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BRITISH POLICY TOWARDS INDONESIA

Our long-term aim is to see a non-communist and non-aligned Indonesia within its present frontiers and in good relations with Malaysia. This may best be achieved by some kind of regional grouping embracing Indonesia, Malaysia and the Philippines. Our short-term policy is to attempt to force President Sukarno or his successors to call off "confrontation" and recognise and accept Malaysia.

2. There can only be a political solution to the problem of "confrontation". For this reason, while taking every possible step to ensure, and demonstrate, that "confrontation" is a failure, we should nevertheless be ready to examine *any* formula which might make it possible for the Indonesians to abandon or at least modify this policy.

3. Our relations with Indonesia are conditioned by our alliance with Malaysia; we must accept that they, and not we, are the party primarily concerned with confrontation and that the success of any policy will depend on Malaysian concurrence.

4. In pursuit of our short-term policy to counter "confrontation" we should take the following action -

(a) Our armed forces should be enabled to repulse, and to the extent laid down by Ministers, deter all Indonesian attempts at invasion, infiltration and sabotage in Malaysia; they should, if possible, avoid action leading to a campaign of attrition or retaliation: it is in fact our policy to try to avoid retaliation unless we are forced to it by the scale of Indonesian attacks on Malaysian cities or our military facilities. It follows that we should aim to deter Indonesia from bringing about circumstances which might make a decision to retaliate unavoidable.

(b) All possible steps should be taken to deprive Indonesia of new supplies of arms, aircraft and other equipment of significance for her war potential.

(c) Malaysia should be encouraged to continue to build up her diplomatic and propaganda effort in the world and to develop a co-ordinated campaign to counter Indonesian propaganda and represent her case.

5. Overt propaganda should meanwhile be directed towards -

(a) Influencing world opinion against Indonesian policy and dissuading those countries that are liable to assist Indonesia economically and politically from doing so;

(b) emphasising on every possible occasion that our forces are in Malaysia solely at that country's request and that we are not otherwise involved in the dispute. Only by this means can we hope to counter Indonesian propaganda that the real dispute is between Indonesia and British imperialism;

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- (c) bringing home to the Indonesian people, by every means open to us, that "confrontation" cannot succeed and is directly responsible for the worsening economic situation in their country;
 - (d) avoiding direct attacks on Sukarno and concentrating on warning the Indonesian people against the dangers of Chinese domination and infiltration and publicising the extent to which this may be taking place. (In general propaganda should assume that Indonesians are proud of their country and believe in the basic tenets of "confrontation").
6. Covert propaganda and clandestine operations should aim to -
- (a) undermine the will of the Indonesian forces to attack Malaysia, by representing that their real enemies are the P.K.I. and China and bring home to them that their incursions have consistently failed and that there is no popular support for them inside Malaysia;
 - (b) aid and encourage dissident movements or tendencies inside Indonesia (in Atjeh, Sulawesi, Kalimantan, etc.) with the short-term object of dissipating Indonesia's military effort against Malaysia;
 - (c) discredit any potential successor to Sukarno (since Sukarno's own position is invulnerable) whose accession to power might benefit the P.K.I. Any attempt to build up an anti-P.K.I. candidate would be counter-productive.
7. In pursuit of our long-term policy of working for a non-aligned, non-communist Indonesia, we should -
- (a) To the extent that it is consistent with blocking "confrontation" and maintaining Malaysian morale, avoid any action, military or otherwise, liable to engender resentment against us and Malaysia and so lessen the prospects for an eventual peaceful settlement;
 - (b) be ready to examine any serious proposal for ending "confrontation" provided it is acceptable to Malaysia and Malaysia is seen to be a principal party in any negotiations;
 - (c) in so far as it is consistent with the defence of Malaysia, favour the Indonesian army as the one coherent force in Indonesia capable of resisting the P.K.I;
 - (d) make it plain that it is not British policy to initiate hostilities against, or inflict a military defeat on, Indonesia, but rather that we look to the ultimate close co-operation of all countries in the area in such a way as to contribute to the security and prosperity of them all;
 - (e) continue to maintain all normal commercial and diplomatic contacts with Indonesia in order to demonstrate that we are not seeking her permanent isolation;

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- (f) recognise the possibility that, in the long term, effective support for dissident movements in Indonesia may be counter-productive in that it may impair the capacity of the Army to resist the P.K.I. and it may encourage secessionism; therefore attempt, by covert means, to make it clear to the Indonesian Army that any support for dissidents is no more than a tactical response to "confrontation";
- (g) do everything possible to diminish communist Chinese influence in Indonesia.

8. At some point the Indonesian Government will doubtless "retaliate" further against the small residue of British property in Indonesia or against British subjects. It is not intended that the policy enunciated in paragraphs 4-7 above should be modified if this should happen.

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