Memorandum From the Deputy Director for Coordination, Bureau of Intelligence and Research (Koren) to the Director (Hughes) ¹


SUBJECT
Mr. Berger’s Meeting with Mr. Colby, December 4, 1965

PARTICIPANTS
Messrs. Berger, Cuthell and Moore for FE
Messrs. Colby, [names not declassified] for CIA
Messrs. Cooper and Thomson for WH
Mr. Stuart for INR/DDC

[Indonesia]

The meeting was called for the purpose of discussing the latest developments in the project to supply medicines and medical equipment to the Indonesian Army [less than 1 line of source text not declassified]. Attached at Tab A is a lengthy report of conversations between [less than 1 line of source text not declassified] and [less than 1 line of source text not declassified] which were held in [less than 1 line of source text not declassified] on December 1 and 2. ² At Tab B is a short paper suggesting alternative methods for providing medicines and medical equipment to the Indonesian Army.³

Mr. Berger said that as a result of his reading of the conversations with [less than 1 line of source text not declassified] he had come to the conclusion that the Department and perhaps CIA too had been “conned” into taking on this project. It was perfectly obvious that Nasution knew nothing of the financial arrangements that were to have been made as cover for the project, despite the Department’s insistence that he be advised. It was clear that Sukarno had sent Sukendaro out to get medicine, but hadn’t given him any money. Did this mean that Sukarno was merely trying to get rid of Sukendaro and had no idea that the latter would take his supposed mission seriously? There was also the possibility that this whole project was a provocation. Instead of considering alternative methods of getting medicines to the Indonesian Army, what we ought to be considering was how to drop the project. Mr. Colby attempted to counter all of these assertions, but was hampered

¹ Source: Department of State, INR/IL Files, Indonesia, 1963–1965. Secret. Also sent to Denny and Evans. Drafted by Koren on December 8.
² Not printed. (FE–239; ibid.)
³ Dated December 3. (Ibid.)
somewhat by necessity of arguing on policy rather than on intelligence
grounds. He cited a number of times our need to show the Indonesian
Army that we supported them in their campaign against the PKI, [less
than 1 line of source text not declassified]. In addition, the Army really
needed the medicines. We didn’t know but what a civil war was in
the offing in Indonesia. The Indonesians needed to know who their
friends were.

Mr. Cuthell said it was quite obvious that the Indonesian Govern-
ment could scrape up a half million dollars easily if they really believed
the medicines were necessary. He cited the fact that the Indonesian
Navy was buying two Aero Commander planes at a cost of 575 thou-
sand dollars, and that DC-8s which would cost 50 million dollars were
also on order.

At this point Mr. Colby found support from unexpected quarters.
Mr. Cooper, backed by Mr. Thomson, argued the necessity of indicating
approval in a practical way of the actions of the Indonesian Army. The
[less than 1 line of source text not declassified] that the medicines would
cost was a mere pittance compared with the advantages that might
accrue to the US as a result of “getting in on the ground floor.” Mr.
Thomson added that he believed that the request by Sukendro offered
us an unparalleled opportunity to give an earnest of our intentions
ward an Indonesia in which a moderate army leadership held the
balance of power.

[2 paragraphs (16-1/2 lines of source text) not declassified]

After considerable further discussion it was agreed on suggestion
of Mr. Cuthell that we probably had to go through with this project
only because it had gone beyond recall. Mr. Berger insisted, however,
that nothing ’further be done until [less than 1 line of source text not
declassified] a detailed step-by-step plan for covering the extension of
the line of credit [less than 1 line of source text not declassified], and had
submitted that plan for the Department’s approval. Indicating that
there was some urgency about getting the matter settled, since [less
than 1 line of source text not declassified] was shuttling about various
European capitals with considerable rapidity, Mr. Colby said that such
a plan would be presented to Mr. Berger within the week.4

4 This was done in a memorandum from Colby to Bundy, FE-244, December 7. (Ibid.)
182. Memorandum Prepared for the 303 Committee


[Source: National Security Council, Special Group/303 Committee Files, Subject Files, Indonesia. Secret. 4 pages of source text not declassified.]

183. Memorandum From the Director of the Far East Region (Blouin) to the Deputy Assistant Secretary of Defense for International Security Affairs (Friedman)¹

I-28064/65


SUBJECT

Emergency rice assistance to Indonesia

Ambassador Green has reported an increasing number of approaches from high Indonesian civilian officials for USG assistance in financing emergency rice shipments “to help tide Indonesia over next few months and help Army avoid losing on economic front what it has gained on political”. He asked State’s views on the feasibility of arranging export credit guarantees for US and/or third country’s rice, whether covert financing is practicable, and what alternative methods there might be for assisting the Army if we need “to move rapidly and effectively” to support the Army’s position.² Subsequently, Green reported that General Achmad, recently appointed by General Suharto to head the Economic Group of the KOTI Staff, said that he wanted to alert the USG to the Army’s desire to discuss US assistance in obtaining rice from Thailand or Burma on a covert basis.³

State has advised Green that it does not believe covert assistance to be practicable, that the political situation in Indonesia is still so fluid that such assistance could benefit Sukarno–Subandrio rather than the Army, and that emergency assistance for rice should not be separated

² As reported in telegram 1634 from Djakarta, December 3. (National Archives and Records Administration, RG 59, Central Files 1964–66, E 1 INDON)
³ As reported in telegram 1722 from Djakarta, December 11. (Ibid., POL 23–9 INDON)
from such broader political questions as Indonesian policy on Vietnam, confrontation and nationalization of US oil properties. Although State’s instruction does not close the door to further consideration of emergency aid to the Indonesian Army, it gives the clear impression that the USG should be in no hurry to give such aid and that when we do we should tie definite “strings” to it.\(^4\)

In view of the probability that the USG will receive a firm request from the Nasution-Suharto leadership in the near future for aid in purchasing rice, DOD should formulate a position on this matter and relay it to State, (State’s outgoing instruction was not discussed with DOD). I am inclined to think that emergency assistance to help the Indonesian Army consolidate its position should be granted promptly when and if a bona fide request is made by the Army leadership. Such short-term aid should be considered separately from long-term economic assistance and should not be conditional upon a commitment to end confrontation and to suspend plans to negotiate the withdrawal of American oil firms. Although covert financing probably is too risky, it should be possible to get the Indonesian Army’s agreement on some method of handling this transaction that would not embarrass the leadership if it becomes known.

The real question, it seems to me, is whether the Army requires this rice to win its struggle for power with Sukarno, or whether it can cement its authority without our help. If our assistance is essential and is requested by the Army leadership, I think we should give it without strings. If the Army emerges on top politically, which now seems likely, we will get many requests for large scale assistance. That will be the time to talk about a change in Indonesian foreign policy and other conditions on our aid. In this connection see Djakarta telegrams 1712 dated 10 December\(^5\) and 1722 dated 11 December, which contain a firm Indo request for rice.

You might be interested to know that although Bill Bundy suggested in his letter of November 3 to Mr. McNaughton\(^6\) that the working group on Indonesia should meet at regular intervals to discuss contingency planning, no meeting has been held in nearly a month. Frank Underhill has told Don Nuechterlein informally that he doesn’t believe the working group need be involved because this question involves only economic assistance.

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\(^4\) Telegram 741 to Djakarta, December 9. (Ibid., E 1 INDON)

\(^5\) Not printed. (Ibid.)

\(^6\) Washington National Records Center, RG 330, OASD/ISA Files: FRC 70 A 3717, Indonesia 320.2–400.3295 (381 Indonesia).
Recommendation

That in discussions with State Department, DOD’s position on rice aid to Indonesia be as set forth above.

F. J. Blouin
Rear Admiral, USN

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

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184. Telegram From the Department of State to the Embassy in Indonesia

Washington, December 16, 1965, 5:15 p.m.

777. Ref: Djakarta’s 1780 rptd addressees.

1. Appears from here that Indonesian military leaders’ campaign to destroy PKI is moving fairly swiftly and smoothly, that Subandrio’s days numbered, and that Sukarno might be travelling abroad before long giving military even freer hand to develop and install new govt. May well be that these developments will move so rapidly that we may be confronted within weeks with situation we have hoped for, i.e. a new govt, emerging or in being, that we can begin to talk to and deal with.

2. As you indicated in para 5 refel, Japan and Germany are in best position to offer early assistance. In these circumstances would

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1 Source: National Archives and Records Administration, RG 59, Central Files 1964-66, POL 23-9 INDON. Secret; Immediate; Exdis. Drafted by Berger and approved by William Bundy. Repeated to Tokyo, Bonn, and CINCPAC for POLAD.

2 In telegram 1780 from Djakarta, December 15, the Embassy reported on discussions with the German and Japanese Ambassadors in Indonesia about requests for economic assistance from North American Director Helm of the Indonesia Foreign Office on behalf of the Army. (Ibid.)

3 In Intelligence Memorandum OCI No. 3164/65, December 13, the Office of Current Intelligence of the Central Intelligence Agency provided background on Subandrio and suggested that he was “a barometer of the President’s relations with the army. If Sukarno feels that he is not strong enough to resist army pressure, Subandrio is likely to be removed from Indonesian political life. If he continues to survive in office, this may be a sign that the President feels he can out-wait and out-maneuver the army leadership.” (Johnson Library, National Security File, Country File, Indonesia, Vol. VI, 11/65-5/66)
like your views on feasibility (from point of view of exposure) and desirability of you, Saito and Wertz meeting informally together as required to concert on tactics and strategy and block out suggested lines of action for the three countries and possibly others. If idea commends itself to you, we would make this suggestion formally to Japan and Germany. We would, of course, inform UK, Australia and New Zealand of foregoing and keep them clued in.

Ball

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185. Editorial Note

The question of the role the U.S. Embassy in Indonesia in compiling and providing lists of Partai Komunis Indonesia (PKI) members to anti-Communists and Indonesian military authorities has been the subject of controversy. In 1990 a journalist interviewed Robert J. Martens, political officer in the Embassy, and then published an article, "U.S. Officials' Lists Aided Indonesia Bloodbath in 60's." (The Washington Post, May 21, 1990) Martens sent a letter to the editor of The Washington Post on June 2, 1990, in which he stated: "It is true that I passed names of the PKI leaders and senior cadre system to non-Communist forces during the six months of chaos between the so-called coup and the ultimate downfall of Sukarno." Martens continued, "the real point, however, is that the names I gave were based entirely—I repeat entirely—on the Indonesia Communist press and were available to everyone. This was a senior cadre system of the PKI—a few thousand at most out of the 3.5 million claimed party members." Martens stressed that these lists of PKI members were "not party rank and file." Martens also stated categorically in his letter that, "I and I alone decided to pass those 'lists' to the non-Communist forces. I neither sought nor was given permission to do so by Ambassador Marshall Green or any other embassy official." Martens concluded with the statement that he did not turn over classified information nor was he the head of an Embassy group that spent 2 years compiling the lists as stated in the article in The Washington Post. He stated that there was no such group.

Between December 17, 1965, and August 10, 1966, the Embassy sent the Department three airgrams listing PKI members. On December 17, 1965, the U.S. Embassy in Djakarta transmitted to the Department airgram A-398 that contained as enclosures lists of the PKI leadership and a compilation on the fate of PKI leaders. The airgram was drafted by Martens who informed the Department that the Embassy had received a
number of reports concerning the arrests of prominent PKI leaders, often based on suspect evidence. Martens also cautioned that there was widespread falsification of documents, such as "alleged confessions some of which can be easily detected and some not." He then explained that enclosed in the airgram were two lists. The first was an unclassified list of the PKI leadership bodies (Politburo, Central Committee, Central Control Commission, Central Verification Commission, and Secretariat Central Committee–PKI) with the names of their members as they existed in May 1965. The second enclosure was a "fragmentary compilation on the present whereabouts of PKI leaders based on limited information available." The May 1965 list contained 95 PKI positions (comprising only 67 individuals since PKI members often had multiple positions and one official was identified by two different names). The second list described the whereabouts of 18 PKI leaders of which all but 2 were either dead, arrested, or believed to be arrested. (National Archives and Records Administration, RG 59, Central Files 1964–66, POL 12 INDON)

On March 11, 1966, the Embassy sent the Department airgram A–564 which was drafted by Martens and signed by Edward Masters and contained as an enclosure an update on the fate of PKI leadership from the Central Committee, Central Control Commission, Central Verification Commission and Heads of Provincial PKI Organizations who were not members of the Central Committee. The airgram indicated that information on PKI officials "remains extremely fragmentary but sufficient additional information has been received to make a new compilation advisable." The enclosure was a list of 80 PKI leaders and their status. (Ibid., RG 84, Djakarta Embassy Files: Lot 69 F 42, POL 12 PKI)

On August 10, 1966, Ambassador Green sent airgram A–74 to the Department, drafted by Marten and approved by Masters, which provided as an enclosure another update of the fate of PKI leaders. Airgram A–74 provided new information available since March 1966 on 15 senior PKI figures and listed 4 senior PKI officials reported dead and 20 reported imprisoned. This airgram, which was signed by Green, indicated that: "A sanitized [ie. Embassy attribution removed] version of the lists in A–398 has been made available to the Indonesian Government last December [1965] and is apparently being used by Indonesian security authorities who seem to lack even the simplest overt information on PKI leadership at the time (lists of other officials in the PKI affiliates, Partindo and Baperki were also provided to GOI officials at their request)." (Ibid., RG 59, Central Files 1964–66, POL 12 INDON) Partindo was a small left wing party that was closely allied with larger and more influential Baperki, an association of Indonesians of Chinese descent.
186. Telegram From the Embassy in Indonesia to the Department of State

Djakarta, December 22, 1965, 1250Z.


1. Indo politics has continued to move in “right” direction since our last assessment (reflets). PKI is no longer a significant political force, and Djakarta–Peking axis is in tatters. Meanwhile, army has gained in political experience and has further consolidated its position. Most notable change, however, has been further weakening of Sukarno’s prestige and marked failure of his mid-November bid to get full authority back in his own hands. This failure has opened real possibility of far-reaching changes in local power structure during next few months, but many problems and hazards remain.

2. Indonesia is now in midst of basic political revolution. Final outlines this revolution still obscure, and there will almost certainly be slippage from time to time, but we do not believe Sukarno/Subandrio can reverse present trend. Following significant developments underlie this interpretation:

A. Sukarno’s image is tarnished. From all sides we hear comment that he will no longer be decisive political factor in future. Even newspaper editorials and corner columns are beginning to snipe at his hitherto sacred image. Sukarno’s dogged adherence to his discredited slogans and in particular to his insistence on continuing Communist role in Indo society and Indo alliance with Asian Communist regimes has furthered public disillusion. Meanwhile army leaders and others are ignoring his admonitions to extent which inconceivable three months ago.

B. Subandrio has been stripped of much of his authority. Even though earlier army hope to force him out before now has not materialized, Subandrio has lost ground. His intelligence agency (BPI) has been taken out of his hands and placed under army-dominated supreme operations command (KOTI). He has been smoothly eliminated from top leadership position in KOTI at time when that body apparently

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2 In telegrams 1515 and 1519, both November 20, the Embassy assessed the struggle between the pro-Sukarno leftists forces and the Army/non-Communist civilians and suggested that while clear-cut predictions were difficult to make, the unresolved political situation meant that regionalism was reasserting itself in Indonesia to the detriment of both Sukarno and the Army. (Both ibid.)
being groomed as real power center. Even within Foreign Ministry, there large faction headed by his first deputy (Suwito) which not loyal to him.

C. KOTI has developed into potential rival government. Existing cabinet (105 portfolios) must eventually be changed into more efficient governmental tool. Appointment of Nasution, Sultan Hamengku Buwon, and Ruslan Abdulgani as Deputy Supreme Commanders of KOTI, with authority over military, economic, and political affairs, seems first step in this process and virtually creates rival to Sukarno’s presidium and cabinet. Below the three KOTI deputies command structures are being created reaching into every sphere of governmental activity.

D. Army’s internal position is stronger. Military cohesion has tightened to extent Nasution/Suharto can now expect loyalty most key commanders in any showdown. Efforts by Sukarno to shunt aside anti-Communist military leaders have flopped, and army has retained effective urban as well as rural control despite indications month ago that control might be slipping in cities.

E. Moderates seem about to regain control of Nationalist Party (8). Sukarno support for party’s radical left wing has had little effect in saving Ali/Surachman leadership. This further evidence of major shift in locus of power which has taken place.

F. Old foreign policy has been discredited. Indonesia’s close alignment with Communist China is shattered. Even confrontation with Malaysia is beginning to respond to new atmosphere and we aware of as little support outside immediate Sukarno entourage for lengthy pursuit of this ill-conceived policy.

G. Indos are starting to do normal business with us again. It is apparent that high level decision has been made to clean up old problems between FonDep and Embassy. Yesterday Embassy received payment for damage to Medan and Surabaya Consulates by demonstrators earlier this year. This first reimbursement we have received since 1962. We also informed yesterday that private property of two Embassy military officers which seized when house they rented from William Palmer taken over early this year will be returned to us, ending nine months of bickering. This morning USIS books which held in storage since March were turned over to Ministry of Higher Education for use by Indo universities.

3. Indo political change not yet complete, however, and old government structure still stands in way of positive actions in some fields. Major problem for army is fact it still saddled with Sukarno. Army obviously not happy with what he says and does but still reluctant to take any direct action to remove him. It thus possible he will remain head of state although we do not believe he will regain dominant political role. In any event, we as well as army may as well face fact we may have to live with him for a while.
4. Even if Sukarno remains, we belive odds are that Subandrio will go and that locus of power will center more and more on army and civilians cooperating with it. While such government will have number of shortcomings (particularly in skilled personnel), and while it will face problems of staggering proportions, at least it likely to be government with which we can deal realistically on matters of common concern. Whether such government will be able in long run to maintain its authority and prevent fragmentation of control over these scattered islands will depend in large measure on whether army able to maintain momentum which is sweeping it to power and show concrete results in handling enormous economic and administrative problems. Continuing elimination of Communists in most areas and attacks on Chinese in some have definitely weakened public order and this is another of many problems which army will have to tackle. For time being, however, attacks on tattered remnants of PKI are being allowed to continue, although purely racial excesses against Chinese are being held in partial check.

5. As we approach 1966, we are primarily still remaining as far in the background the Indonesian scene as possible, but on near horizon is necessity to be prepared to work with a new order which will still contain many problems for us but will be infinitely more healthy and more promising than what we had before Oct 1.

Green

187. Memorandum From the Joint Chiefs of Staff to Secretary of Defense McNamara¹

JCSM–909–65


SUBJECT

Aid to Indonesia (U)

1. (S) A recent message from the US Embassy, Djakarta, contains information indicating that President Sukarno might be re-

moved from power after 1 January 1966 and Indonesia may request US aid.²

2. (S) Should this occur followed by an Army takeover, requests for overt economic assistance—especially for foodstuffs—may be substantial. Requests for the overt provision of military matériel probably would not be large. Items which might be requested include ammunition, man-portable radios, light automatic weapons, vehicles, and perhaps C-130 and C-47 aircraft spares. Some training assistance might also be sought.

3. (S) The displacement of President Sukarno by the Indonesian Army could benefit US security interests in the area. While political philosophies within the Army cover the full spectrum of those existing in Indonesia, the Army as a whole appears to be searching for a non-aligned policy which runs counter to President Sukarno’s previous alignment as a junior partner of the ChiComs. The Army appears to be the strongest single anticommunist force in the country but will eventually call for civilian leadership which, in turn, probably will represent a nationalist-religious-communist coalition. The US interests would be best served if the government which follows President Sukarno’s removal were to be pro-Western. It is more likely that it would be neutralist. In any case, opportunities to influence the course of events will be presented to the United States and it is appropriate to investigate at this time ways in which they can be exploited to US advantage.

4. (S) There are several factors, however, which impinge upon the advisability of immediate overt provision of military aid to the Indonesian Army by the United States:

a. The position of the Indonesian Army is precarious and any overt provision of US military aid at this time could tend to reinforce charges by Sukarno, Subandrio, Peiping, and Moscow that the Army is a “tool of (US) imperialism.”

b. Without a demonstrated willingness on the part of Indonesia to discontinue the “crush Malaysia” policy, the United States could be in a position of subsidizing Indonesian aggression and opposing US/UK interests in the area. On the other hand, relaxation and eventual elimination of the confrontation with Malaysia would reduce the cost to the United Kingdom of maintaining military commitments in Malay-

²Telegram 1797 from Djakarta, December 15. (National Archives and Records Administration, RG 59, Central Files 1964–66, POL 23–9 INDON) in telegram 1924 from Djakarta, December 30, the Embassy suggested that although dissatisfaction with Sukarno had increased, opinions differed on whether he would be ousted in the near future. The Embassy stated that “on balance we believe Army would prefer not to oust Sukarno at this time unless their hand is forced, most likely by Sukarno himself.” (Ibid.)
sia and Singapore and could lead to advantageous economic relations among Indonesia, Malaysia, and Singapore.

c. Problems concerning expropriation of US economic assets, subversive intent toward the Philippines, and recognition of international law in the matter of free passage of the sea straits between Indonesian islands all require resolution.

d. Considering present US commitments in Southeast Asia, the logistics implications of aid to Indonesia must be evaluated.

e. In view of Indonesia’s past tendency to export aggression, the impact on neighboring countries of aid to Indonesia should be considered.

5. (S) The Joint Chiefs of Staff recommend that:

a. The United States, if requested, be prepared to provide Indonesia a limited quantity of emergency foodstuffs/medicines in the interest of showing support for the new government.

b. Since the campaign of the Indonesian military leaders against the Indonesian Communist Party (PKI) appears to be progressing according to plan and no US military assistance appears required for internal security, the United States should not overtly provide military aid to Indonesia at this time.

c. Prior to giving favorable consideration to additional requests for overt aid, the problem areas outlined in paragraph 4, above, must be substantially resolved.

d. The Department of State and the Department of Defense jointly establish criteria for the resumption of overt military and economic assistance.

e. A memorandum substantially as contained in the Appendix hereto be forwarded to the Secretary of State.³

For the Joint Chiefs of Staff:

David L. McDonald⁴
Acting Chairman
Joint Chiefs of Staff

³ Attached but not printed.
⁴ Printed from a copy that indicates McDonald signed the original.
188. Memorandum From the Deputy Special Assistant for National Security Affairs (Komer) to Chester L. Cooper and James C. Thomson, Jr., of the National Security Council Staff


Since you guys are less suspicious than Bundy that I am hornig in on Indonesia, note Djakarta’s 2092. Here’s the first time I’ve seen Marshall Green himself shifting ground and recommending that he be allowed to tell the Army we would join in providing emergency aid if really needed.

Marshall is a quick study; he’s also the man on the spot. So perhaps we should use his views as a lever to move our reluctant FE friends.

It’s also worrisome to me when we do nothing but discourage the Japs, Germans, and others who come in to ask whether they should now contemplate aid. It’s one thing to say that we think it too soon to talk of aid, but quite another to avoid even indicating that if things continue to go well we would probably change our tune.

With things still breaking our way in Indonesia, I cannot understand the reluctance of State even to get ready to exploit it. If they think the President would be reluctant, I’ll bet they’re wrong. He was very forthcoming on Ceylon, and even bought aid to the UAR when we convinced him.

RWK

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1 Source: Johnson Library, National Security File, Files of Robert W. Komer, Indonesia, Nov. 63–Mar 66, [1 of 3], Secret. A copy was sent to McGeorge Bundy.

2 In telegram 2092 from Djakarta, January 19, Green reported that Helmi of the Indonesia Foreign Office reiterated his plea for emergency assistance for the Army from western countries. Helmi suggested that 300,000 to 350,000 tons of rice, 50 million yards of cotton cloth, and medical supplies were needed to prevent friction within the Army ranks and disillusion among the general public. Helmi estimated the cost at $50 million and suggested that western donors share the burden. Green recommended telling Helmi that he (Green) would meet with Suharto and Nasution to explore the question of aid and at least give them assurances that emergency aid would be forthcoming when the time was right. (National Archives and Records Administration, RG 59, Central Files 1954–66, POL 23–9 INDON)

3 In OI No. 0481/66, January 3, "The Changed Political Scene in Indonesia," the Office of Current Intelligence of CIA stated that Indonesia was at "a major turning point in its history. The era of Sukarno’s dominance has ended." (Johnson Library, National Security File, Country File, Indonesia, Vol. VI, 11/65–5/66) In a January 7 memorandum to William Bundy, Cuthell suggested that "in the months and years ahead it is clear that the Indonesian military, and more particularly the Army, will dominate as it has never before the Indonesian political scene." (National Archives and Records Administration, RG 59, EA/Indonesia Files: Lot 70 D 3, Pol 2 Gen)

4 Printed from a copy that bears these typed initials.