basic background in event diplomatic relations broken and also fill gaps created by Indonesia's drastic reduction in contacts with free world.

D. Identify Indonesia maneuvers and aspirations to Afro-Asian and Latin American countries and, either directly or through third countries, subject these to cold light of publicity.

E. Attempt to get some objective news reporting info Indonesia through VOA, Embassy news bulletins, and other means. Effect these efforts likely to be limited, but Indonesians now almost completely cut

³ Dated August 13. (Ibid., POL INDON-US)

off from free world news sources and it essential we do what we can to fill gap (Embtel 384).⁴

F. Attempt dialogue with Sukarno. Despite fact we basically aiming at post-Sukarno period, I will attempt establish dialogue with Sukarno but I hesitate to reach any conclusions right now on whether Sukarno prepared to continue this kind of relationship, or if he is, how productive such a line of effort would be. Experience over past year suggests it has definite limitations.

9. As I see it, we need, by trial and error, to find correct balance of carrot and stick. Petulance or overreaction by USG would probably drive Sukarno to extremes. Under reaction on our part makes us look foolish to our friends abroad and to some Indonesians. I believe we struck about right balance in August 17 celebration. I attended speech, palace reception, film show on Indonesia's accomplishments, and opening of development exhibition but stayed away from cultural evening (North Vietnamese performed) and parade. Sending modified Presidential message of congratulations on 20th anniversary was just about right.

10. It difficult now to come up with precise recommendations on size and nature of our mission here. While Dept and Embassy seem to be fully agreed on reduction of mission along lines of para (a) of Embtel 302,⁵ how far we should go with regard to (b) and re other issues will become more apparent in coming weeks. Indocom is one sensitive problem which could affect our relations in short run. University contracts are another and I am pleased with Dept's approach para 2 Deptel 196.⁶ Since we cannot overload the line, I would prefer delay final decision on future university contracts at least until Philco issue decided. For the present I can only urge that we maintain flexibility in order to be in best position cope with situation. I have asked our Consuls in Medan and Surabaya to come to Djakarta for discussions later this week. Following these discussions and probable further developments by Indos we will be in better position make firm recommendations.

Green

⁴ Dated August 21. (Ibid.)

⁵ Dated August 12. (Ibid., PER 4-1 DJAKARTA)

⁶ Dated August 20. (Ibid., EDX-31 INDON)

136. Editorial Note

On August 23, 1965, James C. Thomson, Jr., Donald Ropa, and Chester L. Cooper of the National Security Council Staff sent the President's Special Assistant for National Security Affairs McGeorge Bundy a memorandum highlighting the principal events and issues for U.S. policy and relations with Asia for the previous week. The report on Indonesia, written in unmistakable Komer style, follows:

August 17th has come and gone with relatively little change in Indo/U.S. relations; Sukarno was milder than many had anticipated, although Marshall Green seems a bit shocked by his first full exposure to the Bung's [Sukarno's] Marxian rhetoric. George Ball has stimulated a new State effort at the old question of Whither Indonesia?, and this can be educational for all hands as well as putting the brake on any 7th floor tendency towards impulsive action. Thomson is keeping his nose under this tent. (Johnson Library, National Security File, Name File, Cooper Memos)

The reference to Ball's re-examination of U.S. policy towards Indonesia is elaborated upon in William Bundy's foreword to Marshall Green, *Indonesia: Crisis and Transformation, 1965-1968*, pages x-xii. Bundy recalls that Ball convened in late August 1965 "an impromptu meeting of about a half-dozen officials in his office." Ball asked wasn't it true that in terms of size and importance "Indonesia was objectively at least on a par with the whole of Indochina?" The consensus of the meeting was that it was. Ball then asked was not "a far-left, if not a totally communist, takeover there, on existing trends, only a matter of time, with immense pincer effects on the position of the non-communist countries of Southeast Asia?" Bundy recalls that the consensus held that the scenario described by Ball was inevitable. Then Ball asked was there something that could be done to slow or counter this trend. The consensus was, "there was not a single friendly element or favorable factor that could be effective, even if it were wise to seek to galvanize it." In discussing Indonesia at an historical conference at Annapolis in 1995, Bundy also recalled that Ball asked the Central Intelligence Agency's representative if the Agency could use its assets to reverse this trend in Indonesia. Bundy recalled that the representative replied the Agency did not have good assets in Indonesia and was unable to make much of an impact.

137. Special National Intelligence Estimate¹

SNIE 55-65

Washington, September 1, 1965.

PROSPECTS FOR AND STRATEGIC IMPLICATIONS OF A COMMUNIST TAKEOVER IN INDONESIA

The Problem

To estimate the chances and implications of a Communist takeover in Indonesia within the next two or three years.

Discussion

I. Prospects for a Communist Takeover

1. Sukarno is the unchallenged leader of Indonesia and will almost certainly remain so until death or infirmity removes him from the scene. He is developing in Indonesia an authoritarian government of the "national-front" type on which the Indonesian Communist Party (PKI) exerts the strongest influence, though under his own continued domination. The past year or two have been characterized by rapid progress toward this objective. The PKI now claims 3,000,000 members and is by far the best organized and most dynamic political entity in Indonesia. With Sukarno's support, the Communists and their sympathizers have come to occupy a major position in the central government and in numerous provincial and local administrations. Whatever its present influence on Sukarno, it is clear that the PKI finds Sukarno's policies, both domestic and foreign, compatible with its own interests. It does not create these policies, but provides specific suggestions on method and timing which Sukarno finds acceptable. His own predilections, skillfully played upon by the PKI, have brought his foreign policy into close harmony with that of the Communist states of Asia.

2. Communist fortunes in Indonesia will probably continue to prosper so long as Sukarno stays in power. As in the past, however, he will probably move cautiously in expanding PKI participation in the government so as to avoid creating excessive domestic unrest or encouraging a coalition of non-Communist elements. If Sukarno lives, it is probable that in two or three years the Indonesian state will be

¹ Source: Department of State, INR/EAP Files: Lot 90 D 165, SNIE 55-65. Secret; Controlled Dissem. The Central Intelligence Agency and the intelligence organizations of the Departments of State and Defense, and the NSA prepared this estimate which was approved by the members of the U.S. Intelligence Board on September 10, except the representatives of the AEC and FBI who abstained on the grounds the topic was outside their jurisdiction. A note on the covering sheet indicates that this SNIE supplements NIE 54/55-65 (Document 126).

sufficiently controlled by the Communists to be termed a Communist state, even though Sukarno remains the acknowledged leader. It will probably not be possible, however, to detect any precise moment at which the Communists "take over," unless Sukarno chooses to proclaim it. We believe that domestic political considerations and his desire to bequeath his personal political concepts to Indonesia will lead him to refrain from such an announcement. Conceivably, the PKI leaders could become powerful enough to threaten Sukarno's own dominance, but since his policies are likely to remain along lines generally favorable to them, they are unlikely to take risks in order to seize power.

3. In the event of Sukarno's early death or incapacity, the PKI drive to power would probably be slowed for a time. Though there would be considerable political turmoil and perhaps some violence, the successor government would probably be headed at first by a coalition of familiar non-Communist military and civilian names. The PKI could probably not be denied an important share in this government, both because of its established position and because the military would probably be reluctant to risk civil war to initiate a roll back of the Communists. On the other hand, the party would no longer benefit from Sukarno's patronage and would have to rely entirely on its own strengths and capabilities, which though considerable would probably be insufficient to encourage an open challenge to the military. Hence, we believe that the PKI would not attempt to seize full power by force in the months following Sukarno's death if that occurred at any early date.

4. The longer Sukarno lives, the better will be the position of the PKI after his death. Another two or three years of his rule are likely to weaken anti-Communist elements in the army and elsewhere to the point where, at his death, the Communists would have a good chance of taking over full power. We do not exclude other possibilities, however, such as the emergence of a coalition of anti-Communists leading to a protracted stalemate or to a conflict which could break up the Indonesian state.

II. Implications

5. Sukarno's Indonesia already acts in important respects like a Communist state and is more openly hostile to the US than most Communist nations. Much of the damage that an avowedly Communist Indonesia could do to the Western position in the Far East is being done (e.g., "confrontation" of Malaysia and subversion and infiltration in the Philippines) and neither Sukarno nor any probable successor government is likely to abandon efforts to weaken the West in this area.

6. Nevertheless, the overt accession to communism of a country like Indonesia—large, populous, rich in resources, and strategically

situated—would have an important impact on other countries in South and East Asia. Peking would be especially gratified by the triumph of one of its closest associates and, for a time, would probably offer close cooperation in the Malaysian area. Both Peking and Hanoi would be encouraged in their struggle with the US in Vietnam, while the confidence of Laos, Thailand, and South Vietnam would be undermined. The advent of a Communist state on the Indian Ocean would make India increasingly nervous.

7. Given Indonesia's limited military capability and its many strategic vulnerabilities, a Communist Indonesia would pose only a potential threat to the Western position in Southeast Asia and to important world sea and air lanes. The threat of a Communist Indonesia would be felt most immediately in Malaysia, the Philippines, and Australia, and would lead their governments to make urgent demands for substantial US and Commonwealth military support.

8. The conservative Malaysian government would despair of a satisfactory settlement of its dispute with Djakarta. Furthermore, it would expect intensification of Indonesian efforts to subvert the peninsular Malays, and increased cooperation between Djakarta and Peking in arming and training dissidents on the Thai-Malayan border and in northern Borneo. Singapore would face an intensified effort to subvert its Chinese population. Both governments would face increased pressure by all left-wing political and labor groups. The Commonwealth presence would probably make it possible for moderate governments in the two states to survive for the period of this estimate, but over a longer period the existence of a Communist Indonesia would cause their chances of survival to diminish.

9. The Philippine Government, already concerned about Indonesian infiltration of the southern islands as well as Djakarta's clandestine political activities in Manila itself, would show real alarm. Irritants in its relations with the US would probably be submerged for a time in a sense of common danger. The Australians would fear for East New Guinea and their lines of communication to Europe and the Far East.

10. As a major Communist state led by a markedly independent and self-reliant party, Indonesia would become the object of more intense Sino-Soviet rivalry. Moscow would probably increase its military and economic assistance in hopes of encouraging the development of a second Asian Communist power center to compete with Peking. For its part, the PKI would probably take a friendlier attitude toward Moscow in the interest of material gain. Peking would, of course, increase its efforts to tie Djakarta even more closely to Chinese policy in the Far East. But it is likely that PKI foreign policy decisions, like those of Sukarno, would stress Indonesian national interests above those of Peking, Moscow, or international communism in general. The

pursuit of these national interests would be more likely to lead to friction with the Chinese Communists than with the Soviets. Thus, Indonesia's formal accession to communism, while immediately strengthening the Communist side, would contribute over the longer run to transforming the Communist world into a looser association of sovereign states.

11. A Communist Indonesia would probably not become of major military significance to either Moscow or Peking during the period of this estimate. An Indonesia openly led by the PKI might ask for security guarantees from Moscow and Peking, and such requests might, in the circumstances, be difficult to reject. We believe that the PKI leaders would be sufficiently nationalistic to refuse to grant air or naval bases or missile sites to either Moscow or Peking, though it is possible that they would permit one or both to use existing Indonesian bases for logistical purposes, thereby greatly extending the range, for example, of their submarines. In any bargaining with Moscow or Peking on the subject of bases or missile sites, the Indonesians would undoubtedly be favorably impressed by offers of nuclear weapons in exchange. It is extremely doubtful, however, that Moscow would make such an offer, and, over the next two or three years, unlikely that Peking would be in a position to do so.

12. In the short term, Indonesia's formal accession to communism would have a heavy impact on world politics. It would be seen as a major change in the international balance of *political forces* and would inject new life into the thesis that communism is the wave of the future. But while Communists around the world would be encouraged, and their opponents disturbed, this event would not by itself cause other nations to follow suit or even necessarily to alter their foreign policies.

13. The longer term impact of a Communist Indonesia would depend primarily on the degree of success or failure which the PKI met as it moved to energize and unite the Indonesian nation. If these efforts succeeded, Indonesia would provide a powerful example for the underdeveloped world and hence a credit to communism and a setback for Western prestige. It is much more likely that the early years of a Communist Indonesia would be occupied with consolidating political control and resuscitating the Indonesian economy and that, during this period, Indonesia would be more liability than asset to the Communist powers.

138. Telegram From the Embassy in Indonesia to the Department of State¹

Djakarta, September 1, 1965, 0400Z.

486. 1. Sukarno was friendly and relaxed throughout my forty-five minute call at his office Aug. 31. Most of our conversation was small talk and story telling, but was not without its serious moments and verbal fencing. *I doubt that anything was accomplished beyond establishing some rapport with the man who controls the destiny of this country. At no point did he raise old favorites like Malaysia, Vietnam, Congo, etc. He was on his good behavior. No others present.*

2. Sukarno inquired whether I really understood nationalism in Asia and sentiments of Asian people. I assured him I did, that nationalism is a force we respect in developing national consciousness and unity, that we fully support Indonesia's territorial integrity and welcome its economic advancements and self-reliance, that I nevertheless recognize that I have much to study and learn about Indonesia just as any Indonesian would wish to study and learn more about the United States. For this reason I felt strongly about the need for close dialogue, student exchanges, free circulation of information about each other's countries, etc.

3. Sukarno then spoke of basic principles behind Indonesia's revolutions and reminded me of Sun Yat-sen's dictum to effect that it is easy to speak and to act in regard to another nation but it is most difficult to understand it. Sukarno then inquired whether we really understood the forces of revolution and change in this part of the world. I said I thought we did although, here again, America and Indonesia still had much to learn about each other. We too are a country in revolution—not just technically and scientifically, but politically as well, as witness way Pres Johnson facing boldly up to problem of promoting complete racial equality and improvement of lot of negroes.

4. In expressing hope that ways could be found for improving Indo-US relations, I mentioned that a major obstacle was Indonesian actions against American properties and our concern over safety of our people (I alluded to missionaries in this regard). Sukarno replied that popular feeling against the United States, including demonstrations, was bound to continue as long as American newspapers and magazines printed defamatory articles about Indonesia and its leaders. This led to discussion along lines so familiar to my predecessor. I

¹Source: National Archives and Records Administration, RG 59, Central Files 1964-66, POL 15-1 INDON. Confidential; Priority. Repeated to CINCPAC.

pointed out that Indo actions as well as statements against US engendered a lot of anger back home. At same time I recalled no instance where our President or anyone in high authority had shown anything but restraint and understanding in their statements about Indonesia. Sukarno seemed to brush this aside. He displayed genuine concern about critical articles regarding him and Indonesia appearing in American publications, specifically mentioning *Time*, *Life*, *Newsweek* (probably because they have wide circulation in Afro-Asian countries), and he asked me several times whether something could be done to halt these injurious representations of Indonesia to the world. He cited *Time* article about Queen of Cambodia as prime example of bad American journalism. I replied that this article was mild compared to what Prince Sihanouk had said over Khmer radio about President Kennedy shortly after his death. I quoted those infamous words. Sukarno was visibly shocked but he merely said with feeling: Kennedy was a great man.

5. Conversation was interlarded with many stories and lighter touches. In conclusion, I expressed hope we could keep in close touch and that I knew he preferred informality which I did too. As we walked to door, Sukarno and I agreed that we would only tell the press that this was a courtesy call in course of which we had a general discussion. This he relayed in both Indonesian and English to the considerable group of newsmen and photographers outside. (Morning Indonesian press quotes Sukarno along these lines.) Sukarno escorted me to car and cordially waved goodbye in full view of those present. I smiled too, but vaguely wondered when the next low blow would come.

Green

139. Telegram From the Department of State to the Embassy in Indonesia¹

Washington, September 10, 1965, 8:08 p.m.

435. 1. Department has given careful consideration to current situation in Medan and Surabaya, including recommendations your 598 and

¹Source: National Archives and Records Administration, RG 59, Central Files 1964-66, POL 23-8 INDON. Secret; Immediate. Drafted by Cuthell, cleared by Berger and McGeorge Bundy, and approved by Rusk. Repeated to Manila for FELG and CINCPAC for POLAD.

609,² has concluded that what we faced with is culmination concerted campaign by PKI and probably others to bring about closing of our consulates, with collusion or tacit approval by Central Govt. We recognize possibility that GOI motivation may be complicated by desire use pressure on consulates as weapon against us, that it may find role of consulates as "whipping boy" useful to head off internal confrontation, and that it may lack ability control extremist actions in provinces.

2. We suspect GOI attitude may be composite of foregoing, but regardless of motivation GOI has created situation which is making our position untenable, and we do not see significant chance for improvement. We believe any further deterioration will introduce serious danger to personal safety of Americans in provinces, though perhaps not in Djakarta.

3. With this in mind, we believe time has come to demand explicit and effective guarantee from GOI of security American persons and property in Indonesia from both mob action and harassment by either public or private Indo groups or people. Failing receipt of such guarantee in credible form in very near future, we intend close Surabaya Consulate. Without specifying Surabaya Secretary will make this position clear to Palar today, noting that if we find such action necessary we will have to look into question of continuation of Indo presence here in its present form. Our current thought is that, if Indos do not follow through, we would close Surabaya late next week. Report Secretary's meeting with Palar will follow septel.³

4. We fully aware value of Surabaya as listening post and that consular district contains number of American citizens, but feel we are too close to end of line to let these considerations outweigh need for action on our part. We also feel that if Indos fail to act and we close Surabaya, GOI will be faced with decision to protect Medan or face seeing it go too. If GOI really wants both consulates shut (at clearly implied price their consulates here) they will produce this result themselves at time their choosing with maximum damage to us. If they do not want both closed, vigorous action re Surabaya may bring about more cautious action re Embassy and Medan. We also recognize chance that Indos will interpret closing as hostile gesture, but believe we must take this chance.

² In telegrams 598 and 609 from Djakarta, both September 10, Green urged that Rusk call in Indonesian Ambassador Palar to protest demonstrations against U.S. Consulates and to "make it painfully clear to him that any serious attacks against our properties or persons will force the US to take important decisions re its relations with Indonesia." Green recommended that Rusk imply that the United States might close its consulates, or even the Embassy, and require Indonesia to do the same. (Ibid.)

³ For the Rusk-Palar meeting, see Document 140.

5. In order to have decks cleared and to minimize danger to individuals next week, believe you should bring dependents and any employees who can be spared from Surabaya to Djakarta during next few days, i.e. prior closing, and that Surabaya should complete maximum destruction classified material. Do not suggest, but do not wish foreclose if you think necessary, similar action with Medan at this point. At political level, you should follow line Secretary takes with Palar (septel) with Subandrio, Suwito or any other responsible Indonesian you can find so that we can be sure message gets through.

6. Request info current summary non-Govt U.S. citizens in Surabaya district, your plans for notifying them if Consulate closes, your views on probably academic question protection U.S. Govt property after closure.

Rusk

140. Memorandum of Conversation¹

Washington, September 10, 1965.

SUBJECT

Secretary's Conversation with Ambassador Palar

PARTICIPANTS

The Secretary

Ambassador Lambertus N. Palar, Indonesian Embassy

Mr. Samuel D. Berger, Deputy Assistant Secretary of State for Far Eastern Affairs

Mr. H. Kent Goodspeed, Officer-in-Charge, Indonesian Affairs

1. The Secretary told Ambassador Palar that he had asked him to come in regarding the serious problem of Indonesia not affording the

¹Source: National Archives and Records Administration, RG 59, Central Files 1964-66, POL 17 US-INDON. Confidential. Drafted by Goodspeed and approved in S on September 20.

most elementary rights of legation to diplomatic and consular establishments.

2. The Secretary said that the United States was becoming increasingly concerned about the repeated intrusions in Indonesia on the rights of legation, which have been recognized for many years as fundamental to the elementary proprieties of international conduct. We afford these rights to Indonesian representatives in the United States, and we expect them to be afforded our representatives in Indonesia. The United States must know more clearly what the intentions of the Indonesian Government are. We find the present situation intolerable. If the Government of Indonesia really wants a continuation of diplomatic relations, it must afford adequate protection to our personnel and our installations.

3. The Secretary emphasized that he was not discussing any of the foreign policy issues about which Indonesia and the United States have different opinions. Rather, he was referring to the structure of diplomacy by which foreign relations are carried out. The most basic requirement of this structure is that diplomatic representatives be protected and allowed to conduct their business without harassment. The Indonesian Government is not providing this protection.

4. Ambassador Palar said he regretted the attacks on our establishments which had taken place. He attempted to explain them by saying that Sukarno allows demonstrations so that he may respond to the wishes of the people, and that unfortunately sometimes the demonstrations get out of hand, particularly outside of Djakarta. Sukarno's strength, he said, is that he never goes beyond what he knows the people of Indonesia want.

5. The Secretary responded that the United States does not underestimate the leadership qualities of President Sukarno, which have been manifested in many ways. In this matter, however, we have not heard him tell the Indonesian people to respect the right of legation. What we have heard him say would tend to encourage demonstrations, not restrain them. We do not believe that President Sukarno is helpless in the face of public opinion. Our impression is that he is the leader of Indonesia, who shapes and molds public opinion in his country.

6. The Secretary emphasized that it is of the utmost importance that the highest level of the Indonesian Government understands that if Indonesia wants relations with the United States, it must correct the situation which has developed and which has now become dangerous. If the Indonesian Government allows mass demonstrations to continue to the point where we can no longer operate and where the safety of our people is involved, we shall have to examine the position of Indonesian installations in the United States. Before departing, Ambassador Palar said that he was embarrassed by what is happening in

Indonesia and that he had no excuse for it. He would convey the Secretary's request to his Government immediately.²

² According to telegram 329 to Djakarta, September 17, Palar called on Rusk on that day to "reaffirm GOI intention honor rights of legation." Palar stated that the Indonesian Government would allow and, on occasion encourage, demonstrations, but it had issued strict orders to the police to prevent violence. (Ibid., POL 23-8 INDON)

141. Memorandum From James C. Thomson, Jr., of the National Security Council Staff to President Johnson¹

Washington, September 14, 1965, 8:30 p.m.

SUBJECT

Developments in the Far East

This is the second of the series of daily regional reports of possibly newsworthy items.

[Here follows a report on Vietnam.]

Indonesia

The going here is rough and will probably get rougher. The riots against our consulate at Surabaya caused Secretary Rusk to dress down the Indo Ambassador and demand assurances of protection for U.S. lives and property.² Foreign Minister Subandrio has now given Ambassador Green such assurances; but we remain skeptical, and the Indo Communist Party may well be mounting a new offensive to force us out of our two consulates (and eventually out of the country altogether). An Indo-U.S. break would be a major victory for the Communists;

¹ Source: Johnson Library, National Security File, Memos to the President, McGeorge Bundy, Vol. 14, Sept 1-22, 1965. Secret. There is an indication on the memorandum that the President saw it.

² See Document 140.

relations are far harder to re-open than to break. But the Indo Government may hold the key.³

Our main objective remains to ride out the long storm with battered hatches (reduced diplomatic staffing) in an effort to play for the long-term post-Sukarno stakes. [We have solid new reports of Sukarno's deteriorating health.]⁴

One item that caused concern in the press and on Capitol Hill is now dead and buried: the Indo Army has rejected a U.S. company's offer (Philco) to buy Government-licensed equipment for three sites of a fixed-site telecommunications project. Because of our still friendly relations with key Army leaders, we would prefer to see this piece of news soft-pedaled.

[Here follow reports on "Japan, Australia, Taiwan, and Communist China."]

³ In a September 23 memorandum to the President, which Johnson saw, Cooper and McGeorge Bundy informed the President that Indonesian harassment of U.S. Consulates continued and the Department of State was considering closing them unless Indonesia took steps to protect them. Bundy and Cooper noted that Green believed closing the consulates under PKI pressure would "only whet the appetite" of anti-American forces and the Embassy would be the next target. Bundy and Cooper noted that the Department of State was under considerable pressure to reduce official representation in Indonesia to a minimum, and "the prospects for continued diplomatic relations with Indonesia become dimmer every day." (Johnson Library, National Security File, Country File, Memos to the President, McGeorge Bundy, Vol. 14, Sept. 1-22, 1965)

⁴ Brackets in the source text.