

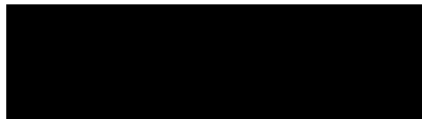
IAC-D-100/48
13 September 1957

INTELLIGENCE ADVISORY COMMITTEE

Validity Study of NIE 65-56:
Probable Developments in Indonesia,
published 7 August 1956

The attached validity study of NIE 65-56, "Probable Developments in Indonesia," published 7 August 1956, was noted by the IAC on 27 August 1957 (IAC-M-304, item 5 c).

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Secretary

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Validity Study of NIE 65-56:

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1. NIE 65-56 failed to anticipate several important developments of the past year and underrated the chances of others. While we did foresee continuing instability and unresolved problems, we estimated that there would be slow economic progress and moderately favorable prospects for slow advance toward a modern democratic state. In fact, Indonesia has undergone a series of adverse developments during the past year.

2. The estimate underplayed the force of regionalism and did not anticipate recent moves toward provincial autonomy. Although it pointed out the army's lack of cohesion and lack of responsiveness to civilian authority, it did not warn that these regional movements would be led by army elements.

3. NIE 65-56 estimates that "the Ali government will probably remain in office for at least the next year." The Ali government remained in office considerably less than a year, and during at least the last three months of its tenure it was largely ineffective. The estimate did not anticipate Sukarno's attempt to reorganize the Indonesian political system.

4. The analysis of PKI prospects and strategy has proven generally valid, although it did not anticipate the sequence of events which have enabled the PKI to increase considerably its influence and strength by posing as the supporter and champion of Sukarno's plans and programs.

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