

*SALARY INCREASE FOR*  
*MARCH 2, 1959*

NOA  
No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P  
-2D-39-129-0 ✓

5. Salary increase for government employees: Parliament March 2 approved new salary scale for President, Vice-President and Ministers. Salary increases for other government servants also under consideration. New scale; President, rupiah 5,500 per month; Vice President, rupiah 5,000; Prime Minister, rupiah 3,500; Deputy Prime Minister rupiah 3,220 and Ministers rupiah 3,000. All receive cost of living allowances, automobiles and housing, plus other amenities. Speaker Parliament when acting President receives salary of Vice President.

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Comment: New scale represents about fifty percent increase in legal salary. Government reluctant grant general salary increase because of inflationary effect but prefers grant rice subsidy and other allowances when can be adjusted fit conditions. Low legal salaries also help convince general populace high officials not "living high off the hog".

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DOS REVIEWED 01 APR 2008 NO OBJECTION TO DECLASSIFICATION



No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P  
2D 39 129 0

**DRASTIC DEFLATION** No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P  
*August 24, 1959* -2D-39-129-0

THE DRASTIC DEFLATIONARY MEASURES INITIATED BY GOVERNMENT ON AUGUST 24 CONTINUED OCCUPY CENTER OF STAGE INDONESIAN POLITICAL AND ECONOMIC LIFE. AS ARTICULATE GROUPS (POLITICAL PARTIES, NEWSPAPERS, LARGE CORPORATIONS, LABOR UNIONS, FOREIGN MISSIONS, ET CETERA) PRESSED FOR RELIEF FROM FREEZING EFFECT, INADEQUACIES PLANNED FOLLOW-UP BECAME APPARENT. GOVERNMENT THROUGH VARIOUS DEPARTMENTS AND NEWLY-FORMED MONETARY COMMITTEE, ANNOUNCED MEASURES MEET SOME MOST URGENT PROBLEMS. I. E. LOAN AUTHORIZATIONS MEET PAYROLLS, USE BALANCE UP AFTER AUGUST 25, RELEASE CERTAIN POSTAL SAVINGS, LIMITATIONS, EXEMPTIONS FOR SOCIAL AGENCIES. PRICE BECAME APPARENT BUT NO CERTAIN TREND. CABINET, MEETING, CENTERED ITS ATTENTION ON BUDGET PLANNING.



**CURRENCY REFORM** No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P  
**August 27, 1959** -2D-39-129-0

1. Currency reform: Following round ministerial and technical level meetings in government, Indonesian radiq late August 24 made surprise announcement drastic monetary reforms to take place immediately.

Large notes (rupiah 1,000 and rupiah 500) reduced to ten percent former value while no other notes affected; 90 percent each bank deposit over rupiah 25,000 frozen, against which long-term government debenture to be issued; provisions for certain exemptions from freeze; export certificate (BE) system replaced by export and import duties. Related measures taken prevent evasion, initiate enforcement.



In radio address August 26 President Sukarno attempted explain and justify measure, appealed understanding and support and promised follow-up measures such as stabilization budget, tax reform, compulsory savings, improvement worker welfare.

OVER

Comment: Pervasive measures recognized and new  
situation is certain situation government, press, people.  
Apparent purpose move to curb inflation, relieve pressure  
on prices, discourage black markets, force counterfeit  
notes out circulation, and hurt rebels. Though measure  
bound hurt many individuals, situation generally accepted  
calmly. Noticeable criticism in Communist circles may  
indicate wage earners and small traders hard hit while many  
large holders may have already converted notes to property.  
Also PKI and SOBSI may be caught on eve PKI Congress and  
new opportunities for agitation. Serious unrest almost  
certain cities and estates unless heroic measures taken  
assure payrolls. Too early evaluate political and economic  
effect measures, but seem to indicate willingness President  
Sukarno take drastic reform action and personally shoulder  
responsibility.

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HATTA CRITICIZES G No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P-  
Oct 7, 1959 2D-39-129-0

Hatta broke long silence public affairs to make slashing criticism of govt August 25 monetary measures. In exclusive interview Oct 7, later headlined in the Djakarta press, Hatta termed measures "senseless," counterproductive, likely lead to "serious situation." Accused govt of groping in dark, indulging in experiments, castigated govt negligence in failing prepare follow-up measures. ~~in~~ Questioned applicability monetary measures to govt's vaunted guided economy pronouncements, said he ~~failed~~ failed to see any purpose to measures.

Following day first Minister Djuanda gave rebuttal Hatta remarks in nationwide broadcast. Admitted govt had taken measures with "heavy heart" in knowledge many would be hurt, but denied Hatta assertion measures taken without planning complementary steps revive economy and curb inflation. Said certain groups "deliberately or not" refused to realize govt financial troubles stemmed from cost quelling rebellion, countering subversive activity, chided Hatta for failure to suggest alternatives for govt action.

Aidit only other public figure to enter debate -- announced full support of Djuanda in this clash with PKI's major foe.



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2D-39-129-0

PNI PRESS ATTACK <sup>IND.</sup>

Jan 22, 1959 Ref 2D-39-129-0

No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P-

Smarting under gooding PNI-PSI-Masjumi papers questioning PKI attitude re Suk, guided democ, source PKI funds, etc, Harian Rakyat returned shots all directions, including sharp criticism of Djak (Merdeka owner). Djak replied w/ strongly anti PKI editorial entitled "A Wolf May Change Clothes, But Character Remains Same." PNI organ Suluh Indo added if Merdeka ed. true, wolf should be confined in zoo so as not to endanger society.



Emb: Coupled w/ PNI-PKI conflict in Surabaya, Djak. press scene reflecting

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2D-39-129-0

Suharno - (C)

July 1959 - Air Force under  
Hamm as victim of def, not Suharno

Aug. " - Sukh successfully invites  
on PKI holding Congress.

Sept " . Has orders arrest of  
atty Genl.



Nov 10 " Regulation prohibiting  
from engaging in retail trade.

Early 1960 - Negotiated settlement  
with Peking.

July 8, 1960 -  
crit cabinet & army but praising  
Suharno. Army acts - full forbidden  
aid is interpreted. Prohib members arrested  
PKI activity banned in S. Borneo, S.  
Celebes and S. Sumatra.  
Sukh bans all party activity for 3  
months.

Attempt to include Coen in cabinet  
Jan 1961. Aid & behavior train within

portfolios.

June 1962 - Nasut elevated to  
~~1st~~ ch/1st of Combined Armed  
Services - Javi ch/1st Army,  
3 times comd of S. Sum., S. Borneo &  
S. Celebes transport.

Army pushing niceness with  
successful surrender & settlement /  
rebellion.

But Sukarno's with fearful  
settling & minor disturbance in eyes  
of public.

Popular

Army power in econ management  
& civil admin.

Lifting of martial law,

Many alliances.





-2D-39-129-0-

~~Continued~~  
First blow - aimed at PKI -  
Djavanira announcement Sept 1958  
that Parl elections sched Sept 59  
uld not be held until following  
year.

Monetary purge of Aug 1959 -  
reduced by 90 % face value of 500 + 1000  
notes + conf. 90 % of all bank notes  
above 25,000 rup. Private firms  
supporting parties weakened or ruined.

-2D-39-129-0-

New election over 50/50 power + momentum  
dramatically broken by Nasir proposal  
for return to 1945 laws in Feb 1959.  
~~Staring~~ Staring over - principal power  
in Pres.

Mar 5 1960 - Suh dissolves Parl  
after non-approval of budget +



altera coupon 2010/08/30 : HIA-R JONES HOWARD P

-2D-39-129-0

New Parl installed in June '960

- 132 memb of functional groups (36  
rep Armed Forces) + 130 nominees  
of pol parties - PNI 44, NU 36, PKI 30  
+ 20 to minor parties.

Pol parties exist under Sukh  
control by Pres order number 1  
Dec 31 959 - "Conditions for  
Simplification of Parties". Ban on  
outletting, Blasphemy + PSI + hold  
threat over

2010/08/30 : HIA-R JONES HOWARD P

-2D-39-129-0

April 14, 1962 - action recd.

PNI, Parklands, I PKI, NU, Cath, PSII, PKI,  
Munba. 3 mos later Parklands (Pres) +  
Perti (workman). May + PSI prohibited  
Jan 1962 May + PSI leaders arrested.



Djuanda discussion w/ HPI re Indo's  
Immediate Problems

5 January 1959

No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P-2D-39  
-129-0

See "Pol/Personalities: Djuanda" file



COL. IBNU SUTOW <sup>CONFIDENTIAL</sup>  
January 6, 1959

No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P  
2D-39-129-0



Vasution surprised him for post Deputy for War Admin & Inspector General Territorial affairs. Done so bec/ Ibnu OK'd better trade transaction thru Tandjuna Prisk to generate foreign currency for security purposes. Release said action in interest of state but procedure a deviation from policy, can't be justified & corrective measures necessary. Col Gani will temporarily fill Ibnu's post. Lt Col Sukendro, Lt Col Sukardjo & Lt Col Dachjar (Djak. town Commander) also involved but no mention of what measures will be taken against them.

No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P  
2D 39 129 0

Comment: Per 2D-39-129-0 Army HQ sources state Suk. & Rjuanda have given firm guarantee similar actions ag. known corrupters in high govt positions will be taken.

By acting fast, Nasution prevented affair from being used to undermine his position & decrease influence of army. Dachjar denials (not allowed by army HQ to publish) introduces possibility damaging eruption may still occur.

COL. MOKO GINTIP  
No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P-  
Jan 5, 1959 → 2D-39-129-0 Juni

1954 Ft. Leavenworth graduate  
former head Indo Command College

effective

Juni reverts to 2nd Deputy Chief of Staff.



Abdulgani conversation w/ HPI  
Re Indo Problems

6 January 1959

No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P-2D-39  
-129-0

See "Pol/Personalities: President Abdulgani" file



*Audit Speech*

*Jan 1950*

No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P-2D-39  
-129-01

*See "Pol/Personalities : Audit" File*





# INDO PURCHASES

No Objection To Declassification in Full 2

Contract signed 2D-39-129-0154

2D-39-129-0 **MS4**

bet/601 & Fairley Gannet Aviation Co for delivery to Indo Navy of 18 FG anti-submarine patrol aircraft. Aircraft is turbo prop, crew of 3, equipped w/ anti-sub radar, can externally carry mines & depth charges, & bombs internally.



20 30 120 0

*Subandrio Visit to Australia*

*February 1959*

No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P-2D-39  
-129-0

*See "Pol : Indo-Australian Relations" File*



*Ho Chi Minh Visit to Indo  
February 1959*

No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P-2D-39  
-129-0

*See "Pol/Personalities : Ho Chi Minh" File*



## *Subandrio Statement on Indo-Dutch*

No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P-2D-39  
-129-0

*9 March 1959*

*See "Pol: Indo-Dutch Relations" File*



HPJ interview w/ Subandrio  
17 March 1959

re in the ...  
GRC a-129-0 to rebels

Re No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P-2D-39  
GRC a-129-0 to rebels " "

See "Pol/Personalities: Subandrio" File



INDO JCS DISCU No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P  
March 27, 1959 -2D-39-129-0

*Foreign Office official, believed reliable, told AIRA Colonel*

SISWADI, AURI INTELLIGENCE, RECENTLY PRESENTED PAPER TO JOINT CHIEFS ADVOCATING NON-ACCEPTANCE US MILITARY AID, URGING COMPLETE RELIANCE ON SINO-SOVIET BLOC. FOREIGN MINISTER SUBANDRIO COUNTERED WITH REBUTTAL TO JOINT CHIEFS ON MARCH 19, THEME INDONESIA MUST CONTINUE INDEPENDENT ROLE.

COMMENT: THIS AIR FORCE STAND MAY BE REASON WHY THEY HAVE NOT ACKNOWLEDGED OR COMMENTED ON OUR RECENT OFFERS TRAINING AND GROUND SUPPORT EQUIPMENT UNDER AUGMENTATION AID PROGRAM.



No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P

2D 39 129 0

Subandrio Statement on West Iran

.. Mr. T. A. A.

No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P-2D-39  
-129-0

31 March 1959

See "West Iran" file



MILITARIZATION U No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P  
April 8, 1959 Ref-2D-39-129-0

Militarization of police: Prime Minister Djuanda said details implementation police militarization resulting from Police Chief Sukanto's talks with ACS Nasution will be announced shortly. ICA police training team reports police will be retained as separate organization, mobile brigade to retain identity, no more than half to be committed combat under army command at any one time, and then only with approval Sukanto. Generally speaking, army will handle fighting against organized rebels such as PRRI-Permesta, mobile brigade against less cohesive Darul Islam bands and ordinary bandits.

Comment: Sukanto appears to have gained all of his points in the discussions.



No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P

2D-39-129-0



UNDER SECY DILLON No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P  
April 12, 1959 -2D-39-129-0

UNDER SECRETARY DILLON AND PARTY INCLUDING COUNSELOR OF  
DEPARTMENT REINHARDT AND DEPUTY ASSISTANT SECRETARY PARSONS  
VISITED DJAKARTA BRIEFLY APRIL 12. VISIT PROVIDED OPPORTUNITY  
FOR TALKS WITH PRESIDENT, PRIME MINISTER, FOREIGN MINISTER,  
ARMY CHIEF OF STAFF AND OTHER MINISTERS AND HIGH OFFICIALS.

Comment: talks centered around current pol + econ  
developments w/ Indos expressing awareness of need  
for stability in both spheres. Both sides gratified  
w/ improved US-Indo rela. Sukarno made strong  
plea for Eisenhower visit.



No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P

MERDEKA CHANGE No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P  
April 20, 1959 -2D-39-129-0

As of April 20, <sup>daily</sup> editorship Pro-PNI Merdeka changed hands  
w/ relief of Asa Bağasih as Chief Editor.

Editorials to now be handled by publisher BM Diah



April 23, 1959

2 month tour

to visit Turkey, Poland, USSR, Sweden, Denmark, Italy & the Vatican, Brazil, Argentina, Mexico, US, Japan & NVA.

30 member all-male party includes Foreign & Veterans Affairs Ministers (who may return before end of tour), high ranking civil servants, armed force & police members.

2 hours before take-off, speaker of Parliament SARTONO sworn in as acting President. Earlier has made statement, "Do not expect any action from me."

OVER FOR COMMENT



-2D-39-129-0

COMMENT: HIS DEPARTURE IN MIDST INTERNAL POLITICAL TURMOIL AND IMMEDIATELY FOLLOWING DELIVERY IMPORTANT ADDRESS (SEE ITEM ONE) VARIOUSLY INTERPRETED AS INDICATIVE UNCONCERN WITH DEVELOPING POLITICAL CRISIS, CONFIDENCE IN OWN ABILITY RETAIN DOMINANT POSITION, AND DESIRE REMOVE HIS CONTROVERSIAL PERSON FROM SCENE TO PERMIT MODERATE APPROACH TO SETTLEMENT REVOLUTION. EMBASSY BELIEVES COMBINATION LATTER TWO FACTORS MAY BE INCLUDED HIS THINKING. GENERALLY SPECULATED HE MAY UNDERGO FURTHER DIAGNOSIS FOR REPORTED KIDNEY AILMENT DURING TRIP. INFORMALLY TERMED "OPERATION RUNABOUT" BY PAA, TRIP BEING PRIVATELY CRITICIZED BY MANY INDONESIANS WHO HOLD THAT CRITICAL FOREIGN EXCHANGE SITUATION AND POLITICAL NECESSITY SHOULD DETER RESPONSIBLE LEADER FROM WASTEFUL, UNTIMELY GRANDSTANDING. SUKARNO SCHEDULED TOUCH US ONLY FOR THREE-DAY HOLLYWOOD FLING.

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Jones conversation w/ Suryadarma

No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P-2D-39  
-129-0

29 April 1959

See "Pol : US Mil aid to Indo" file



*Nasution Statement to Hendley*

No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P-2D-39  
-129-0

*re Judo sk May 1959*

*See "Pol/Personalities: Nasution" file*



INDO REACTION No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P  
May 28, 1959 -2D-39-129-0  
u

NEWS OF DULLES DEMISE FRONT PAGED WITH BLACK BORDERS ALL SECTORS  
OF PRESS AND EVOKED WIDESPREAD COMMENT. MOST COMMENTATORS  
REITERATED DISAGREEMENT WITH "UNDUE FLEXIBILITY" US FOREIGN  
POLICY UNDER DULLES LEADERSHIP BUT THERE GENERAL AGREEMENT HE TO  
BE LAUDED FOR UNSWERVING DETERMINATION AND DEDICATION TO PRINCIPLES  
IN WHICH HE BELIEVED. MANY VIEWED DEATH GREAT LOSS WEST.

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No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P

2D 39 129 0

**AMERICANS STARR** No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P  
**June 19, 1959 R.** 2D-39-129-0

AMERICAN CITIZENS

FRANK STARR AND WESLEY BROCE, ARRESTED KALIMANTAN AFTER ILLEGAL ENTRY FROM NORTH BORNEO(WEEKA 22) AND NOW DETAINED DJAKARTA PRISON, CONTINUED BOMBARD EMBASSY WITH CRUDE, THREATENING SMUGGLED LETTERS DEMANDING INTERVENTION WITH GOI THEIR BEHALF. EMBASSY HAS OBTAINED COPY THEIR LETTER PRESIDENT SUKARNO AND OTHER DOCUMENTS DETAILING PAIR ACTIVITIES TAIWAN, MANILA AND SINGAPORE WHICH INVOLVED THEM WITH, ACCORDING TO THEIR ACCOUNTS, BOTH REBEL AND GOVT ELEMENTS. EMBOFF PERMITTED SHORT INTERVIEW JUNE 5 WHICH ACCOMPLISHED ONLY CONFIRMATION FACT OF ARRESTS AND ESTABLISHMENT IDENTITY.

**COMMENT**

STARR WELL-KNOWN FOR ALLEGED FAST-BUCK AND OTHER QUESTIONABLE PRACTICES IN AREA IN RECENT YEARS. TWENTY-TWO YEAR OLD BROCE, SAID BY STARR TO BE NEPHEW, APPEARS INNOCENT STRIPLING IN DEEP WATER. CIRCUMSTANCES THEIR APPREHENSION AND COMPLEXITY PRIOR ACTIVITIES MAY MEAN PROLONGED DETENTION. COMMUNISTS ATTEMPTING LINK THEM WILL ALLEN POPE AND SEATO. BEHAVIOR SINCE ARREST (TENOR OF LETTERS, RANGE OF CONFESSIONS) SUGGESTS POSSIBILITY STARR MENTALLY UNSOUND.





**DJAKARTA MILITARY**  
**June 22, 1959**

No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P  
-2D-39-129-0

DJAKARTA MILITARY AUTHORITIES INVOKED BAN ON POLITICAL AGITATION FOR FIRST TIME DURING WEEK TO SMOTHER INCREASING COMMUNIST-GENERATED CLAMOR SURROUNDING JAIL SENTENCE OF BINTANG MINYU EDITOR FOR ANWAR (WEEK 25). EFFECTIVE JUNE 22, DJAKARTA COMMANDER BANNED ALL PRESS COVERAGE ANWAR CASE. BAN FOLLOWED NUMEROUS INDICATORS COMMUNIST INTENT MAKE POLITICAL CAPITAL ON CASE AND ESTABLISHMENT COMMUNIST-DOMINATED ANWAR DEFENSE COMMITTEE. ALTHOUGH MAJORITY PRESS CORPS DISAGREED WITH SEVERITY OF SENTENCE, COMMUNIST/PRO-COMMUNIST CAMPAIGN WAXED SUFFICIENTLY BLATENT AND CRUDE TO CONVINCE NON-COMMUNISTS CASE BEING USED FOR ULTERIOR PURPOSES. ON JUNE 20 PRO-PNI MERDEKA NOTED EFFORTS OF "CERTAIN GROUP" USE CASE FOR POLITICAL PURPOSES AND WARNED THAT DISTINCTION MUST BE MADE BETWEEN HONEST DEFENSE EFFORTS DESIGNED ONLY SERVE INTERESTS THIS "CERTAIN GROUP".

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No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P

2D-39-129-0

REACTION TO DEFECT No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P  
July 3, 1959 Repo 2D-39-129-0

Rangoon defection of Soviet diplomat receiving moderate factual coverage in centrist press and frontpage treatment in rightist papers. No comment to date. Although leftist Antara News Agency is making full coverage case developments, defection ignored by extreme-leftist press. Case appreciably smothered newswise by coincident return Sukarno from foreign junket and local concern domestic problems.



No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P

PRIJONO RETURNS  
July 8, 1959

No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P  
-2D-39-129-0

EDUCATION MINISTER PRIJONO RETURN DJAKARTA JULY 8 FROM  
COMMUNIST BLOC, WHERE HE MADE PRO-COMMUNIST, ANTI-"IMPERIALIST"  
STATEMENTS, PASSING THROUGH EGYPT. IN CZECHOSLOVAKIA ARRANGED  
DOUBLE NUMBER INDONESIAN STUDENTS THERE, GAVE TWO SCHOLARSHIPS  
FOR TWO CZECH STUDENTS IN INDONESIA.

### COMMENT

PRIJONOS PLAN TO REDUCE FREE WORLD, INCREASE SOVIET BLOC  
INFLUENCE INDONESIAN UNIVERSITIES FAST TAKING SHAPE.  
PADJADJARAN UNIVERSITY PRESIDENT IWA KUSUMASUMANTRI STILL  
ON RECRUITING JUNKET.



No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P  
2D 39-129-0

**POLITICAL BAN** E No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P  
July 13, 1959 -2D-39-129-0

WAR ADMINISTRATOR JULY 13 ISSUED IMPLEMENTING REGULATIONS OF POLITICAL BANS SWEEPING THAT EVEN BIRTHDAY PARTIES, ENTERTAINMENTS, SEMINARS, LECTURES, MUST RECEIVE PRIOR PERMISSION, WITH ALL SPEECHES SUBMITTED TO ARMY FOR CENSORSHIP. EVEN LEGISLATORS ENJOINED FROM ANY ACTIVITY OR STATEMENT CONDUCIVE TO TENSION WITHIN OR OUTSIDE LEGISLATURE. CARICATURES, SLOGANS, ETC, INCLUDED. ONLY PURELY RELIGIOUS AND GOVERNMENT AFFAIRS EXEMPT FROM BAN. COMMUNIST HARIAN RAKJAT JULY 15 CONTAINED SMALL BOX CONTAINING WORDS, "WHAT IS PERMITTED?".

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COMMENT: ARMY GOADED INTO EXASPERATION BY VARIOUS SUBTLE EVASIONS BAN BY COMMIE MANIPULATED FRONT GROUPS. NEW REGULATION SPECIFICALLY INCLUDES "PEOPLES ORGANIZATIONS" AMONG MANY TYPES GROUPS COVERED. THIS TYPICALLY COMMIE EUPHEMISM THIER FRONTS. COMMIES HAD ONLY JUST ASKED THAT BAN BE LIGHTENED.

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No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P

OFFICIALS

DECREE BANNING (No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P  
July 30, 1958 195-2D-39-129-0

DECREE BANNING POLITICAL AFFILIATION OF SENIOR GOVERNMENT OFFICERS: AS PART CONTINUING EFFORT SUKARNO/ARMY WEAKEN INFLUENCE POLITICAL PARTIES IN GOVERNMENT, ON JULY 27 CABINET CONFIRMED SUKARNO DECREE PROHIBITING CLASS "F" CIVIL SERVANTS (TOP FIVE PERCENT) AND REGIONAL EQUIVALENTS FROM MEMBERSHIP POLITICAL PARTIES. ARMED FORCES, POLICE, PLUS WHOLLY OR PARTIALLY OWNED GOVERNMENT CORPORATIONS ALSO INCLUDED. COMMUNIST ORGAN HARIAN RAKJAT JULY 29 IN STRONG EDITORIAL OPENLY OPPOSED THIS MOVE CLAIMING IT NOT PART SPIRIT OF 1945 AND WOULD PREVENT EFFECTIVE PUBLIC PROTEST OF EXCESSES. BINTANG TIMUR AND REPUBLIK CARRIED LIKE EDITORIALS. ALL OTHER PAPERS SUPPORTED DECREE. PLANS ANNOUNCED EXTEND THIS BAN TO LOWER RANKS ON JULY 29.



OVER FOR COMMENT

No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P

2D-39-129-0

COMMENT: PKI (2D-39-129-0) THIS BAN PROBABLY DUE NECESSITY OPPOSE SUCH STEP SUKARNO, BUT CAMPAIGN ERODE PARTY INFLUENCE SINCE OBVIOUS GOAL COMPLETE EMASCULATION PARTY POWER WITHOUT ACTUAL BAN.

DECREE WILL HURT PNI MOST BUT PKI MAY WELL BE HURT IN PROVINCES WHERE THEIR INFLUENCE STRONG. THIS FIRST INSTANCE PKI OPENLY OPPOSING SUKARNO ACT SUCH STRONG TERMS. EXTENSION BAN TO LOWER LEVELS CERTAIN TO WEAKEN PKI DISCIPLINE AND INFLUENCE SINCE MAY BE ASSUMED PKI HAS MORE ADHERENTS AT LOWER LEVELS.

PNI CHAIRMAN SUWIRJO ANNOUNCED PARTY BELIEVED DECREE SHOULD APPLY ONLY IMPORTANT SENSITIVE OFFICE HOLDERS, NOT ALL. PSI ISSUED PUBLIC INSTRUCTION TO PARTY TO RELEASE ALL MEMBERS COVERED IN DECREE FROM PARTY.

*Subandrio statement on West Irian*

No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P-2D-39  
-129-0 *31 July 1959*

*See "West Irian" file*



CATEGORY CIVI-2D-39-129-0)TS

August 14, 1959 Report

MINOR PARTIES CONTINUE RELEASE MEMBERS, WHO AFFECTED BY DECREE FROM PARTY AFFILIATION. MASJUMI PARLIAMENTARY LEADER ANWAR HARJONO SUBMITTED QUESTIONS TO GOVERNMENT ON PROPRIETY AND APPLICABILITY OF DECREE TO ALL "F" CATEGORY EMPLOYEES. PIA REPORTS 4669 PERSONS AFFECTED BY DECREE, SAYS SAMPLING SURVEY SHOWS NO PREFERENCE POLITICAL AFFILIATION OVER GOVERNMENT JOB. INFORMATION MINISTER MALADI IN REVISED ESTIMATES SAID PROBABLY ONLY 1,500 OR 2,000 AFFECTED. ALSO REPORTED NO CASE CIVIL SERVANT RESIGNING JOB RATHER THAN PARTY.



Results (Aug 31, Antara Estimate)

3 to 4000 officials Category "F" or above released or resigned party membership under July 27 Cabinet decision. Antara estimate loss of leadership suffered party councils up to 40%.



SUKARNO REPLIES No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P  
August 27, 1956-2D-39-129-0

3. Sukarno replies to Ho Chi Minh on Laos: In reply Ho Chi Minh letter asking Indonesian aid ending Laos fighting (WEEKA 34), head American Division Foreign Ministry told Ambassador Sukarno reply covered four points: (1) Sukarno agreed Geneva agreements should be carried out. (2) If it has not, UN should take cognizance. (3) Since Laotian Government felt ICC work ended and reactivation would infringe its sovereignty, Indonesia did not feel could take steps assist reactivation ICC. (4) Additional problems best settled by a bloc consultation. Foreign Ministry official commented this carefully worded avoid any increase SEA tensions.



COMMENT: This sort of reply not what Ho wanted. Dept policy informing GBI our position may have helped.

*See National Planning*  
No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P-2D-39  
-129-0

*Council*

*28 August 1959*

*See "National Planning Council" file*



CHICOM INCURSION No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P  
Sept 3, 1959 Ref-2D-39-129-0

NEWSPAPERS OF PRACTICALLY ALL POLITICAL COMPLEXIONS COMMENTED EDITORIALY ON RED CHINESE MOVES AGAINST INDIA. PRO-GOVERNMENT MERDEKA CAUTIOUSLY OBSERVED "SITUATION CONTRARY TO INTERESTS OF BOTH COUNTRIES AND AFRO-ASIAN BLOC" AND COUNSELED DIRECT BI-LATERAL NEGOTIATIONS AS SOLUTION. PRO-COMMUNIST SIN PO CHARACTERISTICALLY ASSERTED "IMPERIALIST CLIQUE ALWAYS DESIRED AND ENCOURAGED SUCH CONFLICT BETWEEN THESE HUGH COUNTRIES IN ORDER EXPLOIT ASIA"; PROPOSED INDONESIA OFFER GOOD OFFICES FOR SETTLING CHINESE-INDIAN ISSUE. PSI PEDOMAN FLATLY LABELED AS "AGGRESSION" RED CHINESE INCURSIONS AND ASCRIBED CONFLICT TO INDIA'S STAND ON TIBET ISSUE ENCOMPASSING GRANTING ASYLUM TO DALAI LAMA; CONCLUDED "THAT IS KIND OF IMPERIALISM THOUGH NOT 'WHITE' BUT 'YELLOW'-AND IMPERIALISM IN ALL SHAPES AND MANIFESTATIONS CONDEMNED BY AFRO-ASIAN BANDUNG CONFERENCE-WE MUST STAND ON SIDE OF VICTIM OF AGGRESSION". MASJUMI ORGAN ABADI STATED "NEWS THAT RED CHINA ATTACKED INDIA SHOCKED US-LESSON FOR FREEDOM LOVING PEOPLES OF WORLD IS FACT THAT BEHIND SMILES AND LAUGHTER COMMUNISTS CAN STILL ACT IN DIFFERENT WAY-INDONESIANS SHALL NOT IGNORE

No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P  
INDONESIA ALSO SH/2D 39 129 AIMED PEKING'S ANTI-INDIAN CAMPAIGN.



Subandrio Statement on Foreign  
Details (Chinese)

No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P-2D-39  
-129-0

23 September 1959

See "Expulsion of Chinese from Indo" file



*See* No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P-2D-39  
-129-0

*re Chinese retailers*

*(+ credit agreement w/ Japan -  
little said)*

*October 1959*

*See "Expulsion of Chinese from Indo" file "*



Editorial Comments on

A. ... : A. ...

MA 1059

No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P-2D-39  
-129-0

See : "Pol : Indo-Chicom Relations"



CONTRIVERSY OVER No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P-  
Conf in Bandung 2D-39-129-0759 to Oct 15

Two-day conference governors, regional heads, chairman regional legislatures Java, Sumatra and Kalimantan met at Bandung to hear Interior Minister explain Govt position re controversial decree number 6. Many delegates had not yet arrived, and others complained about the insufficient time to prepare their positions.

Interior Minister announced second conference to be held Denpasar Oct 22 to explain decree to East Indonesian regional officials.

Political parties and Parliamentary opposition to decree remains strong.

All major ~~gax~~ parties reported to be united against decree, fear not only its effects on grass roots party organization but basic implication presidential decree can be used to overrule act by Parliament.

COMMENT: Conference hastily called. Shows govt determined to push implementation of decree despite widespread opposition



No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P-

2D 39 129 0

SCHOOLING For A No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P-  
Oct 15, 1959 Report 2D-39-129-0

AAARMA informed Oct 5 Col. Sarbini, Commander TT V; Colonel Suharto, Commander TT IV; Col. Sudarto, chief engineers' and Lt. Col Andi Mattalatta, Commander S and SE Sulawesi will attend C-course Indo Army Command and Staff College beginning about Nov 2, 1959, to last approximately one year. Confirmation received by ARMA Oct 7 from Indo Army D/CS.



No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P-  
2D-39-129-0



Subandrio Statement upon return

No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P-2D-39  
-129-0)

October 1959

J

See "Expulsion of Chinese from Indo" file



CONTROVERSY OVER No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P-  
Nov 4, 1959 Repo2D-39-129-0

Admiral Kivette and Seventh Fleet Flagship USS St. Paul made three day visit Djakarta Nov 2-5. Admiral paid courtesy calls top Indonesians, receptions exchanged with Indo Navy, vessel open to public with thousands flocking aboard.

Visit seriously marred by all-out Communist campaign against dance scheduled <sup>for</sup> by sailors by local American Association, to which small number Indonesian girls invited, screaming Americans planning use girls to "comfort" sailors, that Western-style dance an affront to Indo in wake recent Sukarno pronouncements against Western popular culture.

Communists lined up support from several conservative Moslems, engineered critical resolution by Parliamentary committee and ~~pm~~ protests by both Communist and non-Communist groups. Com press loaded with vilification and innuendo.

As result ~~of~~ <sup>1003</sup> furor, Ambassador issued statement dance cancelled, pointing out campaign deliberate attempt to damage Indo-American friendship

COMMENT: Visit well received by top Indo military, civilian leaders. Remarkable change in Indo attitude indicated by Subandrio statement Admiral Kivette that, although Indo could not now proclaim change traditional policy, he regarded Seventh Fleet as protective screen behind which Indo can work out domestic problems without fear of aggression.



No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P-

2D-39-129-0

Much of favorable public impact dissipated by Com ~~unpopularity~~ re dance.

Incident graphic example PKI power to stir up a trouble, unwillingness non-Com'ists oppose  
PKI slanders if move might leave them open to possible charges pro-West bias, insufficient  
nationalist fervor.

PLAN No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P  
Opened at Jogja 2D-39-129-0 ✓ 11, 1959

Opened with hour and half speech by Sukarno. Speech stressed Indo achievements and potential, evils of colonialism, interdependence nations, Asian nationalism, necessity Western understanding Asian needs and inapplicability Western democracy in Asia.

Lauded Colombo plan for help in lifting "unfair" burden imposed on Asia by history and colonialism, called for further aid in helping Asian self-liberation and development.

Delegates of other nations spoke briefly.

Subandrio elected chairman.

Singapore accepted as full member of plan.

Conference to end November 13.



STARR & POPE No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P  
-2D-39-129-0

Said Col. Siswadi to mb officer Nov 11, 1959

Confirms other reports trial may be imminent



No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P

2D-39-129-0

CHICOM DEAN DIF No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P  
Nov 12, 1959 Repo-2D-39-129-0

departure VAR Amb Amroussi Nov 6 will make HUAX, CHEN,  
Chicom Amb, dean Diah Dipl Corps effective when  
new VAR Amb actually appointed.

awkward for US, other countries. Problem minimized by  
presence ~~Indo Em~~ Indian Emb officer as Corps Sec'y



No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P

COMPLETION COLON  
Nov 14, 1959

No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P  
-2D-39-129-0

after adopting report and agreeing prolong plan five years

Many delegates lingered in Indo to tour ~~and~~ call on Indo officials

COMMENT: long-winded, scolding Sukarno speech Nov 10 extremely irritating many delegates. Foreign Minister Subandrio in speech before ministerial delegates Nov 12 in effect apologized for haranguing Sukarno and at same time made plea for understanding.

Ceylonese delegate, acting as spokesman for many others, gave much applauded speech Nov 13 designed obvious answer Sukarno. Said "spectre of colonialism stalked hall" and warned against danger another kind of colonialism which seeks to subjugate the minds of men.



No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P

2D-39-129-0

POWERS OF PRESIDENT  
Suk. letter dated

No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P  
-2D-39-129-0, 1457

In long letter to Speaker of Parliament Sartono, Sukarno gave detailed exposition nature of laws, regulations, decrees, decisions under present Indo political circumstances.

Included thesis that decree July 5, unanimously accepted by govt and Parliament, was proclamation of emergency, that the emergency still continues, and that President has sweeping authority act on all affairs state, at least until action taken by as yet unformed people's consultative congress.



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2D-39-129-0



SUKARNO WANTS 1  
NOV 26, 1959 Re-2D-39-129-0  
No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P

Sukarno expressed deep disappointment directly and indirectly that Eisenhower not visiting Indo during forthcoming South Asia trip.

COMMENT: Sukarno inveterate junketer himself, has several times invited President Eisenhower to visit Indo, twice visited US. Feels his invitations have been given insufficient consideration, reason for declining in view of visit to India.



No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P

POPE CASE

No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P

INPS release Dec-2D-39-129-0

Release flatly declared Pope guilty bombing civilian targets, provoked MP's several ~~times~~ parties into statements approving drastic punishment.

Embassy officer saw Pope Nov 24. He denied ever having bombed non-military targets, asked Embassy to select lawyer.

Three of four lawyers (PSI members) recommended by Masjumi leader Mohammad Roem declined to take case. Fourth Isharjoto Tjitrosubono court-appointed counsel for defendants first trial of Tjikini assassins.



No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P

2D-39-129-0

debate continues in press & Parliament  
to expire Dec 17

PCI leading demand for lifting in "pacified" areas.  
Other parties may be dissatisfied but apparently will  
not oppose govt & wish undermining army curb on PCI.  
Sources have told Emb Officers Pres has already  
decided extend main features of law.



POLICE CHIEF SUK  
Dec 15, 1959

No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P  
-2D-39-129-0

Suspended for "violation personal discipline."

Former East Java Chief Sukarno Djojonegoro named acting chief.



PPPRI, Police Political Party, to hold natl congress Dec 23-27  
at Solo; Sukarno listed as speaker opening session.

COMMENT: <sup>Background:</sup> Cabal high police officers met in Djakarta and agreed make joint complaint  
to Sukarno over Sukanto administrative and promotion policies. After receiving officers,  
Sukarno called Sukanto and told him of complaint but ordered him to ~~take~~ take no counter-  
measures. Sukanto enraged at complaint and at steps by dissident officers block his  
communications with lower echelons, went on radio despite Sukarno order with speech  
blasting unnamed officers for "violating political manifesto." On advice Murba faction  
Sukarno dismissed Sukanto.

No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P

MARTIAL LAW (No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P  
Dec 16, 1959 -2D-39-129-0

nationwide radio by Sukarno

3 stages martial law provided

1. civil emergency
2. military "
3. war



Powers each stage spelled out

Nation proclaimed in state of war but late relaxation to  
less severe stages held out if cond. permit.

(little more flexible law)

No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P

2D-39-129-0

HARIAN RAKJAT <sup>DAI 11270</sup>  
No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P  
imposed Dec 9 <sup>2D-39-129-0</sup> <sup>ning pro the cm speaker by 10/10</sup>  
lifted Dec 23, 1959



No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P

2D-39-129-0

POPE CASE

Dec 24, 1959

Ref

No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P  
-2D-39-129-0

Pope spoke to Embassy officer and defense counsel Sukardjo five hours Dec 23. Sukardjo said court had refused informal request for postponement, but he was planning to spring "surprise" first day, which he declined to reveal.

Rebel prisoners, who greeted Pope with flowers, suggested they could arrange escape. Pope declined this and similar approach by crackpot Frank Starr.

Sukardjo asked that Harjono Tjitrosubono, his close friend many years, be appointed associate counsel. Pope agreed, but seemed shocked at Sukardjo's timid fears of reprisal against himself.



No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P

25-22-122-0

POPE TRIAL  
Awaiting Trial

No Objection To Declassification in Full 2010/08/30 : HIA-R JONES HOWARD P  
-2D-39-129-0759

Charges : Rebellion  
Slaying Indo mil personnel



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2D-39-129-0