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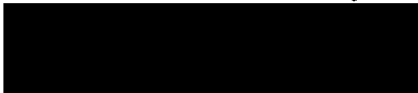
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WORKING PAPER

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PART IV CURRENT AND FORTHCOMING COMMUNIST EVENTS

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PART I

MAJOR DEVELOPMENTS IN WORLD COMMUNISM
DURING JULY

During the month of July there was no conclusive evidence that the international Communist movement is preparing for or is expecting a world war in the wake of the Korean hostilities. It appears rather to anticipate a period of unrest and localized conflict. Although the Communist parties continue relentlessly to wage psychological warfare against the US wherever and whenever possible, there was no indication that they are developing concerted action in anticipation of a general war. The absence of such overt preparations is in keeping with the USSR's own careful avoidance of openly implicating itself in the Korean conflict or of giving the impression that it regards this conflict as anything more than a "local" issue.

In Western and Northern Europe, the tendency toward restraint on the part of the Communists has been striking. Although the usual sporadic outbursts against American warmongers have continued, no overt subversive action has occurred. While it may be true that summer vacations have dulled the political struggle, particularly in France, still the surprisingly calm behavior of the Communist revolutionaries seems to indicate that appropriate orders have been passed along. One motive for this restraint is probably the fear that insurrection at this time may lead to the outlawing of the parties, a situation which the Communists would like to avoid. Nevertheless, they continue further to consolidate their party organizations, specifically with the aim of being prepared, lest they be forced underground.

The major Communist parties of the Near East and South Asia appear to be concentrating on efforts to strengthen their organization rather than on immediate action. The outlawed KKE in Greece and the Communist Party of India, which are also utilizing the united front tactic with some success, have both just undertaken drives to recruit and train effective revolutionary organizations. There have recently been few signs of overt

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activity on the part of the outlawed pro-Soviet Tudeh Party in Iran, which is probably also engaged in organizational work.

In the Far East the Communist parties have continued to demonstrate a more belligerent attitude. In this area there appears to be more emphasis on the claim that by intervening in Korea, the US has embarked on a war against the whole of Asia. The usefulness of the Japanese war propaganda slogan of "Asia for Asiatics" has been recognized by the Communists, and will be increasingly applied to anti-Western, anti-US propaganda. The Chinese Communist regime, whose recent propaganda has already reflected this sentiment, may be expected to exploit the slogan. On the other hand, the Korean war is not being interpreted as an indication that World War III has begun.

If the Soviet Union were preparing for hostilities on a global scale, it is improbable that it would allow a sudden increase of Communist preparations outside the Soviet orbit to forewarn the Western world. Therefore, an estimate of Soviet-Communist intentions based on this evidence alone is, at best, fragmentary and inconclusive. Such evidence should be evaluated only within the context of an overall estimate of Soviet intentions and capabilities. Moreover, the North Korean Communist aggression has demonstrated that extensive revolutionary activities in a target area are no longer regarded as a necessary pre-requisite for overt organized Communist aggression, particularly in areas where the USSR is in a position to implement Communist strategy militarily under any pretext it chooses.

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PART II

REPERCUSSIONS OF THE KOREAN WAR
UPON COMMUNIST PARTIES

China

Communist China has faithfully followed the Soviet line in regard to developments in Korea, but the Peiping regime has not been given a major role in the Korean venture. Apart from the past and perhaps current transfer, from Manchuria to Korea, of Korean units of the People's Liberation Army, Peiping has restricted itself to (1) sending an Ambassador to Pyongyang, (2) rejoicing over US-UN reverses, (3) expressing confidence in the ultimate (not speedy) victory of the northern Korean forces, (4) instituting an "anti-US aggression week" -- extended indefinitely, (5) claiming to have "peace" petition signatures of more Chinese than are able to read and write, and (6) promising that the Chinese "people" would "lend every support" (later stated as "moral support") to northern Korea. Peiping has stated that "the Chinese people must liberate Taiwan and the Korean people must liberate the whole of Korea," and that the Chinese Communists would be giving "efficient aid" to northern Korea "by actively preparing for the liberation of Taiwan", and Premier CHOU En-lai has indicated, in private conversation, that Peiping hopes to stay clear of the hostilities in Korea.

The Peiping regime probably does not contemplate military aggression against other objectives outside China at this time, although operations against Taiwan and Tibet, which Peiping regards as parts of China, remain possible. International communism apparently is not yet prepared to abandon its current Asian strategy of relying primarily upon the efforts of indigenous "liberation" movements, assisted as practicable, but not to the point of direct military support, by neighboring Communist regimes. The principal deterrents to such aggressive action by Chinese Communist armies are believed to be the Soviet unwillingness to increase the risk of such a general conflict,

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the Soviet desire to retain control over the various Asian "liberation" movements, the short-term Soviet-Chinese interest in conciliating and "neutralizing" India and some other Asian nations, Peiping's desire to be represented in the UN, Peiping's internal security problems, and Peiping's desire to extend its control over all actual and alleged Chinese territory. Chinese Communist aggression remains, however, a distinct future possibility.

Western Europe - General

Western European Communists have continued to propagandize their strong opposition to US action in Korea but have refrained from overt acts of insurrection in order to prevent the outlawing of their party organizations. Indeed, during July, the activity of the French and Italian parties decreased; on the other hand, however, the parties have pushed the training of elements that could be used for direct action or, in the event of the suppression of the parties, for underground work.

There are no firm indications at present as to when, and in what connection, the Communists intend to use their direct-action forces. Unsupported by the Soviet Army or even satellite armies, the Communists would not be able to seize power in either France or Italy, although they could cause a great deal of trouble. In the event of a general war, the Communists would be able to hamper very seriously French and Italian war efforts, particularly in the vital first few days or weeks. At present Western Europe is in no position to defend itself against an attack by the USSR, therefore the question is academic.

France

There have been practice alerts for the paramilitary Francs-Tireurs et Partisans; party militants have been instructed to disobey Government mobilization orders; and the Communist-controlled General Confederation of Labor (CGT) plans to engage in work stoppages. Furthermore, there has been an intensification in the training of mobile commando groups which could be used to incite widespread riots and to effect sabotage.

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Italy

From Italy there have not been as many reports of preparedness for direct action as for France. Togliatti, as if trying to minimize the danger of suppression of the PCI by the Government, a course which elements of the Center are joining the right in demanding, has adopted a relatively moderate tone. In a recent speech in the Chamber of Deputies, he glossed over the idea, previously advanced by other Communists and fellow-travellers, that South Korea had attacked North Korea. He also declared that Korean developments were not to be feared as the beginning of World War III, because the "peaceful" USSR will not go to war unless it is attacked. Since returning from Berlin, Togliatti has made a more bel-ligerent speech, telling the Italians to "chase out" the Americans if they attempt to set up bases in Italy. Although his second speech went further than the first, it still could not be termed violent, and was sufficiently restrained to avoid giving the Government an excuse for cracking down.

The Netherlands

The Netherlands Communist Party ordered its regional offices to send certain lists to party headquarters for destruction and ordered the burning of the files of various front organizations after the names of their members had been transferred to special, carefully hidden registers. Dutch officials interpreted this action as being based on the fear that the Government will soon outlaw the Communist Party. However, the same officials do not anticipate such action in the near future.

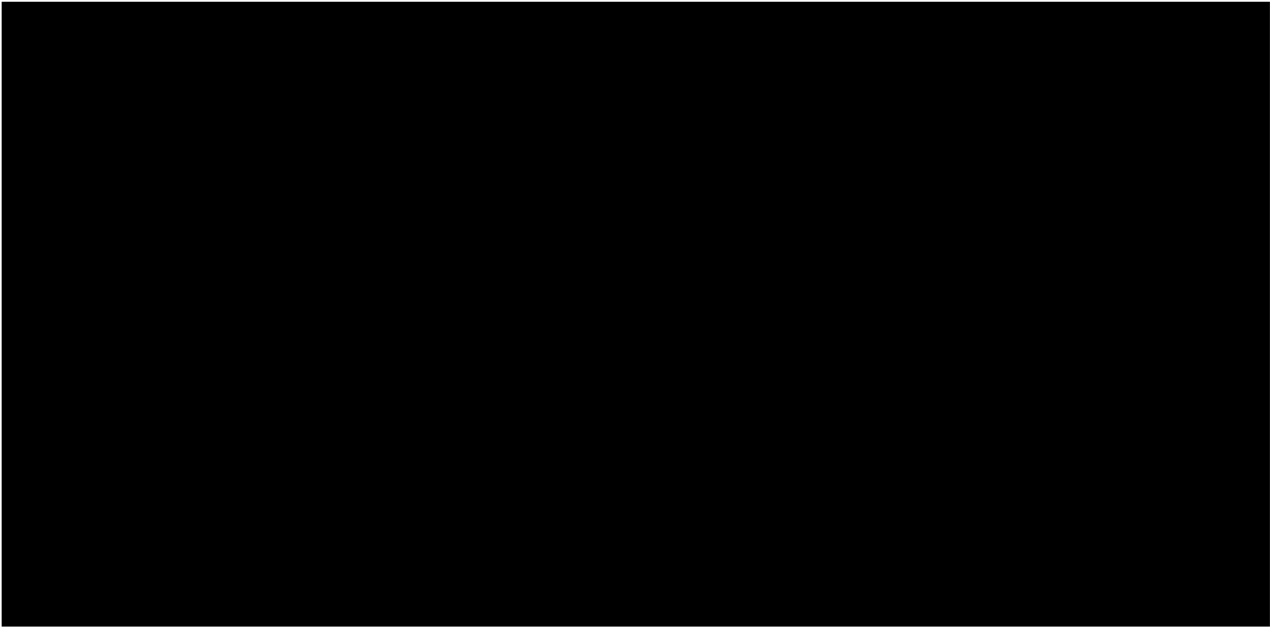
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Latin America

During July more and more Latin American Communists took up the Korean propaganda themes which were first emphasized in Soviet publications. Stressed were "Hands Off Korea"; "US Aggression in Korea"; and "USSR is Peaceably not Intervening". Other than this propaganda and two attempted anti-US demonstrations reported in Argentina, there have been no Communist activities reportedly taken as a result of the Korean situation. On the other hand, there has been a considerable increase in anti-Communist agitation and feeling resulting from the Korean affair.

Near and Middle East

The Korean issue has not figured directly in Communist activities in the Near and Middle East other than the "peace" campaign. Indirect allusions to it have included: (a) an early July propaganda reference to "Korean parallels" on the

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Greek frontiers; and (b) efforts by Peace Partisan groups in the Arab states to take advantage of tendencies towards neutrality.

USA

Communist leaders throughout the US advised their followers not to resist induction into the armed forces. Communists were told that if drafted, they were to use the opportunity for sowing discord in the armed forces.

Simultaneously, the US Communist Party was requested by the World Federation of Trade Unions to aid the North Koreans. An "aid council" was to be formed consisting of CP leaders and leaders of CIO left-wing trade unions affiliated with the WFTU. The council's program is to consist of: (1) a propaganda campaign to urge withdrawal of US forces from Korea and acquainting US people with the "true" nature of the war; (2) formation of women's councils and of "united front committees" to demand an end to the war; and (3) nation-wide mass meetings denouncing the war and promoting the peace movement and the Stockholm Petition. The Communist Party was reported to be planning a conference of all left-wing trade union leaders in August at which time the "aid council" is to be formed.

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PART III

SURVEY OF SIGNIFICANT TRENDS

This survey of significant trends in the international Communist movement which have become apparent during the month of July, contains only those developments which are believed to have an important effect on the potential of world communism.

1. ATTEMPTS AT COMMUNIST CONSOLIDATION

Korea

A. Northern occupation tactics

The northern Korean regime in occupied southern Korea is making a show of a rapid introduction of political and economic "reforms" and is attempting to induce the local population to return to normal pursuits.

The primary northern Korean effort follows a line which is designed to gain popular support and acceptance for the northern forces and government as the rightful agents of the unification movement and defenders of the people against the "military aggression and intervention of US imperialism in internal Korean affairs".

In the political field, the Communists have moved quickly to reconstitute the "People's Committees" as organs of local government. (These "Committees" were outlawed in southern Korea in 1945 by US Occupation forces after they were largely taken over by infiltrated Communists and had assumed illegal powers of government). Plans have also been announced for early "elections" to place the local government on a "democratic" basis. Membership of the Seoul "People's

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Committee" -- as announced by the Communist radio -- and includes a facade of well-known southern political figures previously identified as "moderates", "independents", or "rightists".

In the economic field the Communists are seeking popular support and an appearance of permanence for the "liberation" by attempting quickly to restore normal operation of municipal public utilities and local trade. Beyond the "rehabilitation" program, plans were immediately announced to carry out a land reform on the northern Korean pattern of confiscation and free distribution to tenants, the unemployed, and small land owners.

Little information is available on the effectiveness of these measures in gaining willing cooperation from southern Koreans in the war effort. It is evident from sketchy reports, however, that in actual application, greater reliance is being placed on (1) secret police who followed behind the invading army and (2) those Communists already in southern Korea who emerged from the underground, were released from jails, or discarded their cover as loyal citizens to take over control functions in the "liberated" areas.

Despite the heavy propaganda barrage from Pyongyang and Seoul, it is doubtful if much has actually been done to implement the announced plans beyond the holding of rallies for indoctrination.

The principal Communist effort now is directed toward mobilizing all available resources for the Korean war effort. A mobilization decree of the northern regime makes all material and manpower resources in both northern and occupied southern Korea subject to requisition for the war effort. In practice, this has meant a progressively more extensive confiscation of food and supplies in southern Korea and the conscription of southern manpower for service both as laborers and combat troops. Earlier, the northern army apparently attempted to win the favor of the southern people by refraining from such

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confiscation, but, with the unexpected prolongation of the war occasioned by the entry of UN forces, the Communists have been forced to forego the politically desirable policy of formal requisitions and payment.

B. Guerrillas and pro-Communists

The southern Korean army and police had eliminated practically all guerrilla concentrations in southern Korea prior to the beginning of the war. The remaining guerrilla bands did not begin significant activity immediately, but as the northern forces advanced, these bands moved rapidly south to Taejon. Scattered guerrilla units, probably reinforced by local recruits, began harassing actions. In general, however, guerrilla actions far behind the fighting front have not been an important factor.

Both the guerrillas and pro-Communists are probably continuing their war mission of supplying intelligence on all phases of southern Korean activity and UN military operations.

Aside from the probable intelligence function and guerrilla activities, the role of pro-Communist elements in southern Korea has been primarily to assist the northern army in maintaining control in occupied areas and in making statements to support the northern regime's propaganda claim that all southern Koreans welcome the "liberation" and will fight to the end to free themselves from "US imperialistic exploitation".

Philippines

A recent report indicates significant disagreement among top leaders of the Huks or People's Liberation Army. One faction favors awaiting instructions from the USSR for future operations while another, including Taruc, the supreme Huk chief, advocates establishment of a Filipino-led Communist government free from USSR domination. There is as yet no indication of the relative strengths of the opposing factions and of the possible outcome of the dispute. However, in view

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of the current tension in the Far East, it is probable that the Huks will attempt an early settlement of their differences.

Greece

The increasing emphasis on conspiratorial and revolutionary activities in current Greek CP (KKE) instructions to the faithful suggest that the party is now giving first priority to the formation of a potent fifth column within Greece, conceivably for use in case of a Soviet/Satellite invasion. The KKE's previously begun efforts to re-establish Communist influence in Greek labor and political circles will undoubtedly continue with some success; the Communists can be expected to place some sympathizers in office in the approaching labor federation and municipal elections and will continue to benefit by the persistent agitation of the crypto-Communist and fellow-travelling ten percent of Parliament. Communist recruiting, organizational, and intelligence activity, which has proceeded with some uncertainty since last summer's rout, may well be carried on at a faster pace in view of indications that sufficient numbers of reliable men are now apparently available in certain frontier areas of Bulgaria and possibly Albania for the assignment of small groups for this purpose. The greatest current stress, however, is apparently being placed on the development of a well-concealed underground organization which would refrain from direct participation in the KKE's current political or guerrilla activities, so as to avoid premature disclosure. In this connection, it is noteworthy that Moscow-trained KKE chief Zachariades, who appeared to be avoiding the limelight following last summer's defeats, has now re-emerged as the chief exponent of the need to build up a disciplined, frankly revolutionary organization.

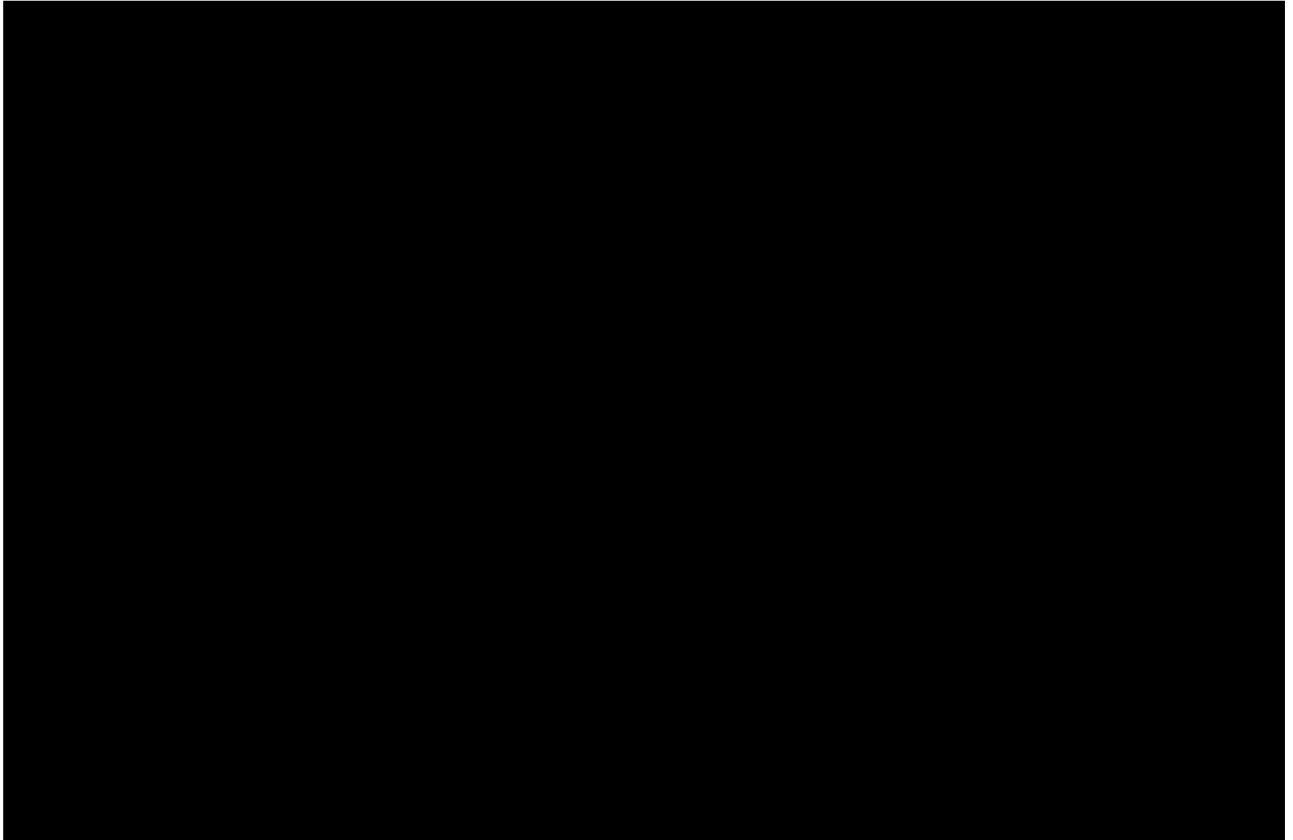
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Germany

The decisions of the Socialist Unity Party (SED) Congress (Berlin 20-24 July) reflect further consolidation of Communist power in the German Democratic Republic (GDR) and attempt to make the West German KPD into a more effective fighting force.

A new SED statute eliminates the former provision that office holders be selected equally from Communist and Socialist ranks, thus discarding all pretense of equality between the two groups composing the SED. The former SED executive committee which consisted of an equal number of Communists and Socialists was abolished and replaced by a Central Committee (headed by Deputy Premier Walter Ulbricht) on which Communists hold a substantial majority. The new party statute, closely patterned after that of

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the USSR CP, States that the party aim is the "establishment of the political power of the workers."

Despite the presence of high-ranking Cominform officials at the Congress, there were no indications that the GDR would become a member of the Cominform in the near future. On the contrary, Pieck stated at the congress, that, while "firm ideological ties" existed, the SED is not a member of the Cominform and had no organizational links with it.

2. THE "PEACE" CAMPAIGN

General

The worldwide Communist "peace" movement has lost substantial support among non-Communists, particularly in Western and Northern Europe, as a result of the North Korean Communist aggression and of the effective exploitation of this aggression by many Western governments. In Italy, where the "peace" agitation was beginning to win considerable non-Communist support, there has been a marked decline in attendance at the Peace Partisan meetings. In Sweden and Norway, a powerful blow was dealt the movement when the Prime Ministers publicly disavowed the Stockholm "Peace Appeal" and the Norwegian Prime Minister, in addition, called for counter "peace committees". In Switzerland, the energetic Red Cross denunciation of the use of its name by the Peace Partisans deprived the Communists of a telling argument in support of their petition for banning atomic weapons. In France, the movement was hit hard when the Stockholm petition was turned down in the National Assembly in favor of a resolution advocating international control of atomic energy, while in Western Germany the Communist line on Korea has received little credence outside Communist and Communist-front groups.

On the other hand in India and the Arab states, the Peace Partisans have recently obtained increased support among the non-Communists, principally as a result of the Nehru-Stalin exchange and of the failure of the governments to take effective action against local "peace partisan" activity. In the Arab states, especially Syria and Lebanon, the movement has benefited from the backing of prominent intellectual and religious leaders and from some politicians. In the Far East, the "peace" campaign has

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recently been given increasing attention by the Communist movements in Vietnam and Indonesia. These gains, currently being exploited by the Communists in preparation for the October World Peace Congress in Warsaw, may be further augmented by Soviet use of its return to the UN to propagandize "peace" offers for Korea.

Tactical Developments

Important developments in the tactics employed by the international front organizations in this "Peace" campaign have become evident since the North Korean Communist aggression. In an effort to repair their losses in non-Communist support and strengthen the weak "peace" organizations in the US, the UK, Western Germany, Scandinavia, the Benelux countries, Italy and elsewhere, the Peace Partisan leaders are working hard to: (a) conceal the Communist role in the "peace" movement by assigning the task of promoting it exclusively to "mass organizations"; and (b) develop broader support among the workers and the urban middle class population. Thus, in Italy, the current drive for signatures to the Stockholm petition against the use of atomic weapons is being conducted almost wholly by the General Confederation of Workers (CGIL), the Youth Alliance, and the Partisans of Peace. Internationally, the World Federation of Trade Unions, the World Federation of Democratic Youth and the International Union of Students are engaged in strenuous efforts to promote autumn congresses geared to further promulgation of the theme that the USSR alone can save the world from aggressive US "imperialism", and that mass support for the prohibition of atomic weapons is the principal task of those who wish to help the USSR achieve their aim.

Another new tactical development is the reported readiness of the WFTU to undertake "concrete actions" in support of the North Korean drive. Although the WFTU at first merely called for mass demonstrations denouncing the US "aggression" and demanding US troop withdrawals, it is now apparently preparing to implement these declarations. Its call to WFTU-affiliated labor organizations for "important actions...to assist the Korean people" has so far elicited: (a) a vote by the Australian Miners and Seamen's Unions to ban shipment of arms or supplies to Korea; (b) similar action by the New Zealand Seamen's Union; and (c) a threatened worldwide strike to be staged on October 5 and 6 against US vessels as a protest against US "intervention" in Korea.

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Arab States

The Communist-sponsored World Peace Movement, which has been gathering momentum in certain of the Arab states, has been accelerated by the outbreak of hostilities in Korea. Within Syria and Lebanon, in particular, and to a lesser extent in Egypt, some Arab politicians, intellectuals and religious leaders, as well as numerous students and members from other professions and classes, have signed the Stockholm petition. In Iraq the establishment of a "Peace Committee" in each province is reported to be a Communist aim. Meanwhile, the clandestine Soviet-sponsored Azerbaijan Democratic Station has urged the Iraqi Kurds to sign the Peace Appeal. In Egypt, the peace campaign is facilitated by official Egyptian neutrality. The equivocal position of Syria and Iraq in regard to the Korean war is of advantage to the Peace Movement in both countries. Although Lebanon, after some hesitation, has endorsed the SC Korean resolution, the general public appears apathetic. Moreover, the Arab press, which for the most part has been an advocate of neutrality, helps create conditions which can be readily exploited by Communists in promoting the peace campaign. Arab governments, furthermore, have in general done little to interfere with the campaign, despite its Communist origin, since in broad outline it roughly coincides with the Arab official attitude as well as that of the general populace.

Indochina

The organization of a peace petition campaign and the implementation of a land redistribution program have been given increasing attention by the Communist movement of Vietnam.

A preparatory committee for the establishment of a Partisans of Peace Committee was established in Viet Minh-controlled areas on 25 June. Subsequent propaganda has followed the usual pattern, but there has not as yet been any announcement of a specific number of peace petition signatures. An interesting example of Communist exploitation of local circumstances is the stress laid by one "peace lecturer" on the fact that a large number of Vietnamese towns have such names as "Harmonious Peace" and "Eternal Tranquility".

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The development of a genuine anti-Communist front in Vietnam has followed an uneven course owing to the continuing uncertainty of the Bao Dai Government as to whether its principal enemy is the Viet Minh or the French. Early broadcasts on the Korean situation revealed the Vietnamese longing for neutrality in the cold war. More recently, however, the Bao Dai Government has definitely committed itself to moral support of the US and UN, and anti-Communist propaganda has shown a marked improvement in quality.

Indonesia

The peace campaign has appeared in Indonesia only recently. It was initially given impetus by the Youth Congress Organization of the Indonesian Republic at Jogjakarta. The Youth Congress, a Communist front organization, passed a resolution in early June to support the movement for world peace and for the prevention of the use of atomic weapons and their destruction. Leaders of the Youth Congress include Dr. Assatt, who is also acting President of the Indonesian Republic. Following this action, a Secretariat for the Defense of World Peace was formed in Jogjakarta to organize the collection of signatures. Then, in early July, a Committee for World Peace was formed in Jakarta (Batavia) which, in its peace appeal, stresses the desirability of neutrality, with particular reference to non-involvement in the Korean War. Meanwhile, it is reported that similar committees have been established in Semarang and Surabaya. It is expected that the Peace Campaign emphasis on neutrality will have a strong appeal and will enable this phase of Communist activity to make considerable progress.

Western Germany

The peace campaign has taken on more belligerent overtones since the outbreak of the Korean war. The Communist propagandists are warning that the Korean situation clearly demonstrates the overwhelming power of the Soviet bloc and the consequent folly of West Germans in depending on US guarantees of military support. Although this campaign of intimidation is not expected to cause a widespread swing of public opinion to the Communist camp, it is increasing general uneasiness among West Germans.

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United Kingdom

The mass meeting held in Trafalgar Square on 23 July following a conference of the British Peace Committee appeared in every way to be less successful than the 1 June meeting. The crowd, many of whom appeared to be curious passersby, was estimated at between five and seven thousand; which was both smaller than the 1 June meeting and markedly apathetic. There was also a striking decrease in the number of British colonial students present although Paul Robeson's presence was probably responsible for their attendance on 1 June.

Scandinavia

The tempo of the Peace Partisans' campaign to collect signatures for the "Stockholm Peace Appeal" has been stepped up in Denmark, Norway, and Sweden, but this activity appears to have commenced prior to the outbreak of hostilities in Korea. The success of the appeal has been appreciably diminished, however, by the vigorous tactics of non-Communist propagandists to expose it. In Denmark, particularly, the offer by a Copenhagen newspaper to print retractions of innocent signers has received wide publicity and approval with a considerable list of retractors being printed. In Sweden and Norway the denunciation of the Stockholm appeal by the Swedish and Norwegian prime ministers has hampered the collection of signatures.

Latin America

"Peace" propaganda has continued to be a major Communist theme, but recently it has been tied in with propaganda on the Korean affair, which brands US the aggressor. In addition, propaganda has taken the form of attempted demonstrations in front of US Embassy buildings in Argentina. In Brazil a new Communist front called "National Movement for the Prohibition of Atomic Weapons" has been formed consisting mostly of the same persons who make up the "peace" committees. However, reports from several countries indicate a waning interest in "peace" campaigns particularly as the Korean fighting has continued. In addition, some propaganda against the Communist "peace" campaign has reportedly developed.

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3. AREAS OF INCREASED COMMUNIST ACTIVITIES

Mongolia

Northern Korean leader Kim Il Sung's recent "wish" for a "new people's entire Mongolia," to be established by the Soviet-controlled Mongolian People's Republic, may be a Soviet-sponsored trial balloon, preliminary to a Soviet attempt not only to unify Outer and Inner Mongolia but also to bring under Soviet control Mongols in Chinese areas and thus further to strengthen the Soviet position in all the northern border regions of China. Although the Peiping regime has recently been attempting to increase its own control over the Inner Mongolian Autonomous Government (IMAG) by absorbing Inner Mongolian armed forces into Chinese armies and transferring the IMAG capital southward to Kalgan -- a Monhol unification program under Soviet auspices would probably be successful. The Mongols generally, and certain of the IMAG leaders, are resentful of past Chinese oppression, are suspicious of Peiping's promises, have intense racial pride, and would be vulnerable to pan-Mongol propaganda. It is possible that an expression of Peiping's displeasure over the prospect of thus losing a large slice of western Manchuria and northern China, will deter the Kremlin from pressing such a venture at this time. If the USSR persists, the Chinese Communists might lose, together with Inner Mongolia, some of their enthusiasm for "proletarian internationalism", although the Mongolian issue probably will not become sufficiently important in itself to threaten the Sino-Soviet alliance.

Pakistan

The following events in Pakistan indicate increasing Communist activities:

(1) Reportedly on 26 June 1950 a meeting of leading Karachi Communists was held for the purpose of organizing a more active "peace" movement in Karachi. Faiz Ahmad Faiz, a key figure in Communist activities in West Pakistan, stated that the peace movement is by far the best "united front" yet devised--much better than civil liberties--and should be strongly emphasized; that the war in Korea would help the drive, if properly exploited. A Karachi Peace Committee was established on 23 July, demanded reversal of the GOP position on Korea and denounced US interference in Asia as a

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"threat to the peace of the world." A later report indicates that the campaign for signatures to the Stockholm Peace Resolution has been intensively carried on in Lahore but that elsewhere in Pakistan the emphasis has been placed on "hands off Korea" propaganda.

(2) It has also been reported that the Soviet Ambassador to Pakistan has been much more active in recent weeks in his contacts with leftists, including new members of the press. His activities may have a bearing on the continued slanting of news in some local papers, although there has been a general improvement (from the US viewpoint) in the handling of factual news on Korea. The Karachi Tass office has been making available extensive hand-outs on the Korean situation and, in addition, the Second Secretary of the Soviet Embassy has been travelling in the Punjab and Northwest Frontier Province making particular efforts to contact leading members of the press. In this connection, it is reported from Moscow that the attention given Pakistan in the Soviet press is increasing.

(3) The two functions commemorating the death of Maxim Gorki are significant principally in pointing up the degree of effective cooperation which has developed between the Soviet Embassy and Karachi Communist leaders. The exhibition of photographs and the public meeting were efficiently organized, well attended, favorably reported in the press and, from a propaganda point of view, highly successful.

(4) A Punjab police union organized by workers of the local Communist-led Railway Union was banned by the Government a week after its formal organization.

British Africa - Basutoland

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Officials of the British territory of Basutoland (which is surrounded by the Union of South Africa) have expressed great concern over the appearance there for the first time of Communist sympathies. A high [redacted] official who recently toured Africa to coordinate anti-Communist measures, reportedly said that he was concerned with the growth of communism in South Africa only in Basutoland. This concern stems partly from some sub-chiefs' petitioning the UN to replace the UK

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as protector, and it is thought that they intend ultimately to seek the protection of the "color-blind" USSR. This endeavor presumably reflects less a sympathy for Communist ideology than a fear that the UK will hand over Basutoland to the extremely color-conscious Union of South Africa (as the British South Africa Act of 1909 establishing the Union envisaged) in response to renewed overtures from the Union's Malan Government.

Panama

Propaganda of a local nature reported from Panama indicates that Communists sparked a movement to demand a corridor across the Panama Canal Zone, and in this project enlisted the support of one of Panama's larger civic organizations. In addition, they are reported to have attempted to raise an issue of sovereignty and to have roundly criticized various aspects of US policy affecting Panama. This propaganda is succeeding in exploiting troublesome issues which make US relations with Panama more difficult.

4. INFILTRATION

Malaya

Increasing Communist activity on all levels in Malaya would seem to indicate that the movement continues to gain momentum in that British dependency. Terrorist incidents, which reached a new peak for the two-year period of the emergency during the month of May, have continued to remain high throughout July. The percentage of serious incidents has also risen and the increased military capabilities manifested by the terrorists would seem to point up their access to an adequate supply of arms and ammunition despite reports of shortages and the paucity of reliable evidence of outside assistance.

Distribution of Communist propaganda has also been expanded throughout educational institutions as shown by British confiscation of large supplies at several Chinese schools. Infiltration and subversion among trade unions and labor groups continues with definite progress having been reported among the Rubber Workers Union.

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Terrorist activities continue to threaten rubber production. Slashing of rubber trees appears to have increased during July; destruction of rubber processing equipment on the estates continues; and it now appears that systematic efforts are being made, by specially trained crews of arsonists, to destroy rubber warehouses in the Singapore area.

The Overseas Affairs Committee of the Chinese Communist regime at Peiping is also reported to be making efforts to establish offices with the Nan Chiau Jit Pao, left-wing newspaper owned by Tan Kah Kee. A representative there, yet to be appointed, will apparently: (1) analyze the effectiveness of the Peiping regime's propaganda, (2) submit monthly reports on general affairs and specific problems to the Overseas Affairs Committee in Canton, (3) gather material on the Overseas Chinese population in Malaya, and (4) possibly arrange for the exchange of students.

India

Recent information indicates that the Communists have prepared a master map of all military depots in India, that Communists have infiltrated a number of these depots, and that a number of depots have already been successfully sabotaged. This information suggests that Communist planning in India is thorough and that the Communists will make strenuous efforts to prevent military stores from being used against them. It also suggests that the Communists may be capable of capturing some of these stores for their own use when they decide that the time is right.

5. SETBACKS

Communist losses in the international labor movement.

One of the most serious setbacks in Communist strength during July was the unmistakable decline in CP influence over non-Communist labor. This decline, which had set in well before the North Korean attack, seems to have been greatly accelerated by that event. The Socialist labor organizations of Western Europe, which have often been easy dupes for Communist "political" strikes, are now almost solidly supporting the US-UN course in Korea. Moreover, the progress which the Southeast Asian Mission of the ICFU has made towards establishing closer links with non-Communist

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Asian labor and building up resistance to the Communist drive will probably cut increasingly into the Communist potential for revolutionary action in this area.

Other major Communist losses in the labor movement were: (a) The French Government's action declaring illegal the International Seamen and Dockers Union which the WFTU set up last summer in Marseilles; and (b) the decision of the Tunisian nationalist labor federation UGTT to leave the WFTU. While it is too early to estimate the full effect of the French ban on the WFTU Seamen's International, this action sets a precedent for similar measures by other European governments and may threaten the continued freedom of action of other WFTU internationals such as those organized for the Miners (in Brussels), the Metal Workers and the Teachers (in Paris) and the Building Construction Workers (Helsinki). The defection of the powerful Tunisian UGTT deprives the Soviet-directed WFTU of its last important non-Communist affiliate in the Mediterranean basin and will seriously handicap Communist efforts to promote a working nationalist-Communist alliance against the colonial powers in Northern Africa.

Germany

The Bonn Bundestag has lifted the parliamentary immunity of KPD leader Max Reimann, opening the way to his early indictment on charges of aiding in the alleged kidnapping of former KPD leader Kurt Mueller, now in a GDR jail. Walter Fisch, another KPD deputy was suspended for thirty days as a result of his attempts to protest the steps against Reimann. This reduced current KPD representation in the Bundestag to eight.

British Africa - Southern Rhodesia.

A "subversive activities" bill recently introduced by the overwhelming Government majority in the self-governing British territory of Southern Rhodesia is modeled after similar legislation enacted in the neighboring Union of South Africa. Wide powers are given to the Government to proscribe activities defined as subversive. Prime Minister Huggins has explained that although communism is almost non-existent in Southern Rhodesia, the measure will prevent that potential danger from ever becoming serious in the future. The weak opposition to the bill has come

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from labor and liberal circles.

Latin America.

In Panama, the administration continued its efforts to eliminate Communists from the government. A Communist alternate judge of the Supreme Court was prevented from serving by prompt appointment of a new non-Communist judge when an ailing jurist retired. Some efforts were also made to oust Communist teachers. In Costa Rica, the local Communist Party was definitely outlawed as a result of its efforts to get its legal status clarified. The usual police repression of Communism continued in Brazil, and the police developed plans to cope with possible Communist inspired disorders. In addition the Recife City Chamber expelled the Communist councilmen and their alternates.

Argentine Communists were prevented from demonstrating on several occasions by police action and arrests, but won a moral victory when a measure to outlaw the CP did not pass the legislature. The Guatemalan Government fired two Communists who had been in charge of the official newspaper and radio station, but conservative-inspired demonstrations against the administration have probably delayed further isolation of the Communists in that country. Cuban Communists have been fighting off attempts to outlaw the Party and attempts to wrest control of the newspaper HOY from them. In addition, the Electrical Workers' Union adopted a resolution permitting expulsion of Communists, and the Communist front Women's Organization was denied a permit to hold a meeting.

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PART IV

CURRENT AND FORTHCOMING COMMUNIST EVENTS

August	indefinite	New York	International Sports Festival, Sponsor: Young Progressives of America
"	6	Hiroshima	Atom Bomb Memorial Day and Anti-War Struggle Day
"	8	Prague	WFTU Postal, Telegraph, Telephone & Radio Workers International
"	13-20	Nice	Franco-Italian Youth Rally
"	14-28	Prague	Second World Congress, Inter. Union of Students
"	16-17	Prague	World Committee of Peace Partisans
"	25-26	Berlin	National Front Congress
"	30 Aug-3 Sep	Berlin	Third Congress, East German Labor Organi- zation (FDGB)
September	indefinite	Warsaw	Polish Peace Defenders Congress
"	indefinite	Rumania	Rumanian Congress of Peace Committees
"	3	Ravensbrueck	Peace Rally, German Democratic Women's League
"	10	Germany	Memorial Celebrations, Society of Per- secutees of the Nazi Regime (VVN)
"	18-20	Warsaw	WFTU Transport Workers International
"	20	Berlin	All-German Peace Conference
"	30 Sep-1 Oct	Dortmund	Congress of Young Peace Fighters of West Germany
October	1-15	Tunis	National Congress of the Tunisian Committee for the Defense of Peace
"	6-8	New York	American-Slav Conference for Peace

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October	16-21	Warsaw	Second World Congress of the Partisans of Peace
November	indefinite	Czechoslovakia	Award of Czechoslovak Annual National Peace Prizes
"	9-12	France	Congress of the Union of the Republican Youth of France
"	10	worldwide	World Youth Day
"	11-17	worldwide	International Students' Week
"	17	worldwide	International Students' Day
December	21		Award of Inter. Stalin Peace Prizes

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