

2. SEIZURES 8-60-91SH PROPERTY . ALTHOUGH PRESIDENTIAL ORDER ISSUED THROUGH SUPREME COMMAND JAN 25 ORDERS UNIONS TO RETURN BRITISH FIRMS SEIZED SINCE JAN 18, PKI, THROUGH ITS SOBSI LABOR FEDERATION; PNI, THROUGH ITS CHAIRMAN ALI SASTROAMIDJOJO AND MANY OF ITS KBKI AFFILIATED UNIONS; AND PARTINDO AFFILIATED UNIONS, CONTINUE VOICE PUBLIC OPPOSITION PRESIDENT'S ORDER. SOBSI DECLARED JAN 25 SEIZURES WERE "GOOD" AND IT DIFFICULT PEOPLE UNDERSTAND GOI ACTION. DELEGATION HEADED BY PKI'S NJONO CALLED ON TST DEP PRIMIN SUBANDRIO JAN 27, NATIONAL FRONT SAME DAY, AND MINAGRUCULTURE AND AGRARIAN AFFAIRS JAN 28 TO URGE GOVT OPEN NEGOTIATIONS WITH UNIONS REGARDING RECOGNITION OF SEIZURES. HARIAN RAKJAT QUOTES SUBANDRIO TO EFFECT SEIZURES "HEROIC STEPS" AND CAN BE UNDERSTOOD BY GOI.

DOS REVIEWED 31-Mar-2008: DECLASSIFIED FOR RELEASE IN FULL



JAN 29 HARIAN RAKJAT PRINTED FULL LIST ESTATES AND COMPANIES SEIZED WHICH INCLUDED 7 IN DJAKARTA 22 IN WEST JAVA, 8 IN CENTRAL JAVA, 7 IN EAST JAVA, SHELL OIL, BALIKPAPAN, AND ALL HARRISONS & CROSSFIELD MANAGED ESTATES IN NORTH SUMATRA. THESE FIGURES INCLUDE SEVERAL ESTATES AND COMPANIES WHICH HAVE BEEN OFFICIALLY RETURNED BY GOVT TO MANAGEMENT BUT WHICH ARE STILL CLAIMED BY UNIONS. ACCORDING TO LATEST INFORMATION, DISREGARDING STRONG PRESSURE FROM BRIT CONSUL NORTH SUMATRA AND IGNORING SUKARNO'S ORDER GOV SITEPU IS CONTINUING COOPERATE WITH NATIONAL FRONT AND WORKERS WHILE AWAITING RETURN VICE GOV WHO IN DJAKARTA SEEKING "CLARIFICATION." ARMY ALSO HOLDING BACK IN ACTION AGAINST STRIKERS.

DELAYED WAVE OF TAKE-OVER IN EAST JAVA AND SURABAYA BEGAN JAN 24 AND ALTHOUGH GOV WIJONO ISSUED ANNOUNCEMENT FORBIDDING SEIZURES ON BASIS PRESIDENTIAL ORDER, SITUATION SEEMS ABOUT AVERAGE FOR WHOLE COUNTRY, I.E. MANAGEMENT HAS ACCESS TO OFFICES BUT WORKERS CONTINUE CLAIM SEIZURES IN EFFECT AND POLICE LOOK ON WITH TOLERANT EYES. ONLY IN SOUTH SUMATRA AND WEST SUMATRA HAVE WORKERS BEEN MET BY EFFECTIVE COUNTER ACTIONS AS HARIAN RAKJAT ATTESTED JAN 29 WHEN IT COMPLAINED OF THE ARREST OF 84 WORKERS IN WEST JAVA AND 2 AT PALEMBANG.

DOCK BOYCOTT WHICH NECESSITATED SAILING TWO BRITISH SHIPS FROM TANDJUNG PRIOK WITHOUT PILOTS OR DOCKSIDE ASSISTANCE NOW OFF ACCORDING UK EMB.

COMMENT CONTINUED STRONG SUPPORT SEIZURES BY PKI INDICATES RELUCTANCE BACK DOWN ON ISSUE ON WHICH PKI PROBABLY FEELS IT HAS TACIT GOVT SUPPORT IN VIEW OF LACK OF SERIOUS GOVERNMENT COUNTER ACTIONS.

2-7-64 Report

3. BRITISH PROPERTY FACES DUBIOUS FUTURE . DURING  
PAST WEEK FORTUNE OF VARIOUS CATEGORIES BRIT PROPERTIES  
SEIZED OR ATTEMPTED BE SEIZED BY WORKERS VARIED. SHELL,  
AFTER SEVERAL REPRESENTATIONS BY AMB TO SUBANDRIO, ALLOWED  
COMMUNICATE WITH ITS EXPATRIATE STAFF BALIKPAPAN. WORKERS  
STILL TRYING GET GOI RECOGNIZE THEIR "TAKEOVER." BRIT

BUSINESSES IN DJAKARTA, LIKE BAT, UNILEVER, CHARTERED BANK,  
FRASER AND NEAVE, MACLAIN WATSON STILL UNDER CONTROL NORMAL  
MANAGEMENT BUT WORKERS CONTINUE CLAIM FIRMS "TAKEN OVER."  
GOVT "SAFEGUARDER" STATIONED EACH OFFICE. SITUATION MEDAN  
AND SURABAYA BRANCHES THESE FIRMS LESS CLEAR. BRIT INTERESTS

IN WORST POSITION ARE ESTATE COMPANIES WHICH CONTROL 63 ES-  
TATES (MOSTLY RUBBER, TEA) CONCENTRATED W. JAVA, N. SUMATRA.  
FEB 1 DEPT AGRICULTURE DIRECTIVE PLACED ALL BRIT ESTATES  
UNDER "TEMPORARY SUPERVISORY CONTROL " GOI-APPOINTED TEAMS.  
ESTATE FOREIGN STAFF INFORMED BY MIN AGRICULTURE THEY CAN  
REMAIN AS ADVISORS. EXCEPTION THIS SEEMS TO BE P AND T LANDS,  
WHICH SUBANDRIO TOLD AMB JONES WILL BE NATIONALIZED.

SINCE JAN 24 COMMUNIST PRESS HAS BEEN REPORTING SOBSI  
PROTESTS OVER ARRESTS OF WORKERS IN CONNECTION WITH TAKE-  
OVER OF BRIT-OWNED ENTERPRISES. SOBSI CLAIMED TOTAL OF  
86 ARRESTED.

COMMENT INDO SCHEME WITH N. SUMATRA ESTATES  
SEEMS BE HARASS FOREIGN STAFF UNTIL THEY LEAVE WHEN GOI  
CAN THEN CLAIM ESTATES ABANDONED--THEREBY AVOIDING QUESTIONS



NATIONALIZATION AND COMPENSATION. EVIDENCE IS GOI HAS NO  
INTENTION HANDING ESTATES BACK TO OWNERS. FUTURE OF  
SHELL AND, EVEN MORE SO, FIRMS SUCH AS BAT, UNILEVER PROBABLY  
LARGELY DEPENDENT OUTCOME MALAYSIA NEGOTIATIONS.

3. BRIT FIRMS FEAR CREEPING EXPROPRIATION

GOI ANNOUNCED FEB 8 "SAFEGUARD TEAMS" AT UNILEVER, BAT, FRASER AND NEAVE, NEBRITEX TO BE REPLACED BY SUPERVISION TEAMS FROM DEPT PEOPLES' INDUSTRY. DEPUTY PRMIN CHAERUL SALEH HAS ASSURED BRIT AMB MOVE STRICTLY TEMPORARY AND FIRMS WILL BE RETURNED TO RIGHTFUL OWNERS "IN DUE COURSE," BUT RECENT INITIAL REQUIREMENTS PLACED ON MANAGEMENT BY TEAMS APPEAR RATHER PERMANENT. SALEH IN ROLE HEAD 1945 GENERATION IN RECENT PUBLIC STATEMENT IMPLIED FIRMS NEVER TO BE RETURNED.

SITUATION AT SHELL SOMEWHAT IMPROVED. ESTATE SITUATION UNCHANGED SINCE WEEKA NO 6. BRIT SHIPPING BEING SERVICED NORMALLY BUT BOAC CONTINUES OVERFLY.

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COMMENT BRIT EMB CONVINCED GOI'S TACTIC IS TO TIGHTEN NOOSE ON BRIT FIRMS EXCEPT SHELL IN HOPE EXPATRIATE STAFF WILL LEAVE ABANDONING PROPERTY TO GOI.

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2. BRITISH FIRM'S MANAGEMENT BANNED FROM OFFICES  
CONSULATE MEDAN CABLED EMB APRIL 29 HARRISON  
[CROSSFIELD MANAGER MEDAN WAS NOTIFIED BY GOI AUTHORITIES  
[INCLUDING GOVERNOR) APRIL 29 HE AND OTHER FOREIGN MEMBERS

STAFF NO LONGER ALLOWED ENTER COMPANY'S OFFICES WITHOUT  
SPECIFIC INDO PERMISSION. OFFICIALS AFFIRMED SIMILAR  
ORDERS WOULD SOON BE GIVEN OTHER BRITISH ESTATE MANAGEMENT  
FIRMS IN AREA ALSO.

COMMENT FOR SEVERAL WEEKS THERE HAVE BEEN  
RUMORS GOI, AT URGING PKI, CONSIDERING FURTHER MOVES  
AGAINST BRITISH BUSINESSES. IT POSSIBLE TIMING THIS FIRST  
NEW MOVE LINKED WITH RENEWED CALL FOR INTENSIFICATION OF  
CONFRONTATION IN ALL FIELDS AGAINST "BRITISH NEO-COLONIALIST  
PROJECT OF MALAYSIA" (ITEM 1). WHILE ONLY ESTATE-RELATED  
FIRMS THUS FAR AFFECTED BY LATEST ACTION, IT NOT UNLIKELY  
HARASSMENT WILL BE EXTENDED OTHER BRITISH BUSINESSES AS WELL.



5-22-64 Report

4. SOME BRIT-OWNED ESTATES NATIONALIZED  
UNDER PROVISIONS MIN. AGRICULTURE/AGRARIAN AFFAIRS DECREE  
EFFECTIVE MAY 16, BGOI ASSUMED COMPLETE CONTROL AND ADMINIS-  
TRATION BRIT-OWNED P AND T RPT P AND T LANDS ESTETES (TOTAL 31, ALL  
EXCEPT ONE ON JAVA.) WHILE WORDS NATIONALIZATION OR  
EXPROPRIATION NOT USED IN DECREE, THIS OBVIOUS INTENT.  
IN SUBSEQUENT PRESS STATEMENT DEPUTY AGRICULTURE MIN., COL.  
SUJONO ONGKO, SAID TAKEOVER PART GOI "CRUSH MALAYSIA"  
PROGRAM; BRIT MANAGEMENT HAD BEEN USING ESTATES IN MANNER  
CONTRARY INTEREST GOI; BROACHED QUESTION COMPENSATION FIRST  
TIME SAYING ONLY EQUIPMENT, MOVABLE PROPERTY (VALUED AT  
RP 5 BILLION) WOULD BE PAID FOR, NOT RUBBER, TEA PLANTING.  
ETC. P AND T FOREIGNCTAFF REPORTEDLY ALL FORCED MOVE FROM  
ESTATE AREA BY GOI OFFICIALS. MIN. AGRICULTURE HAS EXPRESSED  
DESIRE THEIR VISAS AND WORK PERMITS NOT BE RENEWED.



COMMENT: PKI PLUS OTHER NON-COMMUNIST BUT SELF-  
INTERESTED GROUPS PUSHING HARD FOR IMMEDIATE EXPROPRIATION ALL  
BRIT PROPERTY.

6-12-64

Report

3. DISTURBANCE AT UK CONSULATE MEDAN

ACCORDING CONSULATE MEDAN AND RECENTLY ARRIVED AMERICAN BUSINESSMAN, GROUP OF 50 NATIONAL FRONT YOUTHS, EVENING OF JUNE 6 ENTERED GROUNDS BRITISH CONSULATE MEDAN, TORE DOWN AND REMOVED MOVIE SCREEN ERECTED FOR FILM SHOWING DURING QUEEN'S BIRTHDAY CELEBRATIONS. CELEBRATION STILL IN PROGRESS BUT FILM SHOWING HAD ENDED BEFORE ACT TOOK PLACE. MEDAN LEFT-WING PRESS CLAIMED 1,000 ANGRY YOUTHS ENTERED YARD IN ORDER PREVENT SHOWING PROVOCATIVE BRITISH MOVIES. THIS APPARENTLY PICKED UP BY RADIO MALAYSIA WHICH IN BROADCAST TO INDO JUNE 11 ADDED DETAIL THAT CONSUL'S HOUSE RANSACKED.



COMMENT INCIDENT INDICATIVE OF CHANGE IN MEDAN ATMOSPHERE SINCE SEPT 1963, DESTRUCTION BRITISH EMB DJAKARTA, RANSACKING OF UK CONSULATE MEDAN AND ACCESSION TO POWER OF GOVERNOR ULUNG SITEPU. MILITARY AND POLICE HAVE CONSISTENTLY FAILED TAKE EFFECTIVE ACTION RE NATIONAL FRONT-DIRECTED ANTI-BRITISH AND ANTI-US ACTIVITIES, DESPITE FACT MILITARY, AT LEAST, HAVE LONG EXPRESSED SYMPATHETIC ATTITUDE TOWARDS WEST AND COULD ALWAYS BE COUNTED ON PREVIOUSLY TO CURB LEFT-WING YOUTH. GOVERNOR IS LOCAL HEAD OF NATIONAL FRONT.

7-3-64 Report

7. ANOTHER BRITISH FIRM TAKEN OVER. MCLAIN  
WATSON, OLDEST FOREIGN FIRM IN INDO, WHICH HAS BEEN UNDER  
"SUPERVISION" MIN OF TRADE SINCE EARLY LAST YEAR, WAS  
PLACED UNDER "FULL CONTROL" BY GOI DECREE JULY 1.  
EXPARTIATE STAFF DJAKARTA NOT ALLOWED ENTER OFFICES,  
COMPANY VEHICLES SEIZED, BUT EXSTAFF STILL IN HOUSES.  
UNCONFIRMED REPORT HAS IT BRITISH WILL BE FORCED LEAVE  
INDO WITHIN A WEEK.



COMMENT / MOTIVATION BEHIND SEIZURE OF MCLAIN-  
WATSON NOT YET CLEAR BUT MAY HAVE RESULTED FROM DESIRE  
ELIMINATE MOST PRESTIGIOUS BRITISH FIRM IN INDO. SEIZURE  
OF FIRM OF LITTLE ECONOMIC VALUE TO GOI SINCE COMPANY HAS  
LITTLE REAL PROPERTY, ACTS PRINCIPALLY AS SALES AND SHIPPING AGENT.

8-14-64 Report

5. BRITISH COUNCIL EXPELLED (UNCLAS): DEPFONMIN SUWITO CALLED IN BRITISH CHARGE' AUG 12 AND REQUESTED CESSATION ALL OPERATIONS OF BRITISH COUNCIL IN INDONESIA BY END OF AUGUST.

COMMENT: ONE SOURCE ALLEGES CLOSURE WAS SUBANDRIO'S OWN IDEA IN EFFORT FURTHER ENDEAR HIMSELF TO LEFTISTS. WHATEVER REASON FOR SPECIFIC DECISION, IT IS ANOTHER MARKED GESTURE TO COMMIES AND FURTHER CURTAILS



SOURCES OF FREE INFORMATION AVAILABLE TO INDO PEOPLE. COUNCIL MAINTAINED LIBRARIES IN FOUR CITIES AND SUPPORTED EXCHANGE LECTURERS AT NUMBER INDO UNIVERSITIES. PKI-INSPIRED PUBLIC CAMPAIGN AGAINST USIS ACTIVITIES CONTINUES, BUT TO DATE THERE NO FALL-OFF IN DEMAND FOR USIS PROGRAMS.



13. UK AVOIDS SUNDA STRAITS . AFTER UK NOTIFICATION THAT HMS VICTORIOUS AND ESCORTS INTENDED TRANSIT SUNDA STRAITS SEPT 12, INDO BACKED OFF FROM BELLICOSE EARLIER POSTURE, STATED THAT RE-TRANSIT WOULD BE "INCONVENIENT" BECAUSE ALRI CURRENTLY PLANNING MANEUVERS IN SUNDA STRAITS, SUGGESTED THAT UK TRANSIT LOMBOK STRAITS 700 MILES FARTHER EAST. THIS COMPROMISE ACCEPTABLE TO UK AN NAVAL ATTACHE' STATES VICTORIOUS WILL TRANSIT LOMBOK O/A SEPT 18. OBSERVERS AT SUNDA STRAITS SEPT 12/13 REPORT THAT ALRI LIGHT CRUISER IRIAN, 2 SKORRY-CLASS DSTROYERS, ONE KOMAR PTG AND ONE P-6 PT WHICH AWAITED VICTORIOUS HAVE NOW RETURNED TO DJAKARTA. ALRI ANNOUNCEMENT SEPT 17 STATES MANEUVERS WILL BE HELD IN AREA FROM SEPT 10-OCT 10, WARNS SHIPS IN SUNDA STRAITS TO "MAINTAIN CAUTION."

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