Approved For Release 2000/04/16/R@1A-RDP61-00549R000300010001-1

IAC-D-100/20 9 August 1956

INTELLIGENCE ADVISORY COMMITTEE

Validity Study of NIE 65-55:

Probable Developments in Indonesia Through 1955,

published | March 1955

The attached validity study of NIE 65-55, "Probable Developments in Indonesia Through 1955," published 1 March 1955, was noted by the IAC on 7 August 1956 (IAC-M-251, item 15 c).

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Secretary

Approved For Release 2000/04/1/17/CLA-RDP61-00549R000300010001-1

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Validity Study of NIE 65-55:

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- One of the major conclusions of NIE 65-55, "that a government dominated by the Masjumi will probably emerge following the elections" has been proven invalid by events. This conclusion was based on the estimate that the election would be a three-cornered race between the Masjumi, the PNI, and the PKI, and that the Masjumi would win the most seats in the Parliament. We believed it would be able to form a coalition government either with one or more of the smaller parties or by drawing away the right wing of the PNI. In fact, however, the Masjumi received a somewhat smaller popular vote than the PNI and the same number of seats. Moreover, instead of there being but three major parties, the election resulted in four: PNI, Masjumi, NU, and PKI. In this situation it was the PNI rather than the Masjumi that played the leading role in organizing a cabinet. The major factor in this incorrect estimate of the outcome of the elections was a failure to appreciate the strength of NU, which was able to gain a sufficiently large share of the Moslem votes to reduce Masjumi strength substantially and to become the third largest party.
- 2. The other major conclusion, that Communist popular strength was increasing and that the Communists would not resort to force during the period of the estimate has proven valid.