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INDONESIA IN 1956

Political and Economic Aspects

A Report Prepared under the Direction of

B. H. M. VLEKKE



NETHERLANDS INSTITUTE
OF INTERNATIONAL AFFAIRS
THE HAGUE — 1957

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Preface

It is not necessary to recall here the various stages in Netherlands-Indonesian relations that led to the final termination of all political ties between the two nations. In many respects the change constitutes a great improvement: Indonesia's subordination to Dutch control has been replaced by complete equality in status which may be called the natural form of relationship between civilized nations. Nevertheless, the post-war conflict, which fortunately could be settled before tensions among the Great Powers rose to such heights in 1950 that it began to distort nearly all international disputes, has left many strains and causes of distrust.

The Netherlands Institute of International Affairs has therefore adopted the policy of not discussing Indonesian affairs, unless this could be done "à tête reposée" and on the basis of non-partisan information. The frequency of articles on Indonesian affairs, published in the Institute's periodical, "Internationale Spectator", thus may be said to stand in inverse proportion to the interest which many Netherlands retain in the affairs of the Southeast Asian Archipelago, by no means only because of business interests, but also because of a genuine liking for the Indonesian people.

The political and economic problems of Indonesia are not easily understandable for people, Dutch and non-Dutch alike,

who do not possess an intimate knowledge of that country. The Netherlands Institute of International Affairs hopes to contribute something to better understanding by presenting this short objective survey of the political and economic situation in Indonesia in 1956. It has been prepared under my direction by two well-qualified Dutch scholars with long experience in Indonesia. Their concern has been to give a dispassionate account of recent developments and not to advocate any particular policy.

It is impossible, of course, to make such a survey completely up to date. The reader will notice, however, that the most recent events, such as the Sumatran military "coups d'Etat" and President Sukarno's endeavour to re-organize the Indonesian political system by introducing the presidential system of government and the partial replacement of parliamentary control by an appointed "revolutionary council", become understandable against the background of the "ambivalence" of Indonesian political thinking as explained by the authors of this booklet. It would be unwise to try to give any extended comment on these developments before more detailed information is available. A solution of the present internal difficulties probably will be achieved without resorting to violent measures and by seeking a compromise that will permit later and final adjustment.

The Netherlands Institute is glad to publish this booklet. The authors, however, are responsible for the opinions expressed.

The Hague, March 1957.

*B. H. M. Vlekke
Secretary-General*

Observations on the political situation in Indonesia

Introduction

On 26 March 1956 Indonesia's first elected Parliament was ceremonially inaugurated by President Sukarno, and on November 10th the Constituent Assembly, which was chosen in separate elections two months after the Parliament, was installed. This would seem to be an appropriate time, therefore, to examine the political situation in Indonesia.

In a speech held on 17 August 1956 President Sukarno called the general elections the closing of the "period of tentative democracy" and the beginning of a "period of more concrete democracy". Indonesia has now for the first time a representative body which may be considered to represent the various political currents in the country.

Before the elections Indonesian statesmen and politicians had repeatedly expressed the expectation that the elections and the Parliament formed by it would exert a stabilizing influence on internal politics. Was this expectation justified? Or had they expected too much and was that why President Sukarno warned the elected Parliament in his inaugural address on March 26th of this year "not to think that the inauguration of the new Parliament opens the doors of paradise for us"?

The political situation in Indonesia has remained unstable since the transfer of sovereignty. The frequent cabinet crises (the present Cabinet is the seventh since the transfer of sovereignty), the so-called "October 17th affair" and the "June 27th affair"¹, to mention just a few facts, are symptoms of this political instability. It is connected with a number of factors which determine the general political atmosphere in Indonesia. This atmosphere is more than the resultant of all the political movements and activities in that country; it is also determined by all sorts of moods and feelings which are sometimes difficult to put into words. It can often better be "felt", therefore, than rationally approached. Perhaps this is one of the reasons why the West is so often puzzled by political developments in Indonesia.

To be able to "feel" this general political atmosphere in Indonesia correctly it is necessary to understand a few psychological factors which affect it.

In the first place dissatisfaction with the course of events since the transfer of sovereignty is found in broad sections of the population. Instead of the improvement in living conditions which independence had been expected to bring, in many respects a deterioration set in. Among many people this has caused a certain apathy. Others, on the contrary, have reacted to the situation with all kinds of accusations against the government leaders. Until recently² one could read accusations and insinuations against prominent government figures or political leaders almost every day in the Indonesian press.

This fairly general mood of dissatisfaction and disappoint-

¹ See for these pp. 14 ff. below.

² On 14 September 1956 an "emergency decree" of the Chief of Staff of the Indonesian army, issued in the name of the National Security Council, forbade the publication of documents, photos and pamphlets containing criticism, insinuations or insults directed toward the government or government officials. After the press had expressed violent criticism of the ban, it was revoked on November 28th.

ment, to which attention is also repeatedly called in authoritative Indonesian quarters, has recently taken on a more serious character in some circles as a reaction to the widespread corruption. People have become bitter and are shocked by the tolerant attitude of the government toward this evil, which would seem to be increasing hand over hand. Last July 25th Vice-President Hatta earnestly warned against the "unbridled corruption", expressing the fear that Indonesia would eventually suffer the same fate as China under the regime of the Kuo Min Tang.

This and similar warnings by prominent men have brought many groups in Indonesia to the realization that action must be taken against corruption, if necessary with force. The corruption scandals, which until recently were quite frequently exposed by a few newspapers in the capital, have aroused indignation in army circles in particular. Last August 13th the commandant of West Java even ordered the arrest of the Minister of Foreign Affairs, Mr. Ruslan Abdulgani. The execution of this order was prevented at the last moment — a few hours before the Minister was due to leave for the first Suez Canal conference in London — by the personal intervention of the Prime Minister and the army's Chief of Staff. A special ministerial commission later declared the Minister in question not guilty after a hearing.

The mood of dissatisfaction described above is further accentuated in the areas outside Java by the lack of attention which, it is believed, the central government has so far paid to the interests of these areas. In some regions outside Java discontent with what is called the "Javanocentric" policy of the government is prevalent. Representatives of the islands outside Java have often warned, both in the Provisional Parliament³ and the newly elected one, that continuation of this

³ This Parliament was formed after the establishment of the unitary state, "Republik Indonesia", on 17 August 1950 by combining the Chamber of Representatives and the Senate of the United States of Indonesia, to which sovereignty had been transferred on 29 De-

policy could have serious consequences. The rebellion which broke out in Achin (North Sumatra) in 1953 was a symptom of this dissatisfaction.

Aside from such general feelings of dissatisfaction and disappointment, though closely connected with their causes, is a second factor which influences the general political atmosphere, namely, the wide-spread lack of respect among the people for their leaders. President Sukarno has himself repeatedly branded this phenomenon, which he calls an "authority crisis", as a danger to the State.

The lack of respect for the present authorities can to a certain extent be explained by the fact that their authority is still "new". It is not rooted in the ancient *adat* ("customary law") and is not, like that of the old traditional authorities, founded on religion. In the eyes of many Indonesians the present government leaders are "ordinary people". In the days of the revolution they were comrades in arms with whom joys and sorrows were shared. Not only their virtues, but their faults were learned in those times. When they came to fill important government posts after the transfer of sovereignty they remained *saudara* (comrades).

This "*saudara*-relationship" manifested itself after the transfer of sovereignty in a certain geniality in the intercourse between high and low government officials, and between the former and ordinary people. Western political observers were repeatedly amazed, especially in the first years after 1949, at the ease with which representatives of the common people were able to penetrate to the study of a minister.

The authority crisis is further closely connected with a wide-spread misconception of the term "freedom". For many

cember 1949 by the Netherlands government, with the working committee of the KNIP (Provisional Parliament of the Indonesian Republic in Jogja) and the so-called High Advisory Council of the Indonesian Republic in Jogja, one of the states of the United States of Indonesia. The Provisional Parliament consisted mainly of appointed members.

people freedom means that "one may do as one pleases".

Now that freedom has been gained they wish to do as they see fit without concerning themselves with any superior authority. Subordinate officials in the government wish to go their own way and make decisions independently. The execution of a decision made by a higher official is therefore often dependent on the disposition of the subordinate officials charged with it.

This aspect of the authority crisis appears in many forms, in the arbitrary actions of all kinds of groups and persons, in the open sabotage of government orders and in various forms of insubordination in the army as well (witness, for example, the above-mentioned October 17th and June 27th affairs). It has appeared time and again that the government is powerless against many activities which it regards as undesirable.

The third factor which determines the general political atmosphere in Indonesia is the continuance of the "revolutionary spirit". After 1949 some groups continued to preach revolution and to arouse the "fighting spirit" of the people with the same methods which they had used during the struggle against the Netherlands, namely, mass action and anti-Western slogans.

The outlook of these groups, which still exert great influence, is not rational but emotional. Instead of carefully analysing the problems facing the new State on the basis of facts and seeking by this means a solution to them, they have their solution ready-made. The nationalization of foreign enterprises, the expulsion of foreigners, the elimination of foreign capital, the annexation of West New Guinea (Irian) and similar measures are recommended by them as remedies for the ills of the country and its people. Yet above all, they believe that the "national spirit" should be strengthened and the masses stirred up to "revolutionary action".

These groups have a certain aversion to adopting Western methods in the field of organization and technique. They resist the rationalization of working methods and the application of greater efficiency in government and business. Instead of wanting to adapt Indonesia to the times in which they are living, they urge the strengthening of its own "Indonesian character". They want an "Indonesian way of life", an "Indonesian democracy", an "Indonesian economy", etc. of their own.

Opposed to these groups are others which, averse to mass action and hostile in principle to the use of slogans, apply themselves to educating the masses. They have a more realistic view of the problems of their country. They realize that the economic situation of the country can only be improved by raising the productivity of labour, by rationalization and by greater efficiency. They also realize that the West can contribute much to the economic development of their country and urge, therefore, a policy which will allow Indonesia to profit as much as possible from Western methods and from the contribution which Western capital can make to the revival of its economy. In contrast to the followers of the first-mentioned groups, those of the second are, generally speaking, moderate nationalists. The difference between the two groups is, in fact, a difference in mentality.

This divergence is encountered, of course, with many variations, in all kinds of circles, in the government as well as in the army, in political parties as well as in business circles. The many cabinet crises were largely a consequence of the conflict between these two ways of thinking. The same is true of the so-called October 17th affair.⁴ The immediate occasion for it was the resistance offered by some territorial commandants and a large part of the Provisional (appointed) Parliament to the attempts of the Sultan of Jogjakarta, at that time Minister of Defence, to make the army a modern,

⁴ See p. 14 ff. below.

efficient instrument of power by reorganizing it along Western lines. The opponents of the Sultan, on the other hand, wanted a "people's army", which fitted into the framework of their revolutionary ideas.

Generally speaking the "revolutionary" groups are more militant and dynamic than the more objective ones. The activities of the revolutionaries also make them more conspicuous. Their voices are more easily heard abroad, where their statements are often erroneously taken to represent "the Indonesian point of view".

The three factors mentioned above — (1) the wide-spread feelings of dissatisfaction and disappointment, and, for many, of embitterment, (2) the authority crisis and (3) the survival of the revolutionary spirit — have influenced to an important degree the general political atmosphere in Indonesia. It is particularly due to the effect of these three factors that this atmosphere has that unstable, unbalanced and often explosive character which is characteristic of present-day Indonesia. They produce tensions which can suddenly be released. They are also responsible to a certain degree for the capricious and puzzling developments in the field of politics.

It is obvious that the activities of the political parties cannot be isolated from this general political atmosphere. These activities not only influence this general political atmosphere, but are in turn influenced by it to a not inconsiderable degree. The peculiar character of the political developments in Indonesia resulting from this interaction is further complicated by the fact that in addition to the political parties there are other powers desirous of playing a rôle on the political stage. Among these are President Sukarno and the army.

The President and the army as political factors

President Sukarno must be regarded as a typical representative of what was called above the "revolutionary current" because

of his continual exhortations to "continue the revolution" and his preference for mass action. In his speeches he urges again and again the intensification of the "fighting spirit" of the people and the revival of the *élan* of the first years of the revolution, which according to him can only be realized by bringing the masses into action and by solidly uniting all political parties in a common revolutionary front.

More than once President Sukarno has urged collaboration between Moslems, Nationalists and Communists. In December 1954 he made a passionate appeal to all parties, irrespective of their differing ideologies, to form a "National People's Congress"⁵ for the sole purpose of "fighting together for the return of West Irian (West New Guinea) to Indonesian territory". Some parties heeded the President's appeal, but a number of moderate parties kept aloof, with the result that the People's Congress quickly came under communist influence. A year later President Sukarno urged in a speech in Surabaya that one or more members of the *Partai Komunis Indonesia* (P.K.I. Indonesian Communist Party) be taken into the new Cabinet to be formed after the elections. This, according to him, was only logical, considering the large number of votes the Communists had obtained in the election. Moreover, he said, their participation was urgently needed in connection with the struggle for West Irian.

In order to keep the fighting spirit alive and to promote unity between the parties, President Sukarno has further warned more than once against "conspiracies" supposedly aimed at the destruction of the Indonesian Republic. His revelation on 10 November 1955 in Bandung of a foreign plot to overthrow the Indonesian State, of which he gave a full account on the basis of documents which he claimed to be in his possession, is well known. It later appeared that neither the Indonesian Cabinet nor the Attorney General knew anything of the existence of these documents.

⁵ This term was already used before the war (in 1941) for a general body representing all the existing political parties.

Since the failure of his attempts to form a revolutionary united front, President Sukarno has more than once made veiled accusations against the parties which had abstained and their leaders. On 9 November 1954, for example, he accused in a speech made in Palembang "certain prominent Indonesian leaders" of collaborating in a foreign plot to overthrow the Ali Sastroamidjojo Cabinet of the day. It was generally assumed in Indonesian political circles that this accusation was aimed at the moderate opposition parties.

After the transfer of sovereignty the revolutionary activities of the President encountered more and more criticism in Indonesia among the moderate groups. His recommendation of collaboration between the Moslem and nationalist parties and the Communist Party was especially condemned in these circles. He was also often criticised, especially in the period preceding the elections, by the moderate parties for his unconcealed or covert support of the Partai Nasionalis Indonesia (P.N.I.), which was not in agreement with his position as head of the State above party politics. Criticism of President Sukarno's recommendation, made in a speech held on 28 October 1956, to "bury all political parties" was fairly general (it was even joined in by the P.N.I.). On October 31st the President repeated this recommendation, but added that after the liquidation of the parties it could be decided whether Indonesia should choose the "one-party system, a mass movement or a multi-party system". It is worth noticing that President Sukarno launched his attack on the political parties two weeks after returning from his visit to the communist countries in Europe and the Chinese People's Republic. According to his own words the conditions in these countries had made a deep impression on him.

President Sukarno's influence among the common people is still great, but it may be assumed that his reputation has diminished in recent years in intellectual circles and especially among the moderate nationalists.



The army has had great influence on political developments in Indonesia in the years since 1949. Two of the six cabinet crises in that period were caused to a certain extent by the activities of the army. Although they did not constitute the immediate occasion for the fall of the Wilopo Cabinet on 3 June 1953, the so-called "October 17th affair" (see below) was the deeper cause of it. Mr. Ali Sastroamidjojo's first Cabinet fell as a result of the so-called "June 27th affair".

Because of the existence of several currents of opinion within the armed forces it is difficult precisely to define the influence of the latter on political events in Indonesia. It was particularly true in the past that each of various groups in the army played its own rôle on the political stage. In a speech held in 1951 on "Armed Forces Day" President Sukarno called attention to the existence of a crisis in the army as a result of political controversy among the officers.

On 17 October 1952 this crisis came to a head, when a group of high-ranking army officers organized a demonstration against the Provisional Parliament during which guns were trained on the palace of President Sukarno. The occasion for this demonstration was the violent criticism uttered in the Provisional Parliament at the administration of the Minister of Defence at that time, the Sultan of Jogjakarta (see p. 10). The parties which expressed this criticism knew they had the backing of the President, with whom the Sultan of Jogja was seriously embroiled because of Mr. Sukarno's personal interference in the personnel policy of the Ministry of Defence.

In the controversy about the policy followed by the Minister of Defence many officers, namely those who owed their ranks to their part in the guerilla fighting against the Dutch, took sides against the Sultan, who was supported by a group of Western-thinking officers, trained in normal military academies. This latter group, irritated by the denigrating remarks made in Parliament with reference to the Sultan of Jogja, organized the above-mentioned demonstration.

As a consequence of this demonstration some territorial commandants (in East Java, Celebes and South Sumatra) were removed by their subordinates belonging to the group of "guerilla officers", while the government refrained from interfering. Since then the so-called "pro and contra October 17th groups" in the army remained opposed to each other for a considerable time.

After the government had tried for more than two years in vain to solve the difficulties arising from the October 17th affair, the army officers decided to take the restoration of the unity of the armed forces into their own hands. At a meeting held in Jogja in February 1955 they reached a certain measure of agreement, which was sealed by the signing of a "Charter for the Integrity of the Army".

The conference in Jogja seems indeed to have promoted unity among army officers. This is shown, for example, by the fact that on 27 June 1955 they formed a united front against the Minister of Defence at that time, Mr. Iwa Kusumasumantri (formerly associated with the communist movement) in connection with the appointment of a new Chief of Staff. A resolution was adopted at the conference in Jogja to the effect that promotions of officers should only be made on a basis of seniority and ability and not for political reasons. When it appeared that Minister Iwa had not adhered to this principle in appointing a Chief of Staff, the army officers unanimously refused to accept the new incumbent. The Deputy Chief of Staff refused to hand over his authority and the territorial commandants declared in a joint communiqué that they stood squarely behind him. The conflict which this occasioned between the army and the Cabinet (which supported the Minister of Defence) eventually led to the resignation of the first Ali Sastroamidjojo Cabinet on 24 July 1955.

Although the succeeding Cabinet of Mr. Burhanuddin Harahap settled the June 27th affair by appointing another Chief of Staff who filled the requirements of seniority and ability, tension reappeared in the army as a result of dissatis-

faction among the officers with political developments in general and with the attitude of many prominent politicians in particular.

The dissatisfaction among the officers with the general situation and especially with the corruption, has particularly increased since the inauguration of the present Cabinet, the second one headed by Mr. Ali Sastroamidjojo, on 20 March 1956. Symptomatic of this was the attempt already mentioned to arrest the Minister of Foreign Affairs on 13 August 1956. The frustration of this attempt by the personal intervention of the Prime Minister and the Chief of Staff aroused indignation among some officers, who have since apparently made plans for drastic action. In a speech held on "Armed Forces Day" (5 October) the Chief of Staff warned against certain groups in the army which, because of dissatisfaction with the course of events in Indonesia, were considering the establishment of a military junta. In the course of November the former Deputy Chief of Staff, Colonel Z. Lubis, was officially accused of planning to overthrow the government.

The above-mentioned incidents show that there is interaction between the tensions in the army and the unstable political situation in Indonesia. These tensions in the army and all the dangers they entail will probably continue to exist as long as the present political instability persists.

The parties

The party system in Indonesia is still in a stage of development. The character of political parties in Indonesia differs from that of West European parties, but has some resemblance to that of parties in the Near East or in countries like Greece. They are rather groups gathered about one or more leading figures than political parties in the Western sense of the word, striving for the realization of particular political principles. The personal influence of the leaders is still to a large degree decisive for the following of a political party in Indonesia.