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TO : The Secretary
THROUGH: S/S
FROM : INR - Roger Hilsman

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W-1

SUBJECT: The Soviet Attitude Toward West New Guinea

This report analyzes recent developments in the Soviet attitude toward the West New Guinea issue and relates them to Soviet policy objectives in Indonesia.

ABSTRACT

In recent months the USSR has maintained its strong support for Indonesian claims on West New Guinea and has continued to endorse military action as an appropriate means for securing Indonesian sovereignty over the disputed territory. In addition, Moscow has demonstrated increased concern over the possibilities for peaceful settlement of the issue and has displayed extreme sensitivity over Western initiatives to bring about a negotiated agreement.

Moscow probably does not seek to bring about an Indonesian attempt at an armed take-over of West New Guinea at this time. If such an action were unsuccessful, it would confront the Soviets with a difficult choice of sacrificing prestige or of attempting to intervene in a strategically unfavorable and highly unstable situation. On the other hand, Moscow might not altogether welcome a successful operation which would be bound to result in increased strength, prestige, and independence for the Djakarta Government.

In short, the Soviets stand to benefit most from a continuation of the present tense state of affairs, which provides them with a useful means of expanding their presence in Indonesia. At present, Indonesia is the largest non-bloc recipient of Soviet military aid and has sent more military personnel for training to the USSR than any other noncommunist country. The USSR has exploited the tense situation to create friction between the US and its allies and between the neutral states and the West. The Soviets have also used the issue to emphasize their anti-colonial stand and thereby demonstrate their support for young underdeveloped states against the West.

Thus, West New Guinea has become both a vehicle for Soviet entry into Indonesia and a prestige issue in the Kremlin's global strategy. Any resolution of the problem -- whether by peaceful or forceful means -- would create immediate difficulties for the Soviets and would adversely affect their long-range interests.

Recent Soviet Statements on West New Guinea

President Sukarno's "final command" order of December 19, 1961 was enthusiastically supported by Soviet propaganda media. On December 26, Radio Moscow declared: "A few days ago the last colonial possessions disappeared from Indian soil. At present, West Irian is on the agenda." Only a few days earlier, a Pravda semiofficial "Observer" article had reaffirmed Soviet "solidarity with the struggle of the Indonesian people for the elimination of foreign colonial oppression in West Irian."

During January, two incidents provided the Soviets with further opportunities to demonstrate their support of Indonesia. On January 7 President Sukarno was the object of an assassination attempt, and on January 15 a Dutch-Indonesian naval clash occurred off the southern coast of New Guinea. Two days after the attempt on Sukarno's life Khrushchev sent him a congratulatory cable, and Soviet transmitters simultaneously began accusing the Dutch of complicity in the incident.

On January 10 Radio Moscow, broadcasting in Dutch to the Netherlands, declared that "the attempt on President Sukarno...is a direct challenge to war." Other broadcasts attempted to implicate the United States as well, charging that the assassination plot had been formulated by the Netherlands in concert with its NATO allies. The naval clash of January 15 also touched off a vigorous Soviet propaganda campaign. The next day, Moscow Radio warned that "lack of realism might one day lead to very sorry consequences," and on January 18 the Soviet Army newspaper Red Star blatantly charged that the incident had been "instigated by certain Washington quarters."

In early February Soviet propaganda seized on the widely publicized Dutch troop rotations carried out through the use of commercial airliners via US airfields. The communist-led demonstration at the US Embassy at Djakarta on February 5 was hailed as a just manifestation of the Indonesian people's wrath, and on February 8 the USSR issued an official statement calling for immediate "liquidation" of Dutch colonial rule in West New Guinea and warning that "other states ...cannot remain mere spectators of provocation directed against the Republic of Indonesia." Soviet propaganda broadcasts to Southeast Asia condemned not only the Dutch for the troop rotations, but the United States as well for initially agreeing to the overflights.

Attorney General Kennedy's arrival in Djakarta on February 12 was greeted with derision by the Soviets. Radio Moscow declared that the visit was an unpopular one, as shown by the appearance of "Kennedy Go Home" signs on the walls of buildings, and denounced "the monopolists' sham lawyer" for attempting to misrepresent US policy to the Indonesians. Soviet propaganda stressed Kennedy's statement at Bandung that the US would definitely not take Indonesia's side against the Netherlands in the West New Guinea dispute and contrasted it with unreserved Soviet endorsement of the Indonesian position.

Soviet Concern Over a Negotiated Settlement

On March 14, the Indonesian Government accepted US proposals for secret talks with the Netherlands on West New Guinea. Two days later Soviet Ambassador Mikhailov approached Indonesian Foreign Minister Subandrio directly to urge a reconsideration. During the interview, Mikhailov charged that the Indonesians had submitted to US pressure. He characterized the American efforts as attempts to supplant Dutch influence and went on to demand a statement from the Indonesians acknowledging that the USSR had firmly supported Indonesia on West New Guinea. The Soviet envoy also requested a personal letter from Sukarno to Khrushchev explaining Indonesian motives for the talks with the Dutch.

In his election speech of March 16, Khrushchev made no mention of the forthcoming talks and confined his remarks on West New Guinea to a broad endorsement of the Indonesian position. However, Radio Moscow broadcasts in Indonesian had already begun to disparage the prospects for a negotiated settlement, accusing Washington of using its "good offices disguise to prevent the liberation of West Irian by the Indonesian people." When it was announced that Dutch ships would transit the Panama Canal in late March, Moscow charged that the talks would be held "under the cannon's muzzle." Throughout, the Soviet propaganda focus was on the alleged pro-Dutch position of the United States and the consequent danger for Indonesia of negotiating under US mediation.

The secret talks began on March 20 near Washington. The following day, in a speech at stone-laying ceremonies for a new Soviet gift hospital, Sukarno made an obvious attempt to assuage the Soviets by complying with their request for public recognition of Soviet economic aid and political support. When the negotiations with the Dutch were recessed March 23 and suspended by the Indonesians three days later, Soviet propaganda took the occasion to berate the Netherlands and the United States, charging that the conference had been arranged only to gain time in order to send new Dutch troop reinforcements to West New Guinea.

Soviet Arms Diplomacy

The Soviet Union has taken advantage of the tension generated by the West New Guinea issue to expand its presence in Indonesia through military assistance. Since the first Soviet-Indonesian arms agreement of February 1957, the USSR has committed more than \$900 million in military aid to Indonesia -- more than to any other non-bloc country -- and Indonesia ranks first in the number of military officers and technicians trained in Soviet bloc countries. In recent months, evidence has become available that the Soviets have stepped-up their arms diplomacy and have made special efforts to increase the number of Soviet military technicians in Indonesia.

On February 7 newly appointed Indonesian Air Force Chief of Staff Dani left for Moscow on a mission openly related to the arms buildup for the "liberation" of West New Guinea. On the 12th, Dani met with Soviet Air Force Chief of Staff Vershinin, and four days later he held talks with Khrushchev and Mikoyan near Sochi on the Black Sea. On the 18th he left for home. En route he declared that his mission had been a complete success and claimed that the Soviets had offered to give Indonesia long-range transport aircraft "not yet in the possession of countries of the socialist bloc."

Although Dani apparently did not succeed in obtaining all the advanced equipment he was seeking (e.g., more MIG-21's and TU-16's in exchange for older model aircraft), shortly after his return 200 additional military technicians reportedly arrived in Djakarta. By early March a high Indonesian official revealed that there were more than 400 Soviet military advisers in Indonesia and that the number would rise to 600 or 700 by the end of the year. This would represent a significant increase over the 140 Soviet technicians reportedly in Indonesia in late 1961.

In addition to guaranteeing increased numbers of technicians, the Soviets also apparently promised Dani that work on the Kalijati missile site near Djakarta would be speeded up. Construction of the surface-to-air missile site was begun by Soviet engineers in November 1961. In mid-March 1962, a Soviet colonel arrived in Djakarta to take charge of the project, and within a month equipment had reportedly begun to arrive.

According to the provision of the Soviet-Indonesian arms agreement of January 1961, the USSR is to provide eleven missile battalions for the Indonesian Air Force and three for the Army. Moscow apparently has already delivered some air-to-surface missiles for TU-16 bombers, and the MIG-21 fighters to be supplied this year are to be equipped with air-to-air missiles. In addition, Indonesian naval personnel are reportedly being trained in the USSR to operate torpedo boats designed to carry surface-to-surface missiles.

Expanded Trade Ties and Economic Aid

The Soviet-Indonesian trade protocol for 1962, signed on December 22, 1961, provided for an increase of more than 50 percent in total trade. (In terms of total Indonesian trade, however, the Soviet share is still less than 5 percent.) On March 28 a Soviet trade representative reportedly told a meeting of the West Java Chamber of Commerce and Industry that the USSR was prepared to supply private Indonesian enterprises with equipment on a long or short-term credit basis in order to strengthen the Indonesian economy and stimulate trade with the USSR.

In the wake of the largely successful trade-expansion efforts of the USSR, a high Soviet economic official arrived in Djakarta on March 23 to conduct negotiations on economic assistance. His arrival coincided with the recess of

the Dutch-Indonesian talks on West Irian, and was preceded by Sukarno's March 21 speech at stone-laying ceremonies for the Soviet gift hospital. Sukarno had praised the Soviets for extending economic aid to Indonesia without strings and for responding positively to every Indonesian request for credit.

Formal economic talks began on April 3. Two days later, a \$35 million contract was signed for Soviet assistance in the construction of a steel mill in West Java. The funds were to be taken from the Soviet credit commitments of 1956 and 1960, which totaled \$350 million. Of this amount, only \$85 million had been allocated and spent. On April 9, additional contracts were signed pledging the Soviets to construct a superphosphate factory in Tjilatjap and an aluminium plant near Medan, and to carry out a geological survey of Kalimantan (Indonesian Borneo).

Soviet Intentions and Objectives

The Soviet Union has used the West New Guinea issue as a vehicle for expanding its presence in Indonesia. Especially within the past year, Soviet military and economic assistance has increased measurably -- due in large part to rising tensions with the Dutch. The Soviets have also exploited the tense situation to create friction between the United States and its allies and between the neutral states and the West. In addition they have used the issue to emphasize their anti-colonial and anti-imperialist stand and thereby demonstrate their support for young underdeveloped states against the West.

Because the West New Guinea issue serves Soviet interests so well, the USSR has displayed great sensitivity to the possibility of a negotiated settlement and has been generally reluctant to encourage any ameliorative measures. At the same time, any early attempt by the Indonesians to take over the territory by force would confront the Soviets with awkward problems. If such an attempt bogged down short of success, and, even more, if the Dutch defeated it, the Soviets would be faced with the alternative of seeing a friend whom they had egged on suffer a setback or of sending meaningful military assistance over exposed lines of communication and at some risk of initiating a severe crisis with the US. Even in the unlikely event that an Indonesian operation met with speedy success demonstrating the value of Soviet assistance, the USSR might not altogether welcome the resultant strengthening of the Djakarta government, enabling it to act more independently from Soviet influence.

In these circumstances, Moscow probably sees a good deal of virtue in the present situation of tension and periodic recurrence of near-hostility between the Dutch and Indonesians, a situation in which the USSR can assume a posture of total support for Djakarta, thereby building an Indonesian sense of gratitude toward Moscow and of growing resentment toward the US. The building of this kind of psychological and emotional affinity is buttressed by economic and especially military assistance. With the stress on exchanges of Soviet

and Indonesian officers and technicians, this latter program seems largely aimed at gaining greater influence within the Indonesian military establishment. Moscow is certainly well aware that the military is one of the two most powerful organized forces in Indonesian society, rivaled only by the Indonesian Communist Party (PKI).

Since the Soviet Party Congress (October 17-31, 1961), the leadership of the PKI has leaned increasingly toward Peiping by demonstrating support of Albania, criticizing Soviet destalinization, and endorsing Peiping's more militant views on tactics for national liberation movements and communist parties in neutralist, former colonial countries. The PKI has also urged with increased fervor that West New Guinea be seized by force, and it has criticized the Sukarno Government for failing to take a more militant attitude.

The new dimension which has been added to Soviet policy considerations by the deepening Sino-Soviet rift and by the gradual drift of the PKI toward Peiping has created the possibility that Moscow might attempt to take increasing advantage of friction between the PKI and the Indonesian Government in order to expand its ties with the latter. In any case, Soviet policy in Indonesia is squarely based on relations with the Indonesian Government, which the USSR regards as the most "progressive" noncommunist government in Asia. Long-range Soviet strategy envisions the gradual orientation of Djakarta toward Moscow through expanded economic ties, cultural-psychological penetration, greater influence in the military and mutual support on political issues.

* In short, the continuance of good relations with Sukarno's government is essential if the Soviets are to maintain and expand their presence in the area, and Soviet hopes for increased ties are, in turn, largely linked to the existing tension surrounding the West New Guinea issue. Because Soviet interests are largely dependent on the continued existence of West New Guinea as a major source of international friction, any solution of the problem would represent a major setback for the USSR.