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CENTRAL INTELLIGENCE AGENCY

21 June 1955

MEMORANDUM FOR THE INTELLIGENCE ADVISORY COMMITTEE

SUBJECT: [redacted] NIE 65-55, "Probable Developments
in Indonesia Through 1955," published 1 March 1955

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Comments [redacted] on NIE 65-55
are forwarded for your information.

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Paul A. Borel

PAUL A. BOREL
Deputy Assistant Director
National Estimates

Distribution "A"

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Comments [redacted]

[redacted] on NIE 65-55,
"Probable Developments in Indonesia
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I find the paper extremely well done in general. The comments which follow are of a minor nature [redacted]

[redacted] The numbers used relate to the numbered paragraphs of the report.

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2. It should not be overlooked that the government in power when elections are held will apparently remain the interim government until a new cabinet is formed by the newly elected parliament. This may be important in connection with Article 134 of the Election Law. A reshuffle of the Ali government is of course not impossible and it conceivably could fall.

5. I suggest that some reference be made to the Communist attempt to seize power at Madiun in 1948. The fact that the Indonesian government at that time suppressed the armed revolt in a comparatively short time despite the size of the Communist controlled forces has led Indonesian leaders to believe the Communists here can always be defeated. The 1948 episode has also caused non-Communist Indonesian leaders to think of the PKI threat principally in military terms, which obscures the more subtle menace arising from the current Communist united front tactics.

20. There is no doubt that the Sultan of Jogjakarta potentially continues to retain "considerable influence" in the Army. It might be well to note that he is not exercising this influence however.

29. There is growing evidence that Indonesia prefers technical aid through regional and UN organizations.

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37. The reason for the incapability of operating less than half of the aircraft at any one time is crew shortage, e.g., the only pilot capable of flying the practically new Hiler helicopter is in the United States for four months. The Government has purchased eight Vampire (jet) trainers for AURI to be delivered in 1955. The Air Forces's potential is there but needs leadership and exploitation. Many able officers have left the Air Force because of the activities of the A.F. Commander.

38. There is some evidence that living standards in Indonesia have actually fallen since independence: i.e., that the growth in the population has more than absorbed the slight increase in national ~~products~~ ^{income}.

52. Admittedly election guesses are extremely hazardous. I am prepared in general to accept this paragraph but believe that PIR strength in the newly elected assembly will be less than in the present assembly.

Finally the map showing the distribution of the principal religions should indicate Christians on Ambon and Ceram.



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