



Foreign Relations of the
United States, 1964-1968

Volume XXVI

**Indonesia;
Malaysia-Singapore;
Philippines**

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Preface

The *Foreign Relations of the United States* series presents the official documentary historical record of major foreign policy decisions and significant diplomatic activity of the United States Government. The Historian of the Department of State is responsible for the preparation of the *Foreign Relations* series. The staff of the Office of the Historian, under the direction of the General Editor of the *Foreign Relations* series, plans, researches, compiles, and edits the volumes in the series. Secretary of State Frank B. Kellogg first promulgated official regulations codifying specific standards for the selection and editing of documents for the series on March 26, 1925. These regulations, with minor modifications, guided the series through 1991.

A new statutory charter for the preparation of the series was established by Public Law 102-138, the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993, which was signed by President George Bush on October 28, 1991. Section 198 of P.L. 102-138 added a new Title IV to the Department of State's Basic Authorities Act of 1956 (22 USC 4351, *et seq.*).

The statute requires that the *Foreign Relations* series be a thorough, accurate, and reliable record of major United States foreign policy decisions and significant United States diplomatic activity. The volumes of the series should include all records needed to provide comprehensive documentation of major foreign policy decisions and actions of the United States Government. The statute also confirms the editing principles established by Secretary Kellogg: the *Foreign Relations* series is guided by the principles of historical objectivity and accuracy; records should not be altered or deletions made without indicating in the published text that a deletion has been made; the published record should omit no facts that were of major importance in reaching a decision; and nothing should be omitted for the purposes of concealing a defect in policy. The statute also requires that the *Foreign Relations* series be published not more than 30 years after the events recorded.

Structure and Scope of the Foreign Relations Series

This volume is part of the subseries of the *Foreign Relations* series that documents the most important issues in the foreign policy of the last five years of the administration of Lyndon B. Johnson. The subseries presents in 34 print volumes a documentary record of the major foreign policy decisions and actions of President Johnson's administration. This volume presents the documentary record of U.S. policy toward and relations with Indonesia, Malaysia-Singapore, and the Philippines. Other volumes in the 1964-1968 subseries with related material are Volumes I-VII, all on Vietnam; Volume XXVIII, Laos; and Volume XXVII, Mainland Southeast Asia; Regional Affairs.

*Focus of Research and Principles of Selection for Foreign Relations,
1964-1968, Volume XXVI*

In preparing this volume of the *Foreign Relations* series the editor, in consultation with the General Editor, determined the particular issues and topics to be documented either in detail, in brief, or in summary. The editor of the volume focused on selecting documentation that illuminated responsibility for major foreign policy decisions in the U.S. Government, with primary emphasis on President Johnson and his key advisers. The result is a selection of documents which includes memoranda and records of discussion that set forth policy issues and options and show decisions or actions taken. The emphasis is on the development of U.S. policy and on major aspects and repercussions of its execution, rather than on the details of implementation.

The Department of State, the staff of the White House, as well as the Department of Defense and Central Intelligence Agency also played key roles in formulating and shaping U.S. policy, and their roles are also documented. Their advice and recommendations are found in telegrams from the Embassies, from the Military Advisory Groups, and in intelligence assessments. The dialogue between the Embassies and the Department of State comprises the core of this volume. Most of the finished intelligence included in this volume relates to Indonesia during the transition of power from Sukarno to Suharto and on the Philippines under President Marcos. Finally, the volume covers covert political action policy in general, especially in the Indonesia compilation.

Research and compilation of this volume was completed in 1997. The compilation on Indonesia is divided into four sections which define the focus of the coverage. The first, entitled, "Sukarno's Confrontation with Malaysia, January-November 1964," documents U.S. efforts to mediate and encourage a settlement of the dispute between Indonesia and the Federation of Malaysia over Indonesian claims to North Borneo and to convince Indonesia to desist from its policy of confrontation (*confrontasi*). Above all, the United States sought to prevent the sporadic low-level guerrilla war Indonesia was waging against Malaysia from escalating into more serious conflict. In addition, President Johnson and his advisers grappled with the related problem of whether to use U.S. aid to Indonesia to try to moderate Sukarno's campaign of *confrontasi*. The next section, "Sukarno's Confrontation With the United States, December 1964-September 1965," documents the deterioration of U.S.-Indonesia relations and the rise of the influence of the Communist Party of Indonesia (Partai Komus Indonesia (PKI)) within the Sukarno government. The third section, "Coup and Counter Reaction, October 1965-March 1966," is the heart of the compilation and documents in more detail the problems faced by the United States during a period of great transition in Indonesia. The final section, "The

United States and Suharto, April 1966–December 1968," documents the return of U.S.-Indonesia relations to a more conventional state and the Johnson administration's primary consideration of strengthening Indonesia economically.

The small compilation on Malaysia-Singapore is initially an account of the U.S. reaction to the separation of Malaysia and Singapore, which took the Johnson administration by surprise. President Johnson was careful to maintain good relations with both states, and he visited Kuala Lumpur in 1966. It was Singapore President Lee Kwan Yew, however, with whom Johnson identified most closely, and he (and Vice President Humphrey as well) developed a close personal relationship with President Lee. This special bond is reflected in the selected documentation.

The Philippines and the United States had a special relationship. The long-standing bilateral issues left over from World War II are covered only when they required a Presidential decision. The question of Philippines claims to the Malaysian territories of Sabah was a complicating factor for the United States, but it never reached a point of actual conflict. It is handled only as a secondary issue. The primary focus of the compilation is on a number of themes that are not exclusive to the Philippines, but which dominated the thinking of U.S. policymakers. The first is the fate of democracy, especially during the Presidential elections of November 1965. The related question of corruption and reform also dominated U.S. efforts in the Philippines. The Philippines contribution of an engineering battalion to the war effort in Vietnam is documented in detail because the policy of "more flags in Vietnam" became increasingly important to President Johnson. The selection of documentation also reveals an initial enthusiasm for the newly-elected President Ferdinand Marcos and the growing concern over his and the Philippines economic performance. A final theme is the realization that the Communist insurgency in the Philippines was on the rise and Marcos seemed unwilling or unable to combat it.

Editorial Methodology

The documents are presented chronologically according to Washington time. Memoranda of conversation are placed according to the time and date of the conversation, rather than the date the memorandum was drafted.

Editorial treatment of the documents published in the *Foreign Relations* series follows Office style guidelines, supplemented by guidance from the General Editor and the chief technical editor. The source text is reproduced as exactly as possible, including marginalia or other notations, which are described in the footnotes. Texts are transcribed and printed according to accepted conventions for the publication of historical documents in the limitations of modern typography. A heading has been supplied by the editor for each document included in the

volume. Spelling, capitalization, and punctuation are retained as found in the source text, except that obvious typographical errors are silently corrected. Other mistakes and omissions in the source text are corrected by bracketed insertions: a correction is set in italic type; an addition in roman type. Words or phrases underlined in the source text are printed in italics. Abbreviations and contractions are preserved as found in the source text, and a list of abbreviations is included in the front matter of each volume.

Bracketed insertions are also used to indicate omitted text that deals with an unrelated subject (in roman type) or that remains classified after declassification review (in italic type). The amount of material not declassified has been noted by indicating the number of lines or pages of source text that were omitted. Entire documents withheld for declassification purposes have been accounted for and are listed by headings, source notes, and number of pages not declassified in their chronological place. All brackets that appear in the source text are so identified by footnotes.

The first footnote to each document indicates the document's source, original classification, distribution, and drafting information. This note also provides the background of important documents and policies and indicates whether the President or his major policy advisers read the document.

Editorial notes and additional annotation summarize pertinent material not printed in the volume, indicate the location of additional documentary sources, provide references to important related documents printed in other volumes, describe key events, and provide summaries of and citations to public statements that supplement and elucidate the printed documents. Information derived from memoirs and other first-hand accounts has been used when appropriate to supplement or explicate the official record.

The numbers in the index refer to document numbers rather than to page numbers.

Advisory Committee on Historical Diplomatic Documentation

The Advisory Committee on Historical Diplomatic Documentation, established under the *Foreign Relations* statute, reviews records, advises, and makes recommendations concerning the *Foreign Relations* series. The Advisory Committee monitors the overall compilation and editorial process of the series and advises on all aspects of the preparation and declassification of the series. Although the Advisory Committee does not attempt to review the contents of individual volumes in the series, it does monitor the overall process and makes recommendations on particular problems that come to its attention.

The Advisory Committee has not reviewed this volume.

Declassification Review

The Information Response Branch of the Office of IRM Programs and Services, Bureau of Administration, Department of State, conducted the declassification review of the documents published in this volume. The review, which began in 1996, was conducted in accordance with the standards set forth in Executive Order 12958 on Classified National Security Information and applicable laws. The principle guiding declassification review is to release all information, subject only to the current requirements of national security as embodied in law and regulation. Declassification decisions entailed the concurrence of the appropriate geographic and functional bureaus in the Department of State, other concerned agencies of the U.S. Government, and the appropriate foreign governments regarding specific documents of those governments.

The final declassification review of this volume, completed in 2000, resulted in the decision to withhold 2.5 percent of the material selected for publication; 7 documents were denied in full. The decision on key intelligence issues was appealed to a High-Level Panel consisting of senior representatives from the Department of State, the National Security Council, and the Central Intelligence Agency, established in 1997 to determine whether or not a covert activity could be acknowledged by the United States. The Panel arrived at a determination that resulted in the release of some but not all of the appealed documentation.

In the Indonesia compilation three documents were denied in full (180, 182, and 221) and three documents were released with major excisions (167, 175, and 181). These denials and excisions were made on the grounds that release of the information would reveal intelligence sources or methods, disclosure of which would "clearly and demonstrably" damage U.S. national security interests, as allowed in Executive Order 12958. Despite these denials and excisions of specific sources and methods as well as details of implementation, the broad outline of the limited U.S. covert policy in Indonesia is documented in the compilation. Two documents in the compilation on Malaysia-Singapore (269 and 286) were also denied to protect intelligence sources and methods. In the Philippines compilation, two documents were denied in full, again on the grounds of intelligence sources and methods. Despite the withheld information, the editor, the General Editor, and the Historian believe that the documentation and editorial notes printed in the volume comprise a thorough, accurate, and reliable record of major U.S. foreign policy decisions and significant diplomatic activity.

Acknowledgments

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Edward C. Keefer, Chief of the Asia and Americas Division, did the research, compiled, selected, and annotated this volume under the supervision of then Editor in Chief, Glenn W. LaFantasie. Kerry E. Hite, David C. Geyer, and Donna Thompson coordinated the declassification review, and Susan C. Weetman coordinated the appeal to the interagency panel on acknowledging covert operations. Vicki E. Futscher and Rita M. Baker did the copy and technical editing. Juniee Oneida prepared the index.

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