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SECURITY INFORMATION

CENTRAL INTELLIGENCE AGENCY

30 October 1952

SUBJECT: DRAFT TERMS OF REFERENCE: NIE-X: PROBABLE  
DEVELOPMENTS IN INDONESIA

THE PROBLEM

To estimate probable developments in Indonesia through 1953.

QUESTIONS BEARING ON THE PROBLEM

I. Stability and Policies of the Government of Indonesia

What is the current situation in Indonesia and what trends may be expected through 1953 with respect to the following:

1. The numerical strength, orientation, and influence of the various political parties:

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- a. Masjumi
  - b. National (PNI)
  - c. Communist
  - d. Socialist
  - e. Other Parties
2. The composition, efficiency, cohesiveness, and morale of the government and the popular support enjoyed by the government;
  3. The prospect of realignment of the present political groups represented in the government;
  4. The economic situation in Indonesia particularly as it affects the stability of the government, domestic and foreign policies, and military and police capabilities;
  5. The labor movement and Communist front organizations in Indonesia as they affect the stability of the government;
  6. The size, equipment, training, reliability, and effectiveness of military and police forces;

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7. Government policies toward dissident groups and the Chinese minority group;
8. Government policies toward the Communists;
9. Government foreign policies toward the US, the Netherlands, the West in general, the Communist Bloc, Southeast Asia, and India; (Also include the causal factors which are determining these policies.)
10. Government policies with respect to nationalization of industry and capital investment by foreign states.

II. Capabilities and Intentions of the Insurgents in Indonesia

What is the current situation in Indonesia with respect to insurgents and what trends are expected through 1953 with respect to the following:

1. Strength and capabilities of the various insurgent forces including Communist influence in these groups;

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2. The extent of coordination between insurgent forces and capabilities for combined anti-government action;
3. The participation of the Chinese minority in insurgent activities;
4. The nature and level of outside (particularly Chinese Communist) assistance to the insurgents.

III. How would US security interests be affected if Indonesia should develop an orientation toward the Soviet Bloc or become Communist dominated?

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